

**AUDIT REPORT
ON THE ACCOUNTS OF
GOVERNMENT OF BALUCHISTAN
AUDIT YEAR 2024-25**



AUDITOR-GENERAL OF PAKISTAN

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

FOR THE CITIZENS OF PAKISTAN

PREFACE

Articles 169 and 170 of the Constitution of Islamic Republic of Pakistan, 1973, read with Sections 8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, require the Auditor-General of Pakistan to conduct audit of accounts 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 the Government of Balochistan for the financial year 2023-24 and accounts of some entities of departments pertaining to previous financial years. The DG Audit, Balochistan conducted audit during 2024-25 on a test check basis with a view to report significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The audit observations listed in the Annex-1 shall be pursued with the Principal Accounting Officers at the DAC level and in all cases, where the Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

The Audit Report contains Impact, Citizen Participatory and Thematic Audits. Impact Audit is an attempt to determine the impact of a new programme or recent change to an existing programme. Citizen Participatory Audit has been conducted based on the recommendations of and in collaboration with Civil Society and panelists. Thematic audit is a comprehensive examination of the selected theme on cross cutting issues related to strategic importance and governance structures.

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.

The Audit Report has been finalized in the light of discussions in the DAC meetings held from January to December, 2024 and after seeking written responses of the departments/offices.

There are a number of audit paras which were also reported in the last years Audit Reports for the Financial Years 2022-23 and 2023-24. Recurrence of such irregularities is a matter of concern and needs to be addressed.

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

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

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ABBREVIATIONS AND ACRONYMS

AGB	Accountant General Balochistan
AGP	Auditor-General of Pakistan
AGPR	Accountant General Pakistan Revenues
AMIS	Audit Management Information System
APPM	Accounting Policies and Procedures Manual
BBISE	Balochistan Board of Intermediate and Secondary Education
BCSR	Balochistan Composite Schedule of Rates
BDA	Balochistan Development Authority
BEMIS	Balochistan Education Management Information System
BESP	Balochistan Education Sector Plan
BHCIP	Balochistan Human Capital Investment Project
BHU	Basic Health Unit
BLRMIS	Balochistan Land Record Management Information System.
BMC	Bolan Medical College
BMSP	Balochistan Medical Support Program
BoD	Board of Directors
BoR	Board of Revenue
BPFM	Balochistan Public Finance Management
BPPRA	Balochistan Public Procurement Regulatory Authority
BPPRs	Balochistan Public Procurement Rules
BSTS	Balochistan Sales Tax on Services
BTBB	Balochistan Text Book Board
CAATs	Computer Assisted Audit Techniques
CBR	California Bearing Ratio
CDWAP	Clean Drinking Water for All Project
CMIT	Chief Minister Inspection Team
CPA	Citizen Participatory Audit
CPD	Continuing Professional Development
CVD	Community Veterinary Dispensary
CVH	Community Veterinary Hospital
CWPP&HD	Communication Works Physical Planning & Housing Department
DDA	Deputy Director Agriculture

DDOE	Deputy District Officers of Education
DEO	District Education Officer
DFO	Divisional Forest Officer
DG (T&A)	Director General Treasuries and Accounts
DOE	District Officer Education
DRAP	Drug Regulatory Authority of Pakistan
DTL	Drug Testing Laboratory
ECNEC	Executive Committee of National Economic Council
EG	Empty Gunny
EMIS	Education Management Information System
FAP	Foreign Aided Project
FCAs	Foreign Currency Accounts
FD	FD, GoB
FRM	Financial Reporting Manual
GBHS	Government Boys High School
GDA	Gwadar Development Authority
GGHS	Government Girls High School
GoB	Government of Balochistan
GoP	Government of Pakistan
GPS	Global Positioning System
HMIS	Health Management Information System
HRA	House Rent Allowance
IFAD	International Fund for Agriculture Development
IPC	Interim Payment Certificate
ISSAI	International Standards of Supreme Audit Institutions
KLDFB	Kid / Lamb Fattening Development Project Balochistan
LDDD	Livestock and Dairy Development Department
LRMIS	Land Revenue Management Information System
LUAWMS	Lasbela University of Agriculture, Water and Marine Sciences
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MERC	Medical Emergency Response Center
MfDAC	Memoranda for Departmental Accounts Committee
MGD	Million Gallons per Day

MoU	Memorandum of Understanding
MRI	Magnetic Resonance Imaging
MSD	Medical Store Depot
NFC	National Finance Commission
NGOs	Non-Government Organizations
NIT	Notice Inviting Tender
NSMC	National Merit Scholarship Corporation
NSR	Non-Schedule Rates
OFWM	On Farm Water Management
OM	Operation and Maintenance
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission (Proforma I)
PC,	Project Director, National Programme for Family Planning,
NPFP&PHC	Primary Health Care and Lady Health Workers
PCSIR	Pakistan Council of Scientific and Industrial Research
PEC	Pakistan Engineering Council
PEI	Partnership for Economic Inclusion
PHED	Public Health Engineering Department
PIU	Provincial Implementation Unit
PMU	Project Management Unit
PPIU	Provincial Planning and Implementation Unit
PPP	Public-Private-Partnership
PRC	Provincial Reserve Center
PSDP	Public Sector Development Program
PTA	Provincial Transport Authority
PVC	Polyvinyl Chloride
QDA	Quetta Development Authority
QESCO	Quetta Electric Supply Company
QWASA	Quetta Water and Sanitation Authority
RD	Road Distance
RTA	Regional Transport Authority
RTSM	Real Time School Monitoring
Rs.	Rupees
S&GAD	Services and General Administration Department

SBKWU	Sardar Bahadur Khan Women's University
SBP	State Bank of Pakistan
SDG	Sustainable Development Goals
SLIC	State Life Insurance Corporation
SMBR	Senior Member Board of Revenue
SoP	Standard Operating Procedure
SPH	Sandeman Provincial Hospital
SWP	Solar Water Pumping System
TB	Tuberculosis
TBTTP	Ten Billion Tree Tsunami Programme
TTS	Tenure Track System
UNICEF	United Nations International Children's Emergency Fund
UNICEF	United Nations International Children Education Fund
UoB	University of Balochistan
UoL	University of Loralai
UoT	University of Turbat
UP&DD	Urban Planning and Development Department
uPVC	Un-plasticized Polyvinyl Chloride
VC	Vice Chancellor
VRIs	Veterinary Research Institute
WBDs	Water Borne Diseases
WFPs	Water Filtration Plants
WHO	World Health Organization
WSSs	Water Supply Schemes

EXECUTIVE SUMMARY

The Director General Audit, Balochistan, carries out audit of the Government of Balochistan. Provincial Government conducts its operations under the Rules of Business, 1973 that comprise 39 Principal Accounting Officers (PAOs) for different departments, attached departments, subordinate offices and certain autonomous bodies. Provisions of the Constitution describe the Consolidated Fund and Public Account for which the Provincial Assembly authorizes Annual Budget Statement in the form of budgetary grants. For audit of the same, DG Audit, Balochistan has a human resource of 56 personnel with 13,440 person-days. This office is mandated to conduct Compliance with Authority Audit, Financial Attest Audit, Thematic Audit, Impact Audit, Citizen Participatory Audit and Performance Audit of departments and Projects run by these departments.

a. Scope of Audit

This office is mandated to conduct audit of 4,347 formations working under 39 PAOs. In the financial year 2023-24, expenditure of these DDOs / formations was Rs. 467.922 billion and receipts from own sources were Rs. 30.610 billion. It also included receipts of Rs. 482.356 billion from Federal divisible pool.

Audit coverage for the financial year 2023-24 comprises 267 formations of 26 PAOs having a total expenditure of Rs. 237 billion and receipts of Rs. 7.652 billion. The audit coverage for expenditure and receipt is 50.6% and 25% respectively. This audit report also includes audit observations for the financial year 2022-23.

In addition to this compliance audit report, Director General Audit, Balochistan, conducted 10 Financial Attest Audits and material paras of these Audits have been incorporated in this report.

The report also encompasses a multifaceted approach to evaluating organizational performance and governmental intervention, featuring three distinct audit methodologies: Citizen Participatory Audit (CPA), Impact Audit and Thematic Audit.

The CPA audit was collaboratively undertaken in conjunction with a group of Panelists and ordinary citizens. The primary objective was to cultivate a meaningful partnership among diverse stakeholders, empowering them to actively engage in the Audit process. This participatory approach not only enhanced the credibility of audit, but also strengthened democratic principles by fostering citizen engagement in public affairs.

The Impact Audit aimed to evaluate the comprehensive effects of government intervention. This strategic assessment delved into both the tangible and intangible outcomes, exploring the societal outcomes of the project. By striving to offer a holistic understanding of effectiveness, efficiency, and equity, audit seeks to empower policymakers in optimizing resource allocation, refining strategies, and ultimately maximizing socio-economic benefits for the community.

The Thematic Audit meticulously scrutinized the business processes of organizations, aiming to identify risks hindering the achievement of their objectives. This comprehensive review examined deep into the core functions of each organization, scrutinizing its operational framework to uncover vulnerabilities, inefficiencies, and areas for improvement. By critically analyzing the interplay of various processes, audit provided invaluable insights into enhancing organizational performance and effectively mitigating risks.

b. Recoveries at the instance of Audit

As a result of audit, a recovery of Rs. 21,209 million was pointed out in this report. Recovery effected from January to December 2024, which includes recoveries pointed out in the past audit reports, is Rs. 6,527.520 million that has been verified by audit.

c. Audit Methodology

Desk Audit techniques were applied intensively by DG Audit, Balochistan, in the audit year 2024-25. This was facilitated by access to live SAP-ECC6 data, intranet, internet facilities, and the availability of permanent files. Desk review helped auditors understand the systems, procedures,

environment, and the audited entity before starting field activity. This greatly facilitated the identification of high-risk areas for substantive testing in the field. Moreover, for impact audit statistical methods including Time-series analysis were adopted.

Audit Management Information System (AMIS) has been initiated from the Audit Year 2022-2023, and all the Audit activities from planning to final annual report have been brought on the system.

d. Audit Impact

Following the audit findings, the departments have implemented the following corrective actions:

- PD, Balochistan Human Capital Investment project, Health Department, GoB purchased and installed four units of waste management equipment¹.
- PD, “Clean Drinking Water for All” (CDWA), PHED, GoB developed water quality testing labs which would be functional soon. Further, for the first time, a mobile water quality lab (vehicle) had been introduced for testing water at the required site².
- PD, “Clean Drinking Water for All” (CDWA), PHED, GoB had made 9 water filtration plants/sites functional³.
- The “DigiBizz Freelancing and Entrepreneurship Program”, an initiative of the Science and IT Department, GoB, has expanded its reach to include the districts of Loralai, Gwadar, Zhob, and Sibi. This expansion allowed the program to offer income-generating opportunities to citizens across a wider range of regions, and resulted in graduating 192 more freelancers⁴.

¹ Para No. 23.1.11 printed in Audit Report for the year 2023-24

² Para No. 24.10.1 printed in Audit Report for the year 2023-24

³ Para No. 24.10.2 printed in Audit Report for the year 2023-24

⁴ Para No. 25.4.3 printed in Audit Report for the year 2023-24

The “DigiBizz Freelancing and Entrepreneurship Program”, an initiative of the Science and IT Department, GoB, has initiated payments through different platforms including Paypall, Wise, Elevate Pay, Payoneer, Nayapay, E-pay and Sadapay which are being facilitated by UBL, Faisal and Meezan Banks⁵.

e. Comments on Internal Controls and Internal Audit Department

Audit of the departments and subordinate offices conducted during the year indicated that adequate internal controls were missing in most organizations and departments. Recurrence of similar irregularities pointed out by statutory audit year after year shows systematic ineffectiveness of internal controls.

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

- Efforts to enhance government receipts were not effective,
- Stock accounts were either maintained improperly or not maintained at all,
- Non-recovery of Government taxes and duties,
- Procurement of stores in non-transparent manner,
- Non-observance of prescribed procedures in the execution of development schemes,
- Non-prioritization of ongoing development schemes, resulting in capping and abandonment of projects midway,
- Time and cost overrun due to delays in completion of the projects mainly caused by lack of both sufficient and timely funding besides mismanagement,
- Weak budget planning leading to weak execution,
- Instances of payments in the name of DDOs instead of vendors,
- Instances of saving / investment of public money in commercial banks,

⁵ Para No. 25.4.7 printed in Audit Report for the year 2023-24

- Poor management of government assets further aggravated in the absence of Asset Module in SAP,
- Instances of violation of contract,
- Instances of non-production of record,
- Instances of recurring nature of audit paras.

Statutory audit exercises sample-based check on 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. 70,027.9 million. The executive authorities can learn from the points raised by the audit.

f. Key Audit Findings:

The audit conducted during the year highlights that systemic weaknesses in internal controls of respective departments of the provincial government continue to impair economy, efficiency and effectiveness in utilization of public resources. The implementation of development schemes in critical areas related to Education, Health and other social sectors suffered a setback due to capping of ongoing schemes after incurring expenditure in billions. Further, ongoing development schemes also suffered time and cost overruns due to inefficiency in release of funds. Besides, Impact Audit showed that Solarization of 252 existing WSSs was an important intervention; however, its efficacy was not at the desired level due to implementation lapses arising from absence of quality control mechanism and implementation hurdles. Thematic Audit revealed that lack of effective M&E mechanism and mismanagement of resources by Secondary Education Department gravely hampered improvement in enrollment and retention rates in schools. The CPA revealed that the project KLFB demonstrated satisfactory achievement of its targets as per feedback of beneficiaries; however, the panelists involved in the audit process raised serious concerns regarding insufficient funding, weak M&E mechanism, discrepancies in project record and data, and a lack of third-party validation. The concerns of panelist were also verified by audit during field audit activity.

Specific instances of Audit findings in highlighted areas are given below:

- i. Non-production of record in 3 instances⁶
- ii. Doubtful expenditure - Rs.236.062 million 4 cases⁷
- iii. Loss sustained by the government - Rs.3,491.17 million in 8 cases⁸
- iv. Evasion of taxes and duties - Rs.13,127.8 million noted in 19 cases⁹
- v. Recoverable - Rs.7,535.69 million noted in 21 cases¹⁰
- vi. Overpayment - Rs.2,760.31 million noted in 28 cases¹¹

⁶Para 4.2.1,16.2.1,17.2.1

⁷Para 2.2.4,2.2.11,3.2.10,5.2.3

⁸Para 4.3.1,5.2.6,8.2.1,8.2.3,8.2.6,8.2.8,19.2.6,19.2.13

⁹Para 2.2.9,3.2.7,4.2.6,4.3.4,5.2.2,5.2.5,6.2.3,9.2.10,10.2.2,11.2.4,12.2.2,12.2.3,13.2.3,14.2.9,14.3.1,14.4.4,15.2.6,16.2.7,16.2.14,19.2.5,20.3.4,20.4.3

¹⁰Para 2.2.4,2.2.8,4.3.5,5.2.3,5.2.4,5.2.6,5.2.13,5.2.14,5.2.19,5.2.20,5.2.26,6.2.2,14.2.12,14.4.3,15.2.1,15.2.2,16.2.2,16.2.15,17.2.2,17.2.9,18.2.4,19.2.10,19.2.14,20.4.1,20.4.2,20.5.4,20.5.2,20.5.3,20.5.5,20.5.8

¹¹Para 2.2.14,4.2.2,4.2.3,4.2.7,4.2.8,4.2.9,4.3.2,4.3.3,4.3.4,4.3.9,4.3.12,5.2.10,5.2.24,11.2.2,11.2.6,11.2.7,11.2.10,11.2.12,14.2.8,14.3.2,14.3.,14.3.5,14.3.6,14.4.5,16.2.13,16.2.16,,16.2.17,16.2.20,19.2.1,19.2.7

⁷Para 2.2.14,4.2.4,4.2.6,4.2.10,4.2.11,4.2.2,4.2.13,4.2.14,4.3.6,4.3.7,4.3.10,4.3.11,5.2.1,5.2.5,5.2.7,5.2.8,5.2.9,5.2.12,5.2.15,5.2.16,5.2.18,5.2.21,5.2.22,5.2.23,5.2.25,5.2.27,5.2.29,5.2.3.2,6.2.1.6.2.4.7.2.1.7.2.7,2.3.7.2.4,7.2.5,7.2.6,7.2.7,7.2.8,8.2.2,8.2.4,8.2.5,8.2.7,9.2.1,9.2.2,9.2.,9.2.4,9.2.5,9.2.6,9.2.7,9.2.8,9.2.11,9.2.12,9.2.13,9.2.14,9.2.15,9.2.16,9.2.17,9.2.18,9.2.19,9.2.20,10.2.1,10.2.3,11.2.1,11.2.3,11.2.5,11.2.8,11.2.9,11.2.11,11.2.13,11.2.14,12.2.1,12.2.4,12.2.5,12.2.6,13.2.1,13.2.2,13.2.4,13.2.5,13.2.6,14.2.1,14.2.2,14.2.3,14.2.4,14.2.5,14.2.6,14.2.7,14.2.10,14.2.11,14.3.3,14.4.1,14.4.2,15.2.3,15.2.4,15.2.5,15.2.7,16.2.3,16.2.4,16.2.5,16.2.6,16.2.8,16.2.9,16.2.10,16.2.11,16.2.12,16.2.18,16.2.19,17.2.3,17.2.4,17.2.5,17.2.6,17.2.7,17.2.8,17.2.10,17.2.11,17.2.12,18.2.1,18.2.2,18.2.3,18.2.5,18.2.6,19.2.2,19.2.3,19.2.4,19.2.11,19.2.12,19.2.15,20.1.1,20.2.1,20.2.2,20.2.3,20.3.120.3.2,20.3.3,20.3.5,20.4.4,20.5.1,20.5.2,20.5.3,20.5.1,20.5.4,20.5.6,20.5.7

- vii. Irregular expenditure - Rs. 40,857.1 million noted in 130 cases¹²

g. Key Audit Findings of CPA

- i. Time over-run due to project delays and funding shortfall.
- ii. Lack of clarity in financial and physical execution of the project due to flawed PC-I and absence of feasibility report.
- iii. Faulty planning and under achievement of weight gain of Kids/Lambs.
- iv. Lack of transparency and control weakness evident from non-availability of trial registers, supplied medicines and equipment.
- v. Non-execution of third-party evaluation of project implementation.

h. Key Audit Findings of Impact Audit

- i. Under achieved impact of the project on quantity of supplied water, cost savings and WBDs.
- ii. Inactive/non-operational and restricted WSSs.
- iii. Non-existent quality control and assurance mechanism.

i. Key Audit Findings of Thematic Audit

- i. Weak monitoring due to non-functional M&E Directorate leading to 3692 non-functional schools.
- ii. Wasteful expenditure in schools with zero enrolment.
- iii. Unrealistic demand and excess printing of text books.
- iv. Poor RTSM System and discrepancies in EMIS data.

j. Recommendations

- i. Non-production of record is a serious irregularity, which hinders audit activity. PAOs need to take disciplinary action against those officials who are found responsible for the non-production of record to audit.

- ii. Practice of shelving earlier development schemes mid-course or slashing their funding should be strictly avoided considering negative impact on social development.
- iii. Inefficiencies in timely release of funds for development schemes need to be addressed through better budgetary control mechanisms and oversight thereof.
- iv. Inquiries need to be conducted to fix responsibility for loss and irregular expenditures and avoidance of such irregularities need to be ensured through strengthened internal controls and oversight.
- v. Efforts need to be made by the PAOs to recover overpaid amounts and dues.
- vi. PAOs of revenue earning departments need to make serious efforts to collect due government receipts in a timely manner.

k. Recommendations (CPA)

- i. Strengthen the financial monitoring system to track the utilization of funds and identify any potential shortfalls.
- ii. Conduct feasibility studies and subsequent preparation of PC-II before developing the detailed PC-I, containing clear objectives, targets, timelines, and a detailed budget.
- iii. Review the beneficiary selection process to ensure its fairness, transparency, and the legitimacy of any changes made to the beneficiaries list.
- iv. Engage a qualified third-party evaluator to conduct a comprehensive evaluation.

l. Recommendations (Impact Audit)

- i. Prioritize the earliest completion of ongoing solarization schemes and to operationalize inactive WSSs.
- ii. Establish a robust quality control and assurance mechanism through dedicated oversight by PAO.
- iii. Align the design and planning of the project with the WHO standards related to quality of drinking water as well as other

global, national and provincial policies, and put in place efficient practices for saving costs.

m. Recommendations (Thematic Audit)

- i. Justify non-functionality of M&E directorate and initiate immediate remedial action to revive its operations.
- ii. Prioritize rehabilitation of schools and allocate resources for urgent infrastructure repair.
- iii. Inquire the matter of wasteful expenditure in schools with zero enrolment.
- iv. Devise a comprehensive strategy for textbook printing, conduct periodic physical verification of textbooks stocks to identify discrepancies and develop clear guidelines for data entry and verification of textbook.
- v. Update EMIS with accurate and current data, utilize data analytics tools to identify trends for improved decision-making and establish secure real-time data transfer mechanism.

Sectoral Analysis

Balochistan, the largest province of Pakistan in area and smallest in terms of population, presents a unique set of circumstances that bring forth both obstacles and possibilities for growth. While the province grapples with a significant prevalence of multidimensional poverty, it also possesses vast reserves of natural resources that hold the potential for prosperity. Unfortunately, due to a multitude of challenges, Balochistan has been unable to fully harness its potential.

The 7th National Finance Commission (NFC) allocated a 9.09 % share to Balochistan from the federal divisible pool and a sum of Rs. 482,365 million¹ was received in the financial year 2023-24.

During the financial year 2023-24, the GoB recorded total receipts amounting to Rs. 620,400 million², against which, an expenditure of Rs. 593,374 million³ was incurred, resulting in savings of Rs. 27,026 million. Furthermore, the government spending on development activities remained 29%⁴ of the total allocation, which was quite low.

Out of total receipt, Rs. 482,365 million⁵ was received from the Federal Government as taxation share, which constituted 78% of total revenue. This amount of taxation transfer from the Federal Government is 20% more than that of 2022-23, Rs. 387,949 million⁶.

The GoB's own tax collection for financial year 2023-24 was Rs. 30,610 million⁷ which was 15% higher than last year's collection of Rs. 25,945 million. Own tax collection increased because of Indirect Tax i.e., Balochistan Sales Tax

¹ Financial Statement 2023-24 (Cash flow statement)

² Financial Statement 2023-24 (Budget comparison function)

³ Financial Statement 2023-24 (Budget comparison function)

⁴ Financial Statement 2023-24 (Budget-comparison depart)

⁵ Financial Statement 2023-24 (Note 8-33)

⁶ Financial Statement 2023-24 (Note 8-33)

⁷ Financial Statement 2023-24 (Note 8-33)

on Services summing to Rs. 21,727 million⁸ as compared to last year's collection of Rs. 19,349 million. Receipts under Motor Vehicle Act, Stamp Duties, Provincial Excise and Capital Value Tax on Immovable Property amounted to Rs. 2,713 million⁹ as compared to the previous year collection of Rs. 2,475 million. An amount of Rs. 6,170 million¹⁰ was collected on account of Property tax, Land Revenue, Tax on profession and others.

The bifurcation of total receipts amounting to Rs. 620,400 million is provided in the following table:

S. No.	Head of Account	Rs. in Million			
		2023-24	2022-23	Variance	%
	Receipts				
1	Transfers from the Federal Government	482,365	387,949	94,416	20%
2	Provincial Government's Own Collection Tax?	30,610	25,945	4,665	15%
3	Non-Tax Receipts	42,572	27,104	15,468	36%
4	Grants-in-Aid	38,968	29,144	9,824	25%
5	Receipt of Debt	22,275	9,527	12,748	57%
6	Recovery of Loans and Advances	15	828	-813	-5420%
7	State Trading Activities	3,595	11,435	-7,840	-218%
Total Receipts		620,400	491,932	108,816	22%

Source: Financial Statement 2023-24 (Cash flow statement)

Expenditure of the Provincial Government

S. No.	Expenditure Major Head	2023-24	% of Total Exp:	2022-23	Variance	% Increase/Decrease
1	Salaries and Employee Related benefits	291,296	49%	228,060	63,236	22%

⁸ Financial Statement 2023-24 (Note 8-33)

⁹ Financial Statement 2023-24 (Note 8-33)

¹⁰ Financial Statement 2023-24 (Note 8-33)

S. No.	Expenditure Major Head	2023-24	% of Total Exp:	2022-23	Variance	% Increase/Decrease
2	Project Pre-Investment Analysis	74	0%	132	-58	-78%
3	Operating Expenses	61,897	10%	58,449	3,448	6%
4	Transfers	75,435	13%	59,331	16,104	21%
5	Physical Assets	9,072	2%	19,111	-10,039	-111%
6	Civil Works	122,567	21%	109,952	12,615	10%
7	Repairs and Maintenance	5,315	1%	4,598	717	13%
8	Principal Repayment of Debt	9,256	2%	8,694	562	6%
9	Interest Payments	5,212	1%	3,941	1,271	24%
10	Loans and Advances	5,000	1%	6,073	-1,073	-21%
11	Investments	8,250	1%	5,600	2,650	32%
Total		593,374	100%	503,941	89,433	0

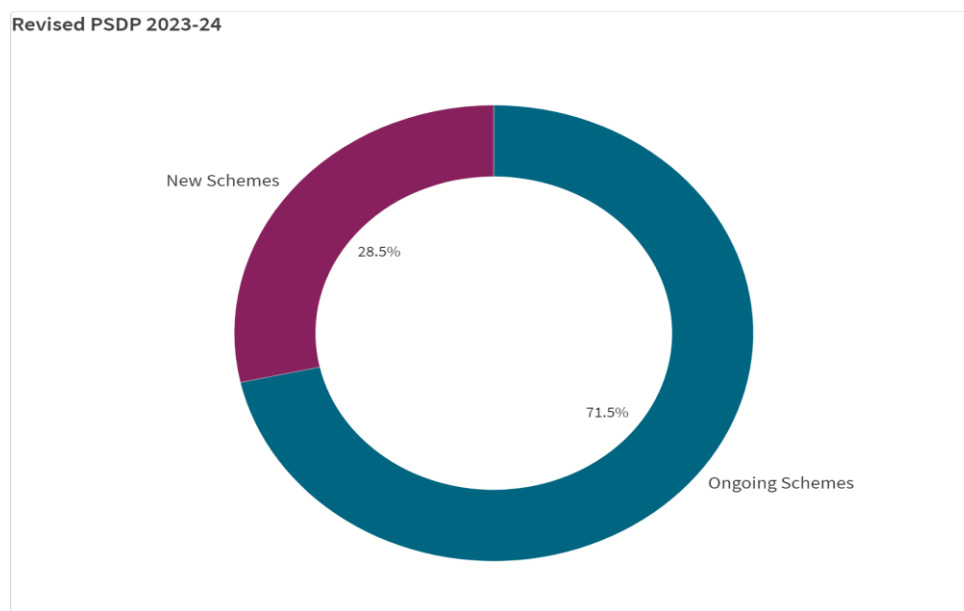
Source: Financial Statement 2023-24 (Budget comparison function)

Development Expenditure

During the evaluation of the revised PSDP 2023-24, it was noted that there were total of 6,150 schemes and the government spent Rs. 172,891 million on development expenditure. Among these, 4,399 were ongoing schemes carried forward from previous years, while 1,751 were new schemes initiated in the financial year 2023-24. There was a drastic decline in number of new schemes (from 3473 to 1751), and a significant increase in the ongoing schemes (from 3390 to 4399) as compared to last year.

There were, however, many anomalies observed: including Non-completion of ongoing schemes, whether they are infrastructure projects, social programs, or business initiatives, can have several significant negative impacts. These impacts can affect various stakeholders, including the government, private sector, and communities. Besides, due to such practices, many schemes were abandoned/ left uncompleted and capped, which was due to wrong prioritization and political allocations, resulting in time and cost-overrun. An

overall PSDP allocation for the financial year 2023-24 has been illustrated below:



Similarly, it is important to emphasize that majority of sectors received less than 1% of total allocation of development funds in the financial year 2023-24, as detailed in following table. The absence of development schemes in these sectors raises concerns about their progress and growth.

Sector-wise allocation of Development Budget as per Final Grant/Actual Expenditure of PSDP and comparison with releases/actual payments
(Rs. in Million)

S. No.	Name of Department	Final Grant	Actual Expenditure	%age of total expenditure
1	Services & General Administration	1,634.451	1,655.478	1%
2	Excise, Taxation Department	246.989	246.982	0%
3	Administration of Justice	0.000	99.986	0%
4	Communication and Works Department	35,948.927	35,541.542	21%

S. No.	Name of Department	Final Grant	Actual Expenditure	%age of total expenditure
5	Public Health Services Department	13,254.221	13,356.158	8%
6	Colleges Higher and Tech: Edu:	6,410.532	6,242.059	4%
7	Health Department	7,860.404	7,260.667	4%
8	Labour & Manpower Department	197.596	197.594	0%
9	Sports & Recreation Department	1,737.948	1,546.022	1%
10	Social welfare Department	429.166	411.985	0%
11	Provincial Disaster Management Authority	300.000	300.000	0%
12	Auqaf and Religious Affairs Department	175.591	168.522	0%
13	Food Department	49.271	35.861	0%
14	Agriculture Department	5,225.883	5,026.662	3%
15	Livestock Department	1,027.513	1,022.099	1%
16	Forestry Department	1,131.093	1,093.654	1%
17	Fisheries Department	177.916	177.890	0%
18	Irrigation Department	12,174.186	12,172.013	7%
19	Local Government and Rural Dev:	5,206.848	5,153.602	3%
20	Industries & Commerce Department	537.489	485.328	0%
21	Mines & Minerals Department	464.495	320.613	0%
22	Secondary Education Department	3,720.030	3,487.981	2%
23	Culture & Tourism & Archives Department	618.534	540.559	0%
24	Women Development Department	169.790	125.206	0%
25	Energy Department	4,503.367	4,414.518	3%

S. No.	Name of Department	Final Grant	Actual Expenditure	%age of total expenditure
26	Science & Information Technology	4,434.400	4,430.880	3%
27	Environment Department	140.867	140.866	0%
28	Urban Planning & Development Department	1,194.532	1,130.507	1%
29	Home Department	953.868	878.564	1%
30	Board of Revenue Department	179.774	178.293	0%
31	Planning & Development Department	300.539	297.209	0%
32	Information Department	10.000	9.999	0%
33	Minority Affairs Department	321.749	321.523	0%
34	Physical Planning & Housing Department	4,056.660	3,870.992	2%
35	Gwadar Development Authority	1,087.606	1,087.604	1%
36	Foreign Funded Projects	30,271.143	18,596.691	11%
37	Federal Funded Projects	30,813.354	30,811.898	18%
38	Balochistan Dev: Authority	1,705.851	1,690.638	1%
39	Other schemes	8,377.897	8,362.327	5%
Total		187,050.480	172,890.973	100%

Analysis of High-Risk Areas

Below is the detail of the high-risk areas identified during the execution of the audit:

A. HR-related expenses:

- i) Payment of pay and allowances beyond admissibility.
- ii) Payments beyond sanctioned strength at cost centers and non-implementation of Organizational Module:

- Payments of pay and allowances above the sanctioned strength can be curbed through implementation of OM Module of SAP by Directorate of MIS of CGA office.

iii) Non-surrendering of unspent/ unrequired amounts resulting in lapse of budget.

B. Operating expenditure:

- i) Split-up of expenditure to avoid open competition.
- ii) Non-deduction of necessary government taxes and procurement from unregistered firms.
- iii) Non-maintenance of important stock record.
- iv) Non-maintenance of fixed assets registers.
- v) No mechanism of internal check to streamline the internal control system.

C. Development expenditure:

- i) Time and cost-overflow due to delays in completion of the projects mainly caused by lack of sufficient funding and timely releases besides mismanagement.
- ii) Instances of less/ non-deduction of government taxes, which include both tax avoidance and evasion.
- iii) Instances of undue advance payments to the contractors.
- iv) Payments beyond PC-I provisions.
- v) Execution of works without PC-II, III, IV, and V.
- vi) Procurement irregularities, which include non-obtaining performance securities, non-obtaining of administrative approval, and violation of BPRA Rules.

D. Revenue receipts:

- i) Non-achievement of revenue targets:
 - The departments view these targets set by FD as unreasonable, despite the fact that both the revenue and expenditure are set in consultation with the concerned administrative department.
- ii) Obsolete / manual methods of reporting revenue.

iii) Tax avoidance and tax evasion.

E. Grant-in-aid

- i) The total expenditure under Grant-in-aid for the financial year comes to Rs. 52.879 billion which is 27% more than the last year expenditure of Rs. 41.690 billion.
- ii) Many departments and autonomous bodies get Grant-in-aid from the GoB, but its proper utilization and surrender of any saving is often not in compliance to set rules.
- iii) The expenditure from Grant is often not purposeful. The Grants have become a norm, which are extended without consideration to the fact that instead of helping to make the autonomous bodies independent, it further makes them more dependent on the government, since these bodies have not shown progress towards self-sufficiency.
- iv) Savings are often either spent on operational heads or invested in banks, without accounting for return on investment.
- v) Operation of Bank accounts for the purpose of depositing the Grant-in-aid amount by departments and autonomous bodies without prior concurrence of FD, GoB is another matter of concern.

Chapter 1

Public Financial Management Issues Observed in Certification Audit of Accountant General, Balochistan, Quetta

1.2 AUDIT PARAS

1.2.1 Non-reconciliation of cash balance resulting in variation between cash and book balance - Rs. 10,675.714 million

According to Para 5 (iii) of Annexure A of CGA Letter¹, dated 28.02.2024, “The Accountant General will issue instructions to the Banks (NBP/SBP) to ensure that all receipts collected and payments made in the current financial year are promptly reported to the concerned accounting offices by the prescribed date, prior to the closure of the accounts as required under para 7.2.4.5 of A.P.P.M.” Further, according to Para 6.3.5.1 of APPM, “every DAO shall prepare a monthly reconciliation statement for expenditures and receipts. The respective Accountant General shall prepare a consolidated monthly reconciliation statement for each government bank account, as set out in Para 6.3.5.2. Further, according to Para 2.1.4.2 of Financial Reporting Manual, the Accountant General shall “Prepare Cash Flow Statement on a consolidated Federal / Provincial basis and reconcile with the State Bank of Pakistan’s reported balances for the Federal / Provincial Government.”

During the Certification Audit of the GoB Accounts for the financial year 2023-24, it was revealed that Cash Balance Sections in AG/DAOs/TOs did not prepare 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, 2024, as detailed below:

¹ No. 189/CGA/FM&E/4-1/2023-24

(Rs. in Million)²

Description		Balance as per Financial Statements	Balance as per SBP-HQ	Variation
Account (30.6.2024)	1,2	52,662.927	41,987.213	10,675.714

The difference occurred due to non-reconciliation with SBP.

Non-maintenance of essential record and reconciliation of account balances between the AG/DAOs and SBP/NBP resulted in variation between Financial Statements and accounts maintained by the SBP.

The matter was reported to the AGB and FD, GoB on 2nd October, 2024, to which the AGB replied that variation amounting to Rs. 5,220 million (including Rs. 4,889 million of Public Account) in the current financial year was due to clearing head of accounts and wrong punching in various Receipt and Expenditure heads. The remaining amount of Rs. 331 million pertains to Treasury Offices. However, Treasury Office Ziarat has prepared Journal Entry amounting to Rs. 2,075 million vide letter No. 134-38 dated 01-10-2024, the remaining amount of variation of Rs. 7,714 million pertaining to previous years will be settled by the joint reconciliation team of AGB and FD, GoB through visits of Treasury Offices.

In the DAC meetings held on October 17, 18 and 25, 2024, it was decided that the already established joint team consisting of AGB and FD, GoB may conduct annual district-wise reconciliations with the aim of reducing variations in both receipts and payments and share progress reports with the Audit. This step was essential for formulating policy decisions that will facilitate the prompt clearance of these longstanding discrepancies.

² Source: IPSAS Financial Statements and Finance Accounts

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

Audit recommends implementation of DAC directives.

1.2.2 Un-adjusted negative balances appearing in the annual account - Rs. 5,169.916 million

According to Para 5 (vii) of Annexure A of CGA Letter No. 189/CGA/FM&E/4-1/2023-24, dated 28.02.2024, “In the light of Direction 7.4.3.2 of A.P.P.M; where a year end adjustment is required, after the close of the financial year, but prior to the production of Annual Accounts, this shall be communicated formally to the AG/AGPR by the relevant DAO or Self-Accounting Entity requesting the adjustment. Any case for adjustment appeared after the prescribed dated and that required to be incorporated in the Accounts in light of GFR Rule 4, may be forwarded to CGA office with solid justification/reasons.”

During the Certification Audit of the GoB Accounts for the financial year 2023-24, it was revealed that the Finance Account contained un-adjusted negative balances of Rs. 5,169.916 million, as detailed below:

(Rs. in Million)

Object Element	Transactions during the financial year			Un-adjusted Balance on June 30, 2024
	Balance on July 01, 2023	Receipts	Payments	
G01138-Treasury Pay Clearing Account (TMAs Account) SBP	-1.271	0	0	-1.271
G01191-Assignment	-1,039.916	52,219.928	52,316.749	-1,136.737

Object Element	Transactions during the financial year			Un-adjusted Balance on June 30, 2024
	Balance on July 01, 2023	Receipts	Payments	
Accounts Cheques				
G01196 - Foreign Aid Assignment Account	-53.339	18,724.599	81,139.101	-0.109
G01201 - Outstanding Commitments	-2,446.838	423,581.981	423,598.813	-2,463.670
G05105 - Wages Clearing Account	-967.346	275,062.565	274,966.207	-870.988
G05110 - State Bank Suspense	-543.477	0	0	-543.477
G05128 - Inter Provincial Settlement Account	-32.995	40.949	67.916	-59.962
G05134 - AGPR Islamabad	-121.306	835.939	808.335	-93.702
Total	-5,206.488	770,465.961	832,897.121	-5,169.916

Source: Finance Accounts for the financial year 2023-24, Page 89.

Negative balances occurred due to non-clearing of relevant heads of account.

Non-clearing of relevant heads of account resulted in unadjusted account balances.

The matter was reported to the AGB and FD, GoB on 2nd October, 2024 to which the AGB replied that the issues appearing in heads G01138, G01191 and G05110 had been taken up with FD, GoB for their clearance, while G01196

and G05105 were being investigated by the AGB and report would be submitted soon. Further, G05128 and G05134 had been cleared.

In the DAC meetings held on October 17, 18 and 25, 2024, it was decided that the unadjusted balances be looked into without any further delay and monthly progress be submitted to audit. Further, balances of G01138, G01191 and G05110 be taken up with FD, GoB for further scrutiny.

The record of G05128 and G05134 negative balances cleared in the monthly Civil Accounts August, 2024 by the AGB was provided to Audit.

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

Audit recommends implementation of DAC directives besides clearing of relevant heads of accounts without further delay.

1.2.3 Non-settlement of outstanding balance of unclaimed money account - Rs. 6,739 million

According to Para 4.2.13.3 of APPM, after the validity period has expired, the amount must be transferred into an “unclaimed money account” within the Public Account. Such unclaimed amount will be cleared after three years and transferred to the Consolidated Fund.

During the Certification Audit of the GoB Accounts for the financial year 2023-24, it was revealed that the Finance Account showed an unadjusted balance of Rs. 6,739.035 million, as detailed below:

(Rs. in Million)

Object Element	Opening balance 01.07.2023	Receipt during the Financial Year	Payment During the Financial Year	Un- adjusted Balance as on 30.06.2024
G11291- Unclaimed Money Account ³	6,739.035	0	0	6,739.035

The difference occurred due to non-implementation of AG cheque register.

Non-clearance of unclaimed money accounts resulted in outstanding balances at the year-end.

The matter was reported to the AGB and FD, GoB on 2nd October, 2024, to which it was replied that the balance amount lying in G11291 was related to uncashed cheques issued by different TOs. FD, GoB had been asked to reconcile and rectify the amount. The FD, GoB did not reply to the observation.

In the DAC meetings held on October 17, 18 and 25, 2024, it was decided that the already established joint team consisting of the AGB and the FD, GoB may look in to the matter, submit recommendations for resolving the issue and share the progress with Audit.

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

Audit recommends implementation of DAC directives regarding resolving the issue of unadjusted balances through the joint reconciliation team.

³ Source: Finance Accounts of the GoB for the Financial Year 2023-24.

1.2.4 Excess expenditure on Pay and Allowances and Development budget - Rs. 597.068 million

According to Para 24 of Balochistan PFM Act 2020, Excess expenditure. - (1) the expenditure in excess of the amount of budget grant as well as the expenditure not falling within the scope or intention of any budget grant, unless regularized by a supplementary grant, shall be treated as excess expenditure. (2) Excess expenditure shall not become a charge against the Provincial Consolidated Fund.

The Certification Audit of the GoB Accounts for the financial year 2023-24, revealed that an amount of Rs. 597.068 million was incurred beyond the allocated budget in Pay and Allowance of both regular and contract employees and development head, as summarized below and detailed in Annexure 1.1.

(Rs. in Million)		
S. No.	Description	Amount
1	Pay and Allowances	246.242
2	Pay and Allowances of Contract Employees	127.876
3	Development Expenditure	222.950
Total		597.068

Excess expenditure was incurred due to non-implementation of budget check.

Spending in excess of the allocated budget was irregular which resulted in excess payments.

The matter was reported to the AGB and FD, GoB on 2nd October, 2024, to which the AGB replied that there was no budget check under pay and allowances in the SAP system due to which excess expenditure occurred every year. There are variations between SAP budget and Budget book under Development budget grants. Releases were incorporated in the SAP system without inclusion in the Budget Book. The FD, GoB replied that the matter had been checked in detail which required further deliberations with the concerned

departments and will be submitted to Provincial Assembly for regularization, if needed.

In the DAC meetings held on October 17, 18 and 25, 2024, it was decided to expedite the implementation of the OM Module as well as undertake other measures to prevent against such excess based on further analysis of reasons. All the excess expenditures will be probed and regularized if required so.

Furthermore, it was decided that the excess budget statement for development expenditure would be submitted by the FD, GoB for approval of the Provincial Assembly/ Cabinet, if so required, under intimation to Audit.

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

Audit recommends implementation of OM Module and analysis of reasons for excess and related preventive controls.

1.2.5 Variation in debt balances/non-reconciliation with FD, GoB - Rs. 2,202.004 million

According to Para 11.7.1.3, Chapter 11 of the APPM, AG/AGPR shall then verify the information submitted in the Credit Report to their own liability records and registers, before incorporating into the Consolidated Monthly Accounts. The AG/AGPR shall investigate and agree with the EAD/MoF any differences which may arise during their verification of the Credit Report. As per Balochistan Rules of Business, 2012, the FD, GoB, is responsible for floating and administering debts which includes responsibility to maintain complete record of all debts raised and repaid. Further, 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."

During the Certification Audit of the GoB Accounts for the financial year 2023-24, it was revealed that there was difference of Rs. 2,202.004 million in foreign debt between FD, GoB and Finance Accounts, as detailed below:

(Rs. in Million)⁴

Description	As per FD, GoB	As per Finance Accounts	Difference
Opening Balance 01.07.2023	74,907.824	74,767.398	140.429
Closing Balance 30.06.2024	101,932.288	99,870.713	2,061.575
Total	176,840.112	174,638.111	2,202.004

Variation occurred due to non-reconciliation.

Non-compliance of financial rules resulted in misreporting.

The matter was reported to the AGB and FD, GoB on 2nd October, 2024, to which the AGB replied that the difference in opening balance was due to non-submission of pervious year debt report by FD, GoB. The difference in receipt occurred due to direct punching of figures in the SAP System by TO, Quetta without reconciliation with FD, GoB. The FD, GoB replied that the balances of debt as on 1st July 2023 and 30th June 2024 shared by this department with the DG, Audit were duly reconciled with EAD and SBP. Further, the AGB and TO, Quetta were requested to make journal entry as per the reconciled statements for rectification of variations.

In the DAC meetings held on October 17, 18 and 25, 2024, it was decided that FD, GoB would direct the TO, Quetta for resolution of the issue, so that necessary corrections could be made in the Finance Accounts.

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

⁴ Source: Page No. 81 of Finance Accounts 2023-24.

Audit recommends that specific report analyzing reasons for difference in figures related to debt and other receipt and expenditure items covering data of last three years at least may be shared by FD in coordination with AGB.

1.2.6 Lack of reconciliation between DAOs and NBP/SBP - Rs. 2,051.277 million

According to Para 5 (iii) of Annexure A of CGA Letter No. dated 28.02.2024⁵, “The Accountant General will issue instructions to the Banks (NBP/SBP) to ensure that all receipts collected and payments made in the current financial year are promptly reported to the concerned accounting offices by the prescribed date, prior to the closure of the accounts as required under Direction 7.2.4.5 of A.P.P.M.” further, according to para 6.4.3.2 & 6.4.3.3 of the 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) agrees 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 the Certification Audit of the GoB Accounts for the financial year 2023-24, it was revealed that figures of receipts/payments booked by various DAO’s did not tally with the figures reported by SBP/NBP, as detailed below:

All Districts of Balochistan	(Rs. in Million)					
	Amount reported by DAOs		Amount reported by SBP		Difference	
	Receipt	Payment	Receipt	Payment	Receipt	Payment
	A	B	C	D	E = A-C	F = B-D
	561,015.215	69,268.705	559,949.305	68,283.338	1,065.910	985.367
Total Receipt and Payment (E+F)						2,051.277

⁵ 189/CGA/FM&E/4-1/2023-24

The differences occurred due to lack of reconciliation.

Lack of reconciliation of expenditure/ receipt between the NBP/ SBP and DAOs resulted in incorrect figures.

The matter was reported to the AGB and FD, GoB on 2nd October, 2024, to which the AGB replied that the issue had been taken up with all the stakeholders. The FD, GoB replied that the department in collaboration with the AGB and DG, (T&A) would reconcile the monthly accounts.

In the DAC meetings held on October 17, 18 and 25, 2024, it was decided that the already established joint team consisting of the AGB and FD, GoB with SBP and NBP would resolve the reconciliation issues at districts and also may conduct annual district-wise reconciliations with the aim of reducing variations, both in terms of receipts and payments. Monthly progress reports will be shared with the Audit. It was also emphasized that the matter may be given top priority keeping in view the importance of the matter.

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

Audit recommends implementation of DAC directives regarding resolution of reconciliation issues to reduce variations.

1.2.7 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 AGB will prepare the fixed asset statement.”

Certification Audit of the Accounts of GoB for the financial year 2023-24 revealed that no record of fixed assets was maintained by the AGB as

required under the relevant rules. Furthermore, line departments also do not follow the requirement of maintaining assets registers at their end.

Non-compliance was caused due to gaps in proper reporting of assets in claims submitted by departments, as well as ineffective utilization of SAP assets module at AG/DAOs.

Non-maintenance of assets record resulted in non-accounting of assets.

The matter was reported to the AGB and FD, GoB on 2nd October, 2024, to which the AGB replied that the matter regarding fixed assets of GoB had already been taken-up with all the PAOs and TOs/DAOs. The FD, GoB replied that the Financial Management Information System of the GoB including Federal Government currently did not have the Asset Management Module.

In the DAC meetings held on October 17, 18 and 25, it was decided that AGB and FD, GoB would take up the matter with the PAOs and Directorate of MIS / FABS of CGA for the early implementation of Asset Module.

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

Audit recommends implementation of DAC directives for (i) implementation of asset module by making necessary changes in asset screen of SAP system to capture details of assets, (ii) modifications in assets related claims to capture detail of assets; this may be in the form of covering sheet, detailing type, number, value and date of purchase of fixed assets.

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., besides assisting farmers by providing advisory services in plant protection and agriculture farming through their field staff.

2.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 18,727.663 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 17,167.025 million was incurred, as summarized below:

(Rs. in Million)				
2023-24				
Type of grant	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Agriculture Grant No.BC21026	13,272,792	11,937,478	(-) 1,335.314	10.06
Non-Development Cooperatives Grant No.BC21031	228.988	202.886	(-) 26.103	11.40
Total Non-Development	13,501.780	12,140.363	(-)1,361.417	10.083
Development Grant No. BC12226 Function No.042103	5,225.883	5,026.662	(-)199.221	3.81
Grand Total Non-Development & Development	18,727.663	17,167.025	(-)1,560.638	8.33

2.1.3 Audit profile of Agriculture and Cooperatives Department

(Rs. in Million)

S. No.	Description	Total numbers	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	306	89	111,99.502	65.097
2.	Assignment accounts	3	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	2	375.00	-

2.1.4 Classified summary of Audit Observations

Audit observations related to Agriculture and Cooperatives Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, overpayments, unjustified selection of beneficiaries and mis-procurements. The department also failed to effectively implement important initiative for provision of farming tool-kits to women.

Audit observations amounting to Rs. 3,153.193 million were raised in this report during the current Audit of Agriculture and Cooperatives Department. This amount also includes recoveries of Rs. 675.356 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	2,248.75
2.	Doubtful expenditure	171.722
3.	Recoverable	675.356
4.	Overpayment	9.365

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
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	8	2	80
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	7	1	88
27.	2018-2019	13	9	4	69.2
28.	2019-2020	8	0	8	0
29.	2020-2021	3	0	3	0
30.	2021-2022	11	0	11	0
31.	2022-2023	12	2	10	16

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
32.	2023-2024	16	0	16	0
Total		440	30	410	6.81

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

2. Agriculture and Cooperative Department

2.2 AUDIT PARAS

2.2.1 Irregular expenditure on development schemes - Rs. 1,012.042 million

As per PC-I, “The project has been prepared with the objective to develop water resources for the promotion of irrigated agriculture through development of water resource and enhance quality of irrigation by providing farmers reliable, uninterrupted, daytime power supply through solar pumping system and to increase crop production for food security. Furthermore, as per directives of DSC held on 17th October, 2016, ¹ “The DD Agriculture (OFWM) of respective districts will submit feasibility of each and every site/scheme for water resource development and management related interventions to the DG, OFWM. GPS coordinates of all the sites will be recorded and made part of record by the concerned districts”.

Various offices of OFWM during the financial year 2023-24, incurred an expenditure of Rs. 1,012.042 million on multiple development schemes, as detailed in Annexure 2.1.

The following irregularities were observed;

- No independent verification of the estimates was conducted either before or after the execution of the work.

¹ No SOA(Dev) 5-1/2015-16/PSDP/2664-76

- The engineers responsible for overseeing the projects failed to physically inspect and evaluate the actual work done on the ground, relying entirely on the original estimates.
- No feedback was obtained from farmers regarding improvements in production and cultivation.
- The GPS record of the completed schemes were not available.

Expenditure without codal formalities was due to weak administrative controls.

Due to the unavailability of technical assessment reports, GPS coordinates, and farmers' feedback, the payment could not be verified

The matter was reported to the department during August to December 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed the department to provide technical assessment reports, GPS coordinates, farmer's feedback and third party verification certificate regarding quality and quantity of work done.

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

Audit recommends strict adherence to the PC-I while executing schemes, maintenance and provision of technical reports along with GPS coordinates besides implementation of DAC directives.

2.2.2 Wasteful expenditure due to lack of research - Rs. 853.155 million

According to Rule 3(4) and 12(4)(a) of the Rules of Business, 2012, GoB, "the Agriculture and Cooperatives Department is tasked with enhancing agricultural productivity by utilizing improved crop varieties and advanced management practices. Additionally, the department is responsible for promoting the genetic improvement of crop varieties."

The following offices of Agriculture and Cooperatives Department, GoB, during the financial years 2022-24, incurred an expenditure of Rs. 853.155 million on establishment and operating charges of research laboratory without undertaking any projects for introducing advance techniques of crop genetic improvement and yield enhancement, despite having research officers and well-equipped laboratories:

(Rs. in Million)			
S. No.	Name of Offices	AIR Para No	Amount
1	Director Agriculture Research Soil & Water Testing ARI-Quetta	1	66.377
2	Director, ARV, Seeds, Quetta	1	50.425
3	DG, Agriculture Research, Quetta	2	478.733
4	Director Plant and Protection, Quetta	1	57.620
5	Directorate of Research Dates Farm, Turbat	1	200
Total			853.155

Non-initiation of research activities occurred due to weak planning.

The lapse resulted in lack of improvement in crop varieties.

The matter was reported to the department during March to November 2024, to which the offices at S.No.1 and 2 replied that the research activities could not be performed due to lack of budget. However, various research activities with positive outcomes had been conducted. No replies were received from the other offices.

In the DAC meeting held on December 20, 2024, the DAC directed the department to take up the issues of funding and technical support with the relevant authorities.

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

Audit recommends devising effective strategies for introducing advance techniques of crop genetic improvement and yield enhancement apart from implementation of DAC directives.

2.2.3 Non/less realization of targeted revenue - Rs. 568.125 million

According to Agriculture and Cooperatives Department's Notification dated March 28, 2019, "The Zamindar/beneficiary shall hire bulldozer for agriculture purpose on cash basis @ Rs. 825/- per hour. Similarly, hiring charges of bulldozer per hour sponsored by the GoB shall be @ Rs. 1,550/- per hour out of which the share of Government shall be Rs. 1,200/- and the Zamindar/beneficiary shall pay Rs. 350/- per hour." Further, according to Budget Book Vol.-II, FD GoB, "Estimate of receipts for Agriculture and Cooperatives Department for the financial years 2022-24 was fixed at Rs. 1,013.765 million."

Various offices of Agriculture and Cooperatives Department, GoB, during the financial years 2023-24, realized revenue Rs. 445.640 million against the target of Rs. 1013.765 million which resulted in less realization of Rs. 568.125 million, as detailed in Annexure 2.2.

Non-achievement of revenue targets occurred due to gaps in level of efforts made by the different sub offices of the department. This is evident from the fact that when the targets were low in the previous years those could not be achieved either by significant gap.

The lapse resulted in loss to the government.

The matter was reported to the department during March to November 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed the department to take up the matter with FD, GoB for rationalization of revenue target and make efforts to achieve yearly set revenue targets.

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

Audit recommends implementation of DAC directives besides realization of targeted revenue.

2.2.4 Doubtful procurement of POL - Rs. 160.491 million

According to Para-10 of GFR Vol-1, “Every officer is expected to exercise the same vigilance in respect of expenditure from public money, as a person of ordinary prudence would exercise in respect of his own expenditure”.

The following offices of the Agriculture and Cooperatives Department, GoB, during the financial years 2022-24, incurred an expenditure of Rs. 160.491 million on account of POL, which was procured from distant locations from the respective districts (in some cases, approximately 200 km away), rendering the procurement suspicious and doubtful.

(Rs. in Million)				
S. No.	Name of Offices	AIR Para No.	Distance from Station (Km)	Amount
1	DD, Agriculture Engineering, Mastung	3	52	65.786
2	DD, Agricultural Engineer, Kalat	1	140	38.423
3	DD, Agricultural Engineer, Sibi	1	162	47.319
4	DD, Agricultural Engineer, Loralai	7	261	8.963
Total				160.491

Procurement of POL in one district for utilization in another district occurred due to weak administrative controls.

The lapse made the expenditure suspicious and unjustified.

The matter was reported to the department during May to November 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC expressed displeasure and stated that the selection of procurement site from distant city rather than local purchase was unjustified. The forum directed the department to provide justification and quality and quantity certificates of the fuel.

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

Audit recommends that rational approach towards POL procurement be adopted besides implementation of DAC directives.

2.2.5 Non-recording/provision of farmers' share on executed works – Rs. 138.810 million

According to PC-I and ToRs of DG, OFWM, “the project will provide farmers with solar pumping systems and machinery for bores up to 500 feet deep. Farmers will be responsible for the bores if they choose to connect them to the grid. Additional costs for deeper bores will be borne by the farmers. Beneficiaries will contribute 25-30% of the project costs. Flood-affected land in Zehri Tehsil will also be rehabilitated, with a minimum of 5 acres developed per farmer. The project aims to support farmers in cultivating unirrigated land to increase agricultural production and improve their economic situation. Farmers will be required to commit to completing any remaining work within two months of the project's completion.” Further, as per revised PC I for OFWM and efficiency enhancement program (75/25 GoB/Farmer sharing) in Para 10 “the cost of project intervention during the first year of project was borne by GoB and farmers at 75:25% respectively.”

Various offices of OFWM incurred an expenditure of Rs. 530.389 million during the financial year 2023-24 on different schemes, without establishing mechanism for collecting farmers share amounting to Rs. 138.810 million, instead, the same was deducted from project cost. Moreover, there were no vouchers available to confirm the provision of materials by farmers to the GCs, nor were there receipts to verify the collection of cash contributions. Furthermore, the audit raises concern that the project estimates may have been artificially inflated, potentially allowing the government to support farmers

without their expected contributions undermining community ownership and participation, as detailed in Annexure 2.3.

The lapse occurred due to non-implementation of the prescribed mechanism for collecting farmers' share.

Failure to adhere to the agreed cost-sharing ratio was a breach of the contract terms.

The matter was reported to the department during August to November 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed the department to provide a comprehensive methodology for calculating the farmers' share, including the procedures adopted and the terms of agreement specifying whether the share is in cash or material. Furthermore, relevant record, i.e., PC-I, MBs and vouchers be submitted to Audit.

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

Audit recommends implementation of DAC directives.

2.2.6 Irregular execution of works without MBs and detail of beneficiaries - Rs. 122.627 million

According to Para 208 of CPWA Code, "All payments for work done and supplies shall be made on the basis of measurement recorded in MB."

The following offices of Agriculture and Cooperatives Department, GoB, Quetta, during the financial years 2021-24, awarded various development works to contractors for leveling agriculture land amounting to Rs. 122.627 million without recording measurement in MBs. Further, approved list of beneficiaries, detail of lands with ownership documents/CNICs and completion certificates were also not available.

(Rs. in Million)

S. No.	Name of Office	AIR Para No.	Amount
1	Agriculture Engineer, Jhal Magsi	3	50.753
2	Agriculture Engineer, Kohlu	1	12.085
3	Agriculture Engineer, Sibi	4	47.319
4	Agriculture Engineer, Zhob	3	12.470
Total			122.627

The irregularity occurred due to weak financial management.

The authenticity of the work performed could not be verified due to non-availability of MBs and required documents.

The matter was reported to the department during March to November 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed the department to provide MBs, detailed list of beneficiaries and their CNICs to Audit for verification.

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

Audit recommends implementation of DAC directives besides maintaining detailed measurement record against all works, and list of beneficiaries.

2.2.7 Non-conduct of lab test of items - Rs. 62.792 million

As per SI. No. 32 of BCSR, 2018, “All the materials in civil work steel, bricks and Pipe testing report be prepared through PCSIR or laboratories owned by Govt. or Semi government institutions.”

The following offices of OFWM, Agriculture Department, GoB, during the financial year 2023-24, awarded the contracts to different GCs and made payments amounting to Rs. 62.792 million, without conducting lab test of items.

(Rs. in Million)

S. No.	Name of Office	AIR Para No.	Amount
1	DD, OFWM, Nushki	3	1.504
2	DD, OFWM, Pishin	4	0.270
3	DD, OFWM, Kachi	2	23.248
4	DD, OFWM, Kalat	3	1.091
5	DD, OFWM, Killa Saifullah	4	13.641
6	DD, OFWM, Sibi	3	1.504
7	DD, OFWM , Surab	6	0.425
8	DD, OFWM , Duki	3	0.430
9	DD, OFWM, Sohbatpur	4	7.842
10	DD, OFWM, Ziarat	6	0.322
11	DD, OFWM, Chagi	4	0.132
12	DD, OFWM, Khuzdar	8	1.152
13	DD, OFWM, Washuk	3	11.231
Total			62.792

Non-conduct of lab test occurred due to weak financial management.

The lapse may have resulted in compromised quality of job performed.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed the department to produce lab test reports to Audit for verification.

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

Audit recommends that lab test of material used in the works be got conducted from the government approved labs besides implementation of DAC directives.

2.2.8 Non-recovery of cost of motorcycles - Rs. 62.198 million

According to DG Extension Balochistan, Quetta, letter dated July 07, 2024², under subject: Slow recovery of the cost of Honda 125 motorcycles, “The Deputy Directors of Agriculture Extension are responsible for ensuring the recovery.”

The DG, Agriculture Extension, Quetta, procured motorcycles for office employees in 2020-21 at a cost of Rs. 79.420 million and distributed them among employees on installments, with the recovery scheduled within three years. However, the management had failed to collect the outstanding installments amounting to Rs. 62.198 million till the end of the financial year 2023-24, as detailed in Annexure 2.4.

Non-recovery of installments was due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC agreed with the stance of Audit and directed the department to ensure full recovery from the concerned at the earliest.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 2.2.4 having financial impact of Rs. 74.482 million. Recurrence of same irregularity is a matter of serious concern.

² No. 8830-66/Audit.M.C.125/DGA.

2.2.9 Non/less realization of government taxes/duty - Rs. 45.033 million

According to BSTS Act, 2015³, Income Tax Ordinance, 2001⁴, General Sales Tax Act, 1990⁵ and Stamp Act, 1899⁶, the government levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 8%, 10%, 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively, stamp duty @ 0.25% of cost of contract and Sales Tax @ 17%.

Various offices of Agriculture and Cooperatives Department, GoB, during the financial years 2021-24, made payments to the GCs without/less deduction of due government taxes/duties, resulting in revenue loss of Rs. 45.033 million, as detailed in Annexure 2.5.

Non/less deduction of government taxes/duty occurred due to weak financial controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during March to November 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed the department to provide record or ensure recovery of outstanding amount of taxes/duties from the concerned at the earliest.

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

Audit recommends implementation of DAC directives.

³ Section 3 of BSTS Act, 2015

⁴ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

⁵ Act, 1994 General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

⁶ S. No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2023-24 vide para numbers 3.2.1 and 2.2.3 having financial impact of Rs. 132.636 million and Rs. 187.460 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.2.10 Award of contracts without obtaining performance security - Rs. 39.210 million and non-forfeiture of bid security Rs. 7.843 million

According to Rule 44 of BPPR, 2014 “Procuring Agency shall, in all procurement of goods and works of value more than twenty-five (25) million, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee or insurance bond by AA ranking insurance company, an amount sufficient to protect the Procuring Agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than ten percent (10%) of the contract price.” Further, according to Para 29(5)/b of BPPRA, “Bid Security shall be forfeited in the circumstances if the bidder does not furnish performance guarantee.”

The following offices of OFWM of Agriculture Department, GoB, during the financial years 2023-24 awarded contracts amounting to Rs. 391.651 million to different GCs without obtaining performance security @ 10% amounting to Rs. 39.210 million and non-forfeiting bid security @ 2% amounting to Rs. 7.843 million:

(Rs. in Million)

S. No.	Name of office	AIR Para No.	Cost	Performance security @ 10%	Bid Security @ 2%
1	DD, OFWM, Kech at Turbat	6	223.06	22.306	4.461
2	DD, OFWM, Killa Saifullah	6	30.9	3.09	0.618
3	DD, OFWM, Khuzdar	7	97.86	9.786	1.957
4	DD, OFWM, Panjgur	5	27.19	2.719	0.544

S. No.	Name of office	AIR Para No.	Cost	Performance security @ 10%	Bid Security @ 2%
5	DD, OFWM, Nushki	7	1.161	0.161	0.023
6	DD, OFWM, Duki	6	11.48	1.148	0.230
Total			391.651	39.21	7.833

Non-obtaining of performance security and non-forfeiture of bid amount occurred due to weak financial management.

The lapse may have resulted in compromised quality of job performed.

The matter was reported to the department during May to December 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed the department to produce performance guarantee/bond to Audit, otherwise forfeit bid security.

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

Audit recommends compliance to the provisions of contract agreement besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 2.2.13 having financial impact of Rs. 192.769 million. Recurrence of same irregularity is a matter of serious concern.

2.2.11 Doubtful execution of work and advance payment thereon - Rs. 11.231 million

According to CPWD Code Rule 228, “Advances to contractors are as a rule prohibited, and every endeavor should be made to maintain a system under which no payments are made except for work actually done.”

The DD, OFWM, Washuk, during the financial year 2023-24, awarded a contract for “Installation of Solar System on already Installed Bore” on June 21, 2024 to M/s Muhammad Farooq, GC at an estimated cost of Rs. 39.046 million and paid an amount of Rs. 11.231 million in advance on June 12, 2024, prior to the contract awarded. Further, a completion certificate for the project was issued on the same date, i.e., June 12, 2024 by the concerned DD without consulting the engineer-in-charge, raising questions about the project’s completion status, as detailed below:

(Rs. in Million)

S. No.	Date of tender publishing	Date of tender opening	Date of award of contract	Date of payment	Amount
1	29.04.2024	12.06.2024	21.06.2024	12.06.2024	11.231

The advance payment before award of contract occurred due to weak financial management.

The lapse resulted in doubtful payment.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC expressed concerns regarding payments before award of work. It was decided that the department would investigate the matter internally under intimation to Audit and get the expenditure regularized by the competent authority.

Audit recommends to provide the inquiry report besides implementation of DAC directives.

2.2.12 Loss due to non-imposition of penalty - Rs. 10.554 million

As per Clause 2 of the General Conditions of Contract, “If the contractor fails to complete the work within a stipulated time, he shall be liable to pay compensation @ 1% per day or maximum 10% of the contract cost.”

The DD, OFWM, Kech at Turbat, during the financial year 2023-24, failed to recover/impose the penalty amounting to Rs. 10.554 million from the contractors, who failed to complete the work within the stipulated period and did not apply for time extension, as detailed below:

(Rs. in million)

S. No.	Name of work	Amount	Stipulated date of completion	Actual date of completion	Delay in days	Penalty
1	DD of bores and Installation of Solar Pumping System for Operated Bores in District	42.946	30.06.2023	Work was in progress till the currency of Audit.	485	4.295
2	Provision of 1,000 Solar Tube wells for Agriculture Purpose for Border Areas based on needs and Border Proximity of the Villages.	62.606	30.06.2023	Work was in progress till the currency of Audit.	485	6.261
Total						10.556

Non-imposition of liquidated damages was due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the management replied that the delay was due to the non-availability of funds. The DAC directed the department to provide detail of the releases and time extension granted to the contractors.

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

Audit recommends compliance with provisions of contract agreement besides implementation of DAC directives.

2.2.13 Irregular expenditure on flood damages - Rs. 9.560 million

As per Agriculture and Cooperatives Department's Notification dated⁷, November 14, 2022, "An amount of Rs. 32.213 million was re-appropriated to various Agriculture Engineering Offices on account of POL charges for utilization of bulldozers in connection with relief works in flood effected areas/districts. The concerned DDOs will ensure that all expenditures are made strictly in accordance with the Balochistan Delegation of Financial Powers. Further, the concerned DDO will be held responsible for any violation of policy in vogue."

The following offices of Agriculture and Cooperatives Department, GoB, during the financial year 2022-23, incurred expenditure amounting to Rs. 9.560 million on account of POL charges for utilization of bulldozers in connection with relief works in flood affected areas/districts:

(Rs. in Million)			
S. No.	Name of Office	Hours Worked	Expenditure on POL
1	Agricultural Engineer, Killa Saifullah	1,952	4.246
2	Agricultural Engineer, Jhal Magsi	848	1.845

⁷ USA(B)1-2/2022-23/5814-17

S. No.	Name of Office	Hours Worked	Expenditure on POL
3	Agricultural Engineer, Mastung	1,650	3.469
Total		4,450	9.560

Audit observed the following irregularities in execution of flood rehabilitation works:

- No SOPs were prepared for managing flood related expenditures.
- No survey reports detailing damages in the districts and progress reports were available in record.
- No work completion certificates, work orders/detailed estimates, logbooks, and inventory list of machinery were available in record.
- No monitoring reports were available to ensure proper utilization of funds.
- No physical inspection reports and lists of beneficiaries along with CNICs details were available.
- Payments were made to the contractors without recording detailed measurement and entries in the log-sheets and bills were paid on the basis of a single page showing total quantity of work done.

The irregularities occurred due to weak administrative controls.

Due to the non-availability of detailed documents, the genuineness of the work could not be ascertained.

The matter was reported to the department during March to November 2024, but no reply was received.

In the DAC meeting held on December 09, 2024, the management apprised that the works had been carried out on emergency basis. However, feasibility study was conducted to distribute tractor hours to those farmers whose land was affected due to torrential rainfall in the district. The DAC directed the department to provide survey reports, approvals, list of beneficiaries, GPS data, survey committee minutes, assessments, TORs for

contractors, work completion certificates from beneficiaries and inspection reports to Audit.

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

Audit recommends that proper SOPs regarding flood relief funds be developed and followed besides implementation of DAC directives.

2.3.14 Overpayment due to allowing inadmissible/incorrect higher rate - Rs. 9.391 million

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

The following offices of OFWM of Agriculture Department, GoB, during the financial year 2023-24, overpaid an amount of Rs. 9.391 million to GCs by allowing inadmissible/incorrect higher rates.

(Rs. in Million)					
S. No.	Name of formation	AIR No.	Amount paid	Amount payable	Overpaid
1	OFWM, Nushki	8	1.244	0	1.244
2	OFWM, Duki	5	1.348	0	1.348
3	OFWM, Kohlu	3	0.734	0	0.734
4	OFWM, Jaffarabad	3	2.150	1.150	0.999
		5	0.207	0	0.207
5	OFWM, Naseerabad	2	0.259	0	0.259
6	OFWM, Kharan	2	0.160	0	0.160
7	OFWM, Dera Bugti	2	1.527	0	1.527
8	OFWM, Kech at Turbat	4	0.083	0	0.083
9	OFWM, Surab	4	2.830	0	2.830
Total			10.542	1.150	9.391

Allowing inadmissible/higher rates occurred due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on December 20, 2024, the DAC directed that contractors' bills, MBs and PC-I be provided to Audit for verification, otherwise recovery be effected from the concerned contractors.

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

Audit recommends implementation of DAC directives.

Chapter 3

3.1 Board of Revenue (BoR)

3.1.1 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.

3.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 4,670.374 million were allocated to the department during the financial year 2023-24. Against the said allocation, an expenditure of Rs. 4,283.830 million was incurred by the department, as summarized below:

Type of grant	2023-24			
	Final grant	Actual Expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21055	4,490.600	4,105.537	(-)385.063	8.57
Development Grant No. BC12255 Function No.011205	179.774	178.293	(-)1.481	0.82

(Rs. in Million)

Grand Total Non-Development & Development	4,670.374	4,283.830	(-)386.544	8.28

The department did not surrender the saving of Rs. 386.544 million against non-development and development, which indicated improper budgeting and financial mismanagement.

3.1.3 Audit profile of BoR, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023- 24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	48	32	16,197.034	1,698.862
2.	Assignment Accounts	1	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	-	-	-

3.1.4 Classified Summary of Audit Observations

Audit observations related to BoR show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, mis-procurements, non-deduction of taxes, less realization of revenue and non-imposition of liquidated damages. The department also irregularly retained huge amounts of government money in dormant / inactive accounts.

Audit observations amounting to Rs. 9,617.554 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 45.722 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	9519.901
2.	Doubtful expenditure	51.931
3.	Recoverable	45.722

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.	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	13	3	81.25
7.	2018-2019	32	8	24	25
8.	2019-2020	13	0	13	0
9.	2020-2021	6	0	6	0
10.	2021-2022	5	0	5	0
11.	2022-2023	15	0	15	0
12.	2023-2024	14	0	14	0
Total		178	21	157	11.80

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

3.2 AUDIT PARAS

3.2.1 Irregular retention of unutilized funds in dormant and inactive bank accounts – Rs. 4,774 million

According to FD, GoB's Notification dated 23-08-2008¹, "no account in the Commercial Bank can be opened for public money, without the prior permission of the FD, GoB." Further as per Rule-290 of FTR, "No money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demand or to prevent the lapse of Budget Grant."

Various offices of the BoR, GoB, during the financial year 2023-24, failed to utilize significant portion of funds amounting to Rs. 4,774 million and retained the same in commercial bank accounts instead of depositing it into the Government Treasury. Further, as per data received from SBP, these accounts had been idle for an extended period, leading to their classification as dormant and inactive by the banks, as detailed in Annexure 3.1.

The lapse occurred due to lack of effective monitoring.

The lapse resulted in blockage of funds.

The matter was reported to department in December 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the department acknowledged the issue and assured that it would be taken up with relevant subordinate offices. Audit emphasized the need for an inquiry into the matter. The DAC instructed the management to activate the dormant and inactive accounts, investigate the funds lying in those accounts, and ensure their early deposit into the government treasury under intimation to Audit.

¹ No. SO (B&A)1-1/Misc./S&GAD/ 2008-09/520-52

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

Audit recommends early deposit of funds into government account.

[AIR 1]

3.2.2 Less / non-achievement of revenue targets - Rs. 4,329.002 million

The FD, GoB, had set revenue target for all DC offices in Budget Book (Receipts) Vol-II. According to Rule 15 (a) of Balochistan Rules of Business 2012 following activities were to be done by the Revenue department through DCs. Assessment and collection of Land Revenue, Agriculture Income Tax. Further, according to 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." Furthermore, 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 will be received as per rates given in the schedule." Moreover, as per Section 7 of the Balochistan Agriculture Income Tax, Act, 2000, "Agricultural income tax is to be charged at the prescribed rates on crop basis."

Various offices of the BoR, GoB, did not achieve revenue target of Rs. 4,329.002 million on account of Ushar, Abiana, Agricultural Income Tax and others taxes, as detailed in Annexure 3.2.

Non-achievement of revenue targets occurred due to gaps in level of efforts made by the different sub offices of the department. This is evident from the fact that when the targets were low in the previous years those could not be achieved either by significant gap.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during February to December, 2024 but no reply was received.

In the DAC meeting held on December 31, 2024, the department stated that the revenue targets were unrealistic and could not be achieved. The DAC directed the management to coordinate with the FD, GoB to review and rationalize the revenue targets. Meanwhile, the department was instructed to take remedial measures to achieve the set annual revenue targets under intimation to Audit.

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

Audit recommends implementation of DAC directives besides realization of government revenue.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-23 and 2023-24 vide para numbers 5.2.3 and 3.2.2 having financial impact of Rs. 1,101.469 million and Rs. 242.753 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.2.3 Irregular expenditure due to splitting-up of procurement - Rs. 178.052 million

According to Rule 12, of BPPRA 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”.

Various offices of the BoR, GoB, during the financial year 2022-24, incurred an expenditure of Rs. 178.052 million by split-up to avoid inviting tenders and obtaining sanction of the competent authority, as detailed in Annexure 3.3.

The irregularity occurred due to weak financial controls.

The lapse resulted in mis-procurement.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the department explained that procurements were made on the basis of demand. However, audit expressed concerns regarding repeated violations without compliance. The DAC directed the management to investigate the repeated violation and submit the findings to the audit.

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

Audit recommends that concerned offices should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure apart from implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 3.2.11 having financial impact of Rs. 112.588. Recurrence of same irregularity is a matter of serious concern.

3.2.4 Irregular expenditure due to non-conducting of laboratory test of steel and bricks - Rs. 86.24 million

According to SI. No.32-5 to 32-30 of BCSR 2018,” It is mandatory to conduct laboratory tests of bricks and steel.”

The following offices of the BoR, GoB, during the financial year 2022-23, awarded the work “Construction of Sports Complexes” to various GCs, and made payments of Rs. 86.24 million without conducting the required laboratory tests of the materials.

(Rs. in Million)

S. No.	Name of the Office	Year	AIR Para. No	Name of Firm	Amount
1	Commissioner, Rakshan Division	2022-23	2	M/s Jamal, GC	20.782

S. No.	Name of the Office	Year	AIR Para. No	Name of Firm	Amount
2	Commissioner, Zhob Division	2022-23	6	M/s Muhammed Siddique and M/s Haji Noor, GCs	65.458
Total					86.24

Payment without the required tests occurred due to weak financial management.

The lapse may have resulted in compromised quality of works.

The matter was reported to the department during February to June 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the DAC directed the management to provide the necessary test reports for verification.

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

Audit recommends that lab test of material used in the works be got conducted from the government approved labs besides implementation of DAC directives.

3.2.5 Non-deduction of security deposits and stamp duties - Rs. 65.371 million

As per CPWA Code, Para 401, “All transactions relating to Public Works Deposits should be accounted for in security deposit register in Form 67. The register should show, month-wise, the total receipt, adjustment and closing balance of each separate deposit item.” According to Section 4 (22 A) Schedule-I to Stamp Duty Act, 1899, as amended vide Balochistan Finance Act 2005, “Stamp duty @ 0.25% should be recovered/ obtained in 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.”

The following offices of the BoR, GoB, during the financial year 2022-23, issued work orders amounting to Rs. 678.553 million without deducting security deposits and stamp duties from the contractors, which resulted in revenue loss of Rs. 65.371 million.

(Rs. in Million)

S. No.	Name of contractors	Project Cost	10% Security Deposit	Stamp duty @ 0.25%	AIR Para No.
Commissioner, Zhob					
1	M/s Muhammed Siddique, GC	244.376	24.43	0.610	4
2	M/s Haji Syed Noor, GC	244.500	24.45	0.610	7
SMBR					
3	M/s Stepnex Private Limited and Global Consultants	139.00	13.99	-	13
4	M/s Kia Motors, Quetta and M/s Toyota Zarghoon Motors	519.48	-	1.299	8
Total:			62.85	2.521	
Grand Total:			65.371		

Non-deduction of security deposits and stamp duties occurred due to weak contract management.

The lapse resulted in revenue loss to government.

The matter was reported to the department during February to June 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the DAC directed the management to recover the stamp duties and obtain the security deposits from the concerned contractor.

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

Audit recommends recovery of government dues besides implementation of DAC directives.

3.2.6 Non-deduction of Government taxes - Rs. 45.722 million

According to BSTS Act, 2015², Income Tax Ordinance, 2001³ and General Sales Tax Act, 1990⁴, the government levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively and GST @ 17%.

The following offices of the BoR, GoB, during the financial year 2022-23, made payments to the contractors without deducting taxes, which resulted in revenue loss of Rs. 45.722 million, as detailed in Annexure 3.4.

Non-deduction of taxes occurred due to weak financial controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the DAC directed the management to recover due government taxes without further delay.

² Section 3 of BSTS Act, 2015

³ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

⁴ General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

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

Audit recommends recovery of government taxes.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2023-24 vide para numbers 5.2.7 and 3.2.4 having financial impact of Rs. 103.792 million and Rs. 72.319 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.2.7 Irregular payment through DDOs - Rs. 17.736 million

According to Para No.4.2.9.9, of APPM, “Cheque payments should be released to the payee or personally collected by the payee or his authorized agent.”

The following offices of the BoR, GoB, during the financial year 2022-24, made payment of Rs. 17.736 million through DDOs instead of payment to the vendors in their respective bank accounts.

(Rs. in Million)				
S. No.	Name of Offices	Year	AIR Para No.	Amount
1	DC, Sohbatpur	2022-23	4	5.249
2	DC, Sherani	2022-23	3	0.160
3	DC, Musa Khel	2022-23	3	2.013
4	DC, Panjgur	2022-24	5	7.771
5	DC, Loralai	2023-24	2	2.543
Total				17.736

Payment through DDOs instead of vendors occurred due to weak financial controls.

The lapse resulted in irregular payments.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the DAC directed the management to investigate the repeated violation and submit the findings to the audit.

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

Audit recommends implementation of DAC directives besides regularization of expenditure.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-23 and 2023-24 vide para numbers 5.2.5 and 3.2.13 having financial impact of Rs. 228.964 million and Rs. 25.197 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.2.8 Non-imposition of liquidated damages - Rs. 69.500 million

According to contract executed between consultancy firm and PD/PMU LRMIS, BoR, GoB for project LRMIS on 22.05.2017. "As per contract agreement lump sum remuneration of Rs. 139 million is to be paid to firm on completion of work in stipulated time i.e., July, 2020." Further, as per PC-I, "if consultants do not deliver the work in stipulated time the consultants shall be liable to pay 50 % of its remuneration as liquidated damages."

Audit of the BoR, GoB, for financial year 2022-23 revealed that the department made payment of Rs. 139 million to consultant for BLRMIS. However, the firm did not complete the project in stipulated time and department failed to recover liquidated damages, as detailed below:

(Rs. in Million)

S. No.	Name of work	Amount	Stipulated date of completion	Actual date of completion	Delay in years	Recovery of remuneration @ 50% on late work
1	Consultancy for BLRMIS, M/s Stepnex Pvt. Ltd. and Global Consultants, dated May, 2017	139	3 Years (July 2020)	In progress	4.5 Years	69.500

Further, the department had not established the Markaz-e-Sahooliat in three districts of Balochistan i.e., Quetta, Jafferabad and Usta Muhammad, after lapse of several years.

Non-imposition of liquidated damages was due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department in June 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the department cited that the delay was due to a lack of timely fund releases and not caused by the vendor, making it unjustifiable to impose a penalty. The DAC directed the management to submit details of demands and utilization and ensure the functionality of the IT offices for Markaz-e-Sahooliat.

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

Audit recommends compliance to the provisions of contract agreement.

[AIR 7,8]

3.2.9 Doubtful drawal of payments – Rs. 51.931 million

According to GFR 12 Vol.-I, “A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the fund allotted to spending units are expended in the public interest and upon objects for which the money was provided. He must be in a position to assume before Government and the Public Accounts Committee, if necessary, complete responsibility for departmental expenditure and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise.”

The DC, Killa Abdullah, during the financial year 2022-23, withdrew an amount of Rs. 51.931 million using three different DDO codes for POL expenses. Such a significant withdrawal in a newly established district lacked justification. Moreover, the office failed to provide any documentary evidence to support the expenditures incurred during the year, as detailed in Annexure 3.5.

Doubtful drawal represents a critical lapse in controls related to documentation on allocation and utilization of expenditure, with a high risk of loss to the government.

The matter was reported to the department in June 2024, but no reply was received.

In the DAC meeting held on December 31, 2024, the DAC directed the management to provide the list of vehicles along with respective logbooks for Audit verification.

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

Audit recommends provision of relevant record to Audit.

Chapter 4

4.1 Communication, Works, Physical Planning and Housing Department (CWPP&HD)

4.1.1 Introduction

Civil Works

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.

4.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 48,084.727 million were allocated to the department during the financial year 2023-24. Against the said allocation, an expenditure of Rs. 47,196.541 million was incurred, as summarized below:

Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21013	12,135.800	11,654.998	(-)480.802	3.96
Development Grant No. BC12213 Function No.045202	35,948.927	35,541.542	(-)407.385	1.13
Grand Total Non-Development & Development	48,084.727	47,196.541	(-)888.187	1.85

(Rs. in Million)

Communication, Works, Physical Planning and Housing Department

Development and non-development funds amounting to Rs. 4,056.660 million were allocated to the department during the financial year 2023-24. Against the said allocation, an expenditure of Rs. 3,870.992 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Development Grant No.BC12265 Function No.045701	4,056.660	3,870.992	(-)185.668	4.58
Total Development	4,056.660	3,870.992	(-)185.668	4.58

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

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	155	82	53,553.648	-
2.	Assignment Accounts	-	-	-	-
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 observations related to CWPP&HD show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, overpayments, mis-procurements, non-deduction of taxes, time and cost overrun and losses due to non-imposition of liquidated damages on the contractors.

Audit observations amounting to Rs. 2,561.552 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 123.029 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	2,147.655
2.	Recoverable	123.029
3.	Overpayment	290.868

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.	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

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
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	15	1	93
30.	2017-2018	20	15	5	75
31.	2018-2019	17	11	6	64.70
32.	2019-2020	16	-	16	0
33.	2020-2021	19	-	19	0
34.	2021-2022	10	-	10	0
35.	2022-2023	25	6	19	24
36.	2023-2024	29	-	29	0
Total		1198	175	1038	14.60

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

4.2 AUDIT PARAS (CWPP&H, Building)

4.2.1 Non- Production of record

Article 170(2) of the Constitution of Islamic Republic of Pakistan states
 “The audit of the accounts of the Federal and of the Provincial Governments

and the accounts of any Authority or Body established by, or under the control of, the Federal or a Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit.”

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

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

The Ministry of Law and Justice, vide its office memorandum dated 04.09.2024¹, while examining the stance taken by a refusing entity, clarified that in terms of Article 169 of the Constitution of Islamic Republic of Pakistan, 1973, the Auditor-General of Pakistan has been mandated to perform Audit of the accounts of any Authority or Body established by the Federation and or a Province. The Auditor-General has all kind of powers to inspect and enquire into the accounts, office, books and papers of any office under the control of Federation and Provinces.

During the Audit of Executive Engineer, Building Division, Zhob, it was requested to provide the auditable record vide requisition dated 05.08.2024².

¹ No. F.No.467/2024-Law- I

² No. FAT/ATP/Requisition/2023-24/353

The record was requisitioned for 2023-24. However, the department refused to provide the relevant record to Audit despite reminders as well as meetings with the concerned officers of the department by the FAT. Subsequently, the matter was escalated to the level of PAO by the DG Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved.

The DG Audit Balochistan was intimated vide letter dated 28.10.2024, who took up the matter with the Secretary concerned vide letter dated November, 14 and 21, 2024.

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

The DAC, in its January 2025 meeting, also directed the department to provide complete record for Audit at the earliest, but no further progress was made by the department till the time this report was finalized.

The Audit recommends that the responsibility be fixed on those responsible for non-production of record for the last year and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light of Constitutional mandate of AGP.

4.2.2 Time-overflow and non-imposition of penalties - Rs. 369.026 million

As per Clause 2 of the General Conditions of Contract, “if the contractor fails to complete the work within a stipulated time, he shall be liable to pay compensation @ 1% per day or maximum 10% of the contract cost.”

The following offices of Building Divisions of CWPP&HD, GoB, during the financial year 2022-24, awarded various works costing Rs. 3,679.26 million

to GCs, which were not completed as per stipulated time and the management failed to enforce the agreed-upon liquidated damages, resulting in time-overflow and a significant financial loss of Rs. 369.026 million, as detailed in Annexure 4.1.

Time-overflow and non-imposition of penalties occurred due to ineffective monitoring and evaluation of schemes and weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department during January to December 2024, but no reply was received.

In the DAC meetings held from July 8 to 10, 2024, and January 6 to 8, 2025, the office at S.No.9 was directed to provide PC-IV and handing/taking over of the building to audit for verification. The rest of the offices replied that the delay was due to slow release of funds. Audit observed that the release of funds is typically linked to expenditures incurred by project authorities. Consequently, if project funds allocated for a given year are not fully utilized within that year, it may lead to a reduced release of funds. The DAC directed the department to take up the issue of slow releases of funds at the highest level to avoid further time and cost overflow. Furthermore, the DAC directed the management to provide PC-III, with detailed financial and physical progress, copy of all releases and expenditure statement and time extension orders issued under the signature of PAO/competent forum to Audit for verification.

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

Audit recommends stringent monitoring and evaluation for such projects to meet time lines besides implementation of DAC directives.

4.2.3 Irregular expenditure on NSR without rate analysis - Rs. 68.476 million

As per Para 296 CPWA Code, “The rate entered in estimates should generally be agreed 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 of estimates.” Further, according to BCSR 1998 and 2018, “the rates for items other than those given in the schedule are treated as non-schedule rates (NSR). The analysis of NSR is required to be prepared by the Executive Engineer and approved by the competent authority.”

The following Building Divisions of CWPP&HD, GoB, during the financial years 2022-24, paid an amount of Rs. 68.476 million in various schemes on NSR basis without approved rate analysis, as detailed below:

(Rs. in Million)

S. No.	Name of Formation	AIR Para No.	Financial Year	Amount
1	Building Division, Including Town Project, Sherani	06	2022-23	1.059
2	Building Division, Bolan	04	2022-23	11.905
3	Building Division, Ziarat	05	2023-24	1.833
4	Building Division, Quetta	02	2023-24	53.679
Total				68.476

Payment without approved rate analysis occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department in March, August, October and November 2024, but no reply was received.

In the DAC meeting held on July 08 to 10, 2024 and January 06 to 08 2025, the office at S.No.1 replied that for some of the items, proper rate analysis,

duly approved by CE, was carried out, while no rate was available for concrete pavers on sand cushion in the CSR-2018. The offices at S.No.2 and 3 replied that rate analysis was duly approved from competent authority. The DAC directed the department to provide duly approved rate analysis based on market survey and quotations.

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

Audit recommends implementation of DAC directives.

4.2.4 Overpayment due to allowing excess quantities beyond provision in PC-I - Rs. 67.342 million

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

The following Building Divisions of CWPP&HD, GoB, during the financial years 2022-24, overpaid an amount of Rs. 67.342 million to GCs for different items of work by allowing excess/inadmissible quantities than approved in PC-Is.

(Rs. in Million)

S. No.	Name of Formation	AIR#, F.Y	Amount paid	Amount payable	Overpaid
1	Bolan	3,5, 2022-23	63.326	31.247	32.079
2	Barkhan	2,3, 2022-23	1.073	0.197	0.876
3	Naseerabad	7, 2023-24	4.556	1.957	3.261
4	Maintenance Division-III	2, 2023-24	0	16.817	16.817
5	MusaKhail	3, 2023-24	13.060	11.334	1.726
6	Pishin	7, 8, 2023-24	50.759	38.765	12.583
Total					67.342

Payment of excess quantities beyond provisions of PC-I was caused due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department between January and December 2024, but no reply was received.

In the DAC meetings held from July 8 to 10, 2024, and January 6 to 8, 2025, the DAC directed the offices at S.No.1 to 4 to provide detailed estimates, PC-I, TS and MBs or effect recovery, the office at S.No.5 to effect recovery and the office at S.No.6 to get the physical verification of the said project conducted by the Technical Advisor of CWPP&HD under intimation to PAO and Audit.

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

Audit recommends adherence to the provisions of PC-I besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21, 2021-22, 2022-23 and 2023-24, vide para numbers 5.2.13, 5.2.3, 6.2.1 and 4.2.2 having financial impact of Rs. 56.172 million, Rs. 12.581 million, Rs. 82.469 million and Rs. 40.414 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.2.5 Payment without conducting laboratory test - Rs. 38.799 million

BCSR, 2018 under SI No. 32-1, 32-2, 32-5 & 6, 32-10, 3-29 and 32-30 has prescribed various tests for different material used in construction.

The Building Division Musakhail, during the financial year 2023-24, paid an amount of Rs 38.799 million in respect of cement, steel reinforcement, aggregate and brick work without conducting laboratory tests, as detailed below:

(Rs. in Million)

S. No.	Name of work	BCSR SI No.	Unit	Quantity	Rate	Amount
1		5-65/a	Ton	101.764	128,365.8	13.063

S. No.	Name of work	BCSR SI No.	Unit	Quantity	Rate	Amount
2	Up-Gradation to Degree Level at Boys Degree College Musakhail	5-8/c	PSft	15074.34	247.20	3.726
3	Construction of GBHS, Garggi, Drug	5-44/a	Ton	15.303	121,945.8	1.866
4		5-8/c	Cu.ft	2209.32	247.20	0.546
5	Construction of GGHS, Drug	5-65/a	Ton	42.599	128,365.8	5.468
6		5-8/c	PSft	4319.718	247.20	1.067
7		5-65/a	Ton	101.764	128,365.8	13.063
Total						25.736

Non-conducting of required tests occurred due to weak financial management.

The lapse may have resulted in compromised quality of works.

The matter was reported to the department in September 2024, but no reply was received.

In the DAC meeting held on January 06 to 08 2025, the office replied that the lab tests had been conducted. The DAC directed the Chief Engineer to conduct an on-site inspection of the scheme and submit a comprehensive report to the PAO and the Audit. Furthermore, the forum directed the department to repeat lab tests of the material to verify the authenticity of the material and expenditure.

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

Audit recommends that lab test of material used in the works be got conducted from the government approved labs besides implementation of DAC directives.

4.2.6 Non/less deduction of government taxes - Rs. 37.388 million

According to BSTS Act, 2015³, Income Tax Ordinance, 2001⁴ and Stamp Act, 1899⁵, the government levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively and stamp duty @ 0.25% of cost of contract.

The following Building Divisions of CWPP&HD, GoB, during the financial year 2022-24, made payments to the GCs and consultants without/less deduction of government taxes and duties amounting to Rs. 37.388 million.

(Rs. in Million)

S. No.	Name of Formation	AIR# F.Y	Amount
1	Sohbatpur	3, 2022-23	0.526
2	Kalat	1, 2022-23	3.123
3	Chaman	5, 2022-23	0.444
4	Musakhail	1, 2022-23	1.286
5	Barkhan	7, 2022-23	5.855
6	Kohlu	1, 2022-23	0.815
7	Surab	4, 2022-23	1.047
8	Jaffarabad	3,8, 2023-24	0.620
11	Killa Saifullah	6, 2023-24	0.980
12	Musa Khail	1, 2023-24	2.556
13	Pishin	5, 2023-24	1.744
14	Quetta	1, 2023-24	3.857
15	Duki	5, 2023-24	0.767
16	Maintenance Division-I, Quetta	1, 2023-24	13.768
Total			37.388

³ Section 3 of BSTS Act, 2015

⁴ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

⁵ S. No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1994

Non/less deduction of government taxes was caused due to weak financial controls.

The lapse resulted in loss to the Government.

The matter was reported to the department between January to December 2024, but no reply was received.

In the DAC meetings held from July 8 to 10, 2024, and January 6 to 8, 2025, office at S.No.1 was instructed to recover the balance amount of Rs. 0.286 million. Offices at S.No.2-5 and 7 were directed to recover outstanding Government dues. The office at S.No.6, 11 and 12, was instructed to provide tax exemption certificates, local/domicile certificates, and CNICs of contractors. The offices at S.No.14, 15 and 16 were directed to provide record for verification.

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

Audit recommends implementation of DAC directives besides effecting recovery from the concerned.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21, 2021-22, 2022-23 and 2023-24 vide para numbers 5.2.18, 5.2.1, 6.2.9 and 4.2.7 having financial impact of Rs. 91.497 million, Rs. 119.995 million, Rs. 133.115 million and Rs. 71.379 respectively. Recurrence of same irregularity is a matter of serious concern.

4.2.7 Irregular expenditure without inviting open tenders - Rs. 10.351 million

According to Rule 15(2) of BPPRs, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.”

Executive Engineer, Gas Division Quetta, during the financial years 2023-24, incurred an expenditure of Rs. 10.351 million on repair and

maintenance without inviting open tenders. Further, divisional officer had not maintained the ledger of government buildings and stock inventory of new and old replaced items.

Expenditure without calling open tenders occurred due to weak financial controls.

The lapse resulted in mis-procurement.

The matter was reported to the division in December 2024, but no reply was received.

In the DAC meeting held from January 6 to 8, 2025, the DAC directed the management to regularize the expenditure from competent authority.

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

Audit recommends that concerned office should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure apart from implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para numbers 6.2.10 having financial impact of Rs. 18.616 million. Recurrence of same irregularity is a matter of serious concern.

4.2.8 Overpayment due to allowing inadmissible / incorrect item/ higher rate - Rs. 10.465 million

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

The following Building Divisions of CWPP&HD, GoB, during the financial years 2022-24, overpaid an amount of Rs. 10.465 million to GCs by allowing inadmissible/incorrect/ higher rates.

(Rs. in Million)

S. No.	Name of Formation	AIR# F.Y	Amount Paid	Amount payable	Overpaid
1	Sohbatpur	01, 20223	1.041	0.086	0.954
2	Dera Bugti	02,03, 2022-23	9.199	8.818	0.381
3	Surab	03,05, 2022-23	18.398	17.792	0.606
4	Barkhan	06, 2022-23	2.227	1.367	0.860
5	Kech at Turbat	02,08, 2023-24	0	1.911	1.911
6	Panjgur	02, 2023-24	1.150	0.925	0.225
7	Kharan	03, 2023-24	10.073	9.512	0.561
8	Naseerabad	02,05, 2023-24	7.519	5.900	1.619
9	Nushki	02, 2023-24	0.752	0.541	0.211
10	Ziarat	02, 2023-24	0	0.165	0.165
11	Pishin	01, 2023-24	4.340	3.328	1.012
12	Mastung	03, 2023-24	0.253	0.147	0.106
13	Duki	01, 2023-24	4.964	3.941	1.023
Total			68.491	62.177	10.465

Allowing inadmissible/higher rates occurred due to weak financial management.

The lapse resulted in loss to the government.

The matters were reported to the department during January to May, and August to December 2024, but no reply was received.

In the DAC meetings held on July 08 to 10 2024, and January 06 to 08, 2025, the DAC directed the offices at S.No.1 to effect remaining amount of recovery, the offices at S.No.2,3,11 and 12 to effect complete recovery and the remaining offices, excluding office at S.No.4 which did not attend the meeting, to provide the relevant record or effect recovery.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 5.2.5, 6.2.2 and 4.2.1 having financial impact of Rs. 10.807 million, Rs. 35.939 million and Rs. 90.341 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.2.9 Overpayment due to inadmissible, non / less deduction of premium - Rs. 6.025 million

According to P&D Department's Notifications dated March 16, 2013,⁶ July 16, 2018,⁷ April 04, 2022⁸, and April, 2022,⁹ "rates of premium has been notified for each district in Balochistan. The government had approved BCSR, 2018, which was applicable w.e.f July 1, 2018. The increases as mentioned against each item of for all 34 districts of Balochistan subject to under mentioned conditions. The increases as mentioned against each item of for all 34 districts of Balochistan subject to various conditions. The rates shall be applicable only for the forthcoming new schemes of PSDP 2022-23 and those schemes of PSDP 2021-22 which were approved by PDWP/DSC on or after 2nd April 2022."

The following Building Divisions of CWPP&HD, GoB, during the financial years 2022-24, overpaid an amount of Rs. 6.025 million to the contractors due to inadmissible, non/less deduction of applicable premium.

(Rs. in Million)

S. No.	Name of division	AIR# F.Y	Premium paid	Premium payable	Overpaid
1	Chaghi	2,4, 2022-23	1.235	0.186	1.049
2	Kharan	5, 2023-24	0.309	0	0.309
3	Pishin	10, 2023-24	2.944	0	2.944

⁶ No.P&D.ROCT(1)129/2013/3624

⁷ No.P&D-RO(C&T) 32/1/2018-19/7299

⁸ No. P&DD/CSR-Cell/2022/1869

⁹ No. P&DD/CSR-Cell/2022/1869

S. No.	Name of division	AIR# F.Y	Premium paid	Premium payable	Overpaid
4	Project Division-II	3, 2023-24	0.723	0	0.723
5	Maintenance Division-I	2, 2023-24	1.00	0	1.00
Total			6.211	0.186	6.025

Inadmissible, non/less deduction of premium occurred due to weak financial controls.

The lapse resulted loss to the government.

The matter was reported to the department during January to May 2024, but no reply was received.

In the DAC meetings held from July 8 to 10, 2024, and January 6 to 8, 2025, the DAC directed the offices at S.No.1, 2, 4, and 5 to recover the overpaid amounts and the office at S.No.3 to seek clarification from the P&D Department in consultation with Audit.

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

Audit recommends implementation of DAC directives.

4.3 AUDIT PARAS (CWPP&H, Road Divisions)

4.3.1 Loss due to non-recovery of liquidated damages - Rs. 995.166 million

According to para 282 of B&R Code Rule, “It is a fundamental rule that no work shall be commenced unless Administrative Approval by competent authority is given, and properly detailed design and estimate have been sanctioned, allotment of funds made and orders for its commencement issued by competent authority.” Further, as per Clause 2 of the general conditions of contract, “If the contractor fails to complete the work within a stipulated time, he shall be liable to pay compensation @ 1% per day or maximum 10% of the

contract cost.”

The following offices of Road Divisions of CWPP&H Department, GoB, during the financial year 2023-24, awarded various works amounting to Rs. 9,951.660 million but the schemes remained incomplete within the given period and the management failed to impose penalties on the contractors, as detailed in below:

(Rs. in Million)

S. No.	Name of work	AIR, F.Y	Amount	Stipulated date of completion	Actual date of completion	Delay in days	Penalty amount
1	Musakhail	1, 2023-24	4819.54	02.06.2022	In Progress	940	481.954
2	Ziarat	1, 2023-24	149.4	30.06.2024	In Progress	190	14.940
3	Nushki	2, 2023-24	998.87	30.06.2022 30.06.2023 10.12.2023	All in progress	915 550 396	99.887
4	PD, Dirgai Shabozai to Taunsa Sharif Road	3, 2023-24	477.93	30.06.2024	In Progress	190	47.793
5	Khuzdar	2, 2023-24	840.95	30.06.2024	In Progress	190	84.095
6	Naseerabad	4, 2023-24	70	30.06.2022	In Progress	915	7.000
7	Pishin	4, 2023-24	1209.2	30.06.2024 15.05.2024 30.06.2023 30.06.2023	In Progress In Progress In Progress In Progress	190 245 550 550	120.920
8	Lasbella	7, 2023-24	808.57	30.06.2024 30.06.2022	In Progress In Progress	190 912	80.857
9	Panjgur	3, 2023-24	76.62	30.10.2022	In Progress	800	7.662
10	Sibi	1, 2023-24	172.91	30.06.2023	In Progress	550	17.291
11	Chaman	2, 2023-24	327.67	27.03.2024 04.04.2024 30.06.2022 16.06.2023	In Progress In Progress In Progress In Progress	280 275 912 535	32.767
Total			9,951.66				995.166

Delay in completion of works occurred due to weak administrative controls.

The lapse may result in both time and cost-overruns, ultimately causing loss to the government.

The matter was reported to the department during August to December 2024, but no reply was received.

In the DAC meeting held on January 6-8, 2025, the department attributed the delay in project completion to a shortage of funds. Audit observed that the release of funds is typically linked to expenditures incurred by project authorities. Consequently, if project funds allocated for a given year are not fully utilized within that year, it may lead to a reduced release of funds. The DAC directed the respective offices to take up the issue of the slow release of funds at the highest level. It was further directed, to provide PC-III showing detailed financial and physical progress, copies of release orders and time extension orders issued under the signatures of PAO/competent forum to audit for verification. Office at S.No.4 stated that the contractor has been blacklisted and a Civil Suit against the contractor and United Insurance Company (Guarantor) was filed for recovery of mobilization advance, to which DAC directed to ensure recovery of the remaining amount of Rs. 33.193 million and recovery of liquidated damages amounting to Rs. 47.793 million.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21 and 2023-24 vide para number 5.2.11 and 4.2.23 having financial impact of Rs. 1,212.076 million and Rs. 7,757.227 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.3.2 Irregular expenditure on advances, land acquisitions and change in scope of work- Rs. 524.516 million

According to the Para-228 of CPWD Code, “advances to contractors are as a rule prohibited, exceptions are, however, permitted. Further, as per Para 86 ibid, “When land is required for the public purpose, the Public Works Department should obtain the requisite information from Revenue Office of the district for the probable cost of land together with value of buildings etc. and an estimate should be framed and got sanctioned, then commit the matter to the Revenue Officer, who will take the necessary preliminary action for the appropriation of land under Land Acquisition Act 1894.” Furthermore, according to decision of DSC meetings of CWPP&HD held on August 23, 2022, 01.09.2022 and 29.09.2022, “No change in the approved scope of work shall be made without prior approval of the competent forum. Concerned field officers will be held responsible for any deviation in the approved scope of work and alignment of the proposed road.”

Following offices of Road Divisions of CWPP&H Department, GoB, during the financial years 2022-24, incurred an expenditure of Rs. 524.516 million by payment of advances without obtaining bank guarantees and land acquisition without obtaining mutation deeds, as detailed below:

(Rs. in Million)

S. No.	Name of office	Financial Year	AIR Para No.	Amount	Remarks
1	Roads, Bolan	2022-23	11	66.606	Irregular payment of mobilization advances.
2	PD, Duki Chamalang Road Project	2022-23	2	15.500	Irregular payment to Cameos consultants without job done.
3	Project Division-I, Quetta	2023-24	7	442.410	Land compensation paid without mutation
Total				524.516	

Irregular payments were caused due to weak financial controls.

The lapse resulted in blockage of public funds and loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meetings held from July 8–10, 2024, and January 6–8, 2025, the DAC directed the office at S. No. 1 to obtain fresh security bonds, and the office at S.No.2 to submit a feasibility study report along with details of financial and physical progress. For the office at S.No.3, the DAC specifically instructed the department and generally advised all Executive Engineers in the province to reconcile with the concerned DC regarding mutation. Moreover, the, forum directed the offices to submit comprehensive details of advance payments, status of unspent balances and less recovered advances to PAO and audit.

4.3.3 Less deduction of cost of tack coat - Rs. 96.782 million

According to Rate analysis of S.No.21-32 (c) of BCSR, 2018, the cost of tack coat included in the unite rate. Further, “according to Paras 16 and 221 of CPWA Code, “The Divisional and Sub Divisional Officers are responsible for ensuring correctness of rates, quantities and calculations before signing the bill of the contractor.”

Following offices of Road Divisions of CWPP&H Department, GoB, during the financial years 2022-24, awarded different works to various GCs, and made overpayment of Rs. 96.782 million due to less deduction of cost of tack coat from premix carpeting as detailed below:

(Rs. in Million)

S. No.	Name of office	Financial Year	Cost of tack coat paid	Cost of tack coat payable	Overpaid
1	Bolan	4, 2022-23	9.135	2.599	6.536
2	Bolan	7, 2022-23	6.324	3.332	2.992
3	PD, Sibi-Talli and Kohlu Rakhni Road	5, 2022-23	7.938	0.000	7.938
4	Musakhail	7, 2022-23	21.816	20.954	0.862
5	Surab	1, 2022-23	21.834	20.472	1.362
6	Project Division-I	1, 2023-24	23.866	20.350	3.516
7	Kech at Turbat	2, 2023-24	24.503	22.975	1.528
8	Pishin	6, 2023-24	60.481	17.031	43.45
9	Lasbella	6, 2023-24	22.232	6.670	15.562
10	Chaman	3, 2023-24	18.953	5.917	13.036
Total			217.082	120.300	96.782

Less deduction of cost of tack coat occurred due to weak financial controls.

The irregularity resulted in loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meetings held on July 8 -10, 2024 and January 6-8, 2025, the DAC directed the department for preparation of a detailed rate analysis of SI. No. 21-32 and submit the report to the forum.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 5.2.9, 6.2.24 and 4.2.16 having financial impact of Rs. 46.586 million, Rs. 91.813 million and Rs. 196.843 million respectively. Recurrence of same irregularity is a matter of serious concern.

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

Audit recommends implementation of DAC directives.

4.3.4 Non/less deduction of government taxes - Rs. 85.641 Million

According to BSTS Act, 2015¹⁰, Income Tax Ordinance, 2001¹¹ and Stamp Act, 1899¹², the government levied sales tax on services @ 6% (amended to 4% in FY 2023-24) and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods, amended to 7%, 3% and 4% respectively in FY 2022-23 and amended to 8%, 4% and 5.5% respectively in FY 2023-24 (in case of unregistered/non-filer, the rate was twice) and stamp duty @ 0.25% of cost of contract.

Various Road Divisions of CWPP&HD, GoB, during the financial years 2022-24, made payments of Rs. 8,032.171 million to the GCs and consultants without/less deduction of government taxes and duties amounting to Rs. 85.641 million, as detailed in Annexure 4.2:

Non/less deduction of taxes/duties occurred due to weak financial controls.

The lapse resulted in revenue loss to the government.

¹⁰ Section 3 of BSTS Act, 2015

¹¹ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

¹² S.No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1994

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meetings held on July 8 and 10, 2024 and January 6 and 8, 2025 the offices could not provide the evidence of recoveries or tax exemptions. The DAC directed the relevant offices to effect recovery of taxes or provide income tax exemption certificates to audit for verification, where applicable.

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

Audit recommends recovery of government taxes and duties besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para numbers 5.2.1, 6.2.9 and 4.2.7 having financial impact of Rs. 119.995 million, Rs. 133.115 million and Rs. 71.379 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.3.5 Overpayment due to wrong calculation - Rs. 55.317 million

According to Rule 220 of CPWA Code, “Before the bill of a contractor is prepared, the entries in the measurement book relating to the description and quantities of work or supplies should be scrutinized by the Sub-Divisional Officer and the calculations of "Contents or area" should be checked arithmetically under his supervision.”

The following Road Divisions of CWPP&H Department, GoB, during the financial year 2023-24, made overpayment of Rs. 55.317 million to various contractors due to wrong calculation, as detailed below:

(Rs. in Million)					
S. No.	Name of office	AIR, F.Y	Amount payable	Amount paid	Overpaid
1	Musakhail	3, 2023-24	1.113	2.734	1.621
2	Musakhail	4, 2023-24	1.612	9.612	8.000

S. No.	Name of office	AIR, F.Y	Amount payable	Amount paid	Overpaid
3	Nushki	6, 2023-24	60.355	62.314	1.959
4	Killa Saifullah	5, 2023-24	198.939	242.676	43.737
Total			262.019	317.336	55.317

Wrong calculations occurred due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department during August to December 2024, but no reply was received.

In the DAC meeting held on January 6-8, 2025, the DAC directed the relevant offices to justify their stance through providing original MB to audit for verification, otherwise, the amount be recovered.

No further progress was intimated till the finalization of this report.
Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.2.20 having financial impact of Rs.7.779 million. Recurrence of same irregularity is a matter of serious concern.

4.3.6 Overpayment due to allowing inadmissible quantities - Rs. 42.400 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.”

Following Road Divisions of CWPP&HD, during the financial years 2022-244, paid inadmissible quantities of different items of works to the contractors, resulting in overpayment of Rs. 42.400 million, as detailed below:

(Rs. in Million)					
S. No.	Name of office	Financial Year	Amount paid	Amount payable	Overpaid
1	Sherani	1, 2022-23	0.800	0.000	0.800
2	Surab	2, 2022-23	4.706	0.000	4.706
3	Surab	5, 2022-23	3.922	0.000	3.922
4	Barkhan	4, 2022-23	1.128	0.000	1.128
5	Ziarat	3, 2023-24	1.666	0.000	1.666
6	Nushki	3, 2023-24	1.249	0.000	1.249
7	Nushki	4, 2023-24	1.721	0.000	1.721
8	Kalat	2, 2023-24	20.671	0.000	20.671
9	Quetta	2, 2023-24	0.567	0.000	0.567
10	E&M, Workshop, Quetta	2, 2023-24	1.220	0.000	1.22
11	Sibi	2, 2023-24	4.750	0.000	4.75
Total			42.400	0.000	42.400

Inadmissible items of work were allowed due to weak internal controls and poor financial management.

The lapse resulted in loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meetings held on July 8 -10, 2024 and January 6-8, 2025, the DAC directed the offices at S.No.1,2 and 3 to recover the amount. Further, the office at S.No.4 was directed to obtain verification certificates regarding satisfactory work done from the concerned SE. Offices at S.No.5-11 were directed to provide PC-I, MBs, Technical Sanctions and Level Books to audit for verification, otherwise, recovery be effected.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 and 2022-23 vide para numbers 5.2. and 6.2.11 having financial impact of Rs. 10.974 million and Rs. 157.928 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.3.7 Overpayment due to non-deduction of shrinkage allowance/voids – Rs. 42.297 million

According to SI No.21-9 of BCSR, 2018 “Compaction of earthen embankments to full depth and width below sub-grade level by mechanical means in layers not exceeding 8" (200mm) in depth at optimum moisture content including watering and mixing by mechanical means. The sub-grade embankments shall be compacted to at least 95% modified AASHTO maximum dry density for their full depth and width”. Further, according to clause 3.11.4 of the Book of Specification, BCSR, 2018 Vol.-III, “Where soil, ordinary rock and hard rock are mixed, the measurements for the entire excavation shall be made as specified. Excavated materials comprising hard rock and ordinary rock shall be stacked separately, measured, and each reduced by 50% to allow for voids to arrive at the quantity payable under hard rock and ordinary rock. The difference between the entire excavation and the sum of the quantities payable under hard rock and ordinary rock shall be paid for excavation in ordinary soil or hard soil, as the case may be.”

The following Road Divisions of CWPP&HD, GoB, during the financial year 2023-24, overpaid an amount of Rs. 42.297 million to the contractors due to no deduction of shrinkage allowance and not reducing the stacked quantities for voids, as detailed below:

(Rs. in Million)

S. No.	Name of office	AIR#, F.Y	Amount payable	Amount paid	Overpaid
1	Killa Saifullah	8, 2023-24	31.075	60.506	29.431
2	Kech Turbat	1, 2023-24	8.391	9.689	1.298
3	Washuk	1, 2023-24	77.421	88.989	11.568
Total			116.887	159.184	42.297

Non-deduction of shrinkage and voids occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department during August to December 2024, but no reply was received.

In the DAC meeting held on January 6-8, 2025, the DAC directed the respective offices to produce original MB, Cross Sectional measurement, IPCs, original compaction and lab test reports to Audit for verification, otherwise, amount be recovered.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.2.19 having financial impact of Rs. 60.150 million. Recurrence of same irregularity is a matter of serious concern.

4.3.8 Overpayment due to excess quantities - Rs. 40.178 million

According to Para, 16 and 221, CPWA Code, “The Divisional and Sub Divisional Officers are responsible for ensuring correctness of rates, quantities and calculations before signing the bill of the contractor.” And According to B&R Code 2.86, “The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved.”

The following Road Divisions of CWPP&HD, GoB, during the financial years 2022-24, overpaid an amount of Rs. 40.178 million to GCs for different items of work by allowing excess quantities than provided in approved PC-I, as detailed below:

(Rs. in Million)

S. No.	Name of office	AIR#, F.Y	Amount paid	Amount payable	Difference
1	Bolan	6, 2022-23	9.086	5.452	3.634
2	Ziarat	7, 2022-23	4.061	2.288	1.773
3	Chaghi	4, 2022-23	0.369	0.000	0.369
4	Musakhail	2, 2022-23	0.280	0.062	0.218
5	Musakhail	3, 2022-23	66.697	41.056	25.641
6	Kohlu	2, 2022-23	2.320	1.603	0.717
7	Ziarat	4, 2023-24	7.550	6.940	0.610
8	Naseerabad	1, 2023-24	5.528	4.265	1.263
9	Panjgur	1, 2023-24	28.411	25.893	2.518
10	Mastung	2, 2023-24	0.789	0.572	0.217
11	Chaman	5, 2023-24	14.565	11.347	3.218
Total			139.656	99.478	40.178

Payment for excess quantities beyond provisions of PC-I was made due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meetings held on July 8-10, 2024 and January 6-8, 2025, the DAC directed the relevant offices to provide original record to audit for verification otherwise effect recovery.

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

Audit recommends adherence to the provisions of PC-I besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 5.2.3, 6.2.1 and 4.2.2 having financial impact of Rs. 12.581 million, Rs. 82.469 million and Rs. 40.414

million respectively. Recurrence of same irregularity is a matter of serious concern. Recurrence of same irregularity is a matter of serious concern.

4.3.9 Overpayment due to allowing incorrect/higher rates - Rs. 28.675 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.”

Following Road Divisions of CWPP&HD, GoB, during the financial years 2022-24, overpaid an amount of Rs. 28.675 million to the contractors due to allowing incorrect higher rates, as detailed below:

(Rs. in Million)

S. No	Name of office	AIR#, F.Y	Amount Paid	Amount Payable	Overpaid
1	Washuk	1, 2022-23	2.648	0.930	1.718
2	PD, Sibi-Talli and	6, 2022-23	12.564	4.543	8.021
3	Kohlu Rakhni Road	7, 2022-23	19.038	12.565	6.473
4	PD, Uplifting Chaman Town	2, 2022-23	131.608	130.556	1.053
5	Killa Saifullah	9, 2023-24	4.100	2.416	1.684
6	Roads, Quetta	1, 2023-24	7.981	6.272	1.709
7	Roads, Quetta	3, 2023-24	3.462	3.076	0.386
8	Roads, Quetta	6, 2023-24	0.326	0.084	0.242
9	Pishin	8, 2023-24	9.812	4.911	4.9
10	Loralai	5, 2023-24	154.226	152.684	1.542
11	Sibi	3, 2023-24	14.949	14.002	0.947
Total			360.714	332.039	28.675

Overpayment occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meetings held on July 8-10, 2024 and January 6-8, 2025, the DAC directed the relevant offices to produce CBR reports, PC-Is, MBs and related record to audit for verification, besides obtaining clarification of premium from P&D Department in consultation with audit, otherwise recovery be effected.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 5.2.5, 6.2.2 and 4.2.1 having financial impact of Rs. 10.807 million, Rs. 35.939 million and Rs. 90.341 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.3.10 Irregular retention of lapsed security deposits - Rs. 24.131 million

According to CPWA Code, Rule-399 (iii), “In the accounts for March each year, balances unclaimed for more than the three complete account years in the Public Works Deposits Account should be credited to Government as lapsed deposits.” Further, according to Rule 400 *ibid*, “Deposits credited to Government under paragraph 399, or confiscated under the provisions of an agreement or bond cannot be repaid without pre-audit by the Accountant General who will authorize payment on ascertaining (1) that the item was really received. (2) that it was credited to Government as lapsed or confiscated, and (3) that the claimant's identity-and title to the money are certified by the Divisional Officer.”

The following Roads Divisions of CWPP&HD GoB, had retained an amount of Rs. 294.131 million deducted on account of security deposits from civil contractors which remained unclaimed for more than three years, but the same were not deposited in the government account, as detailed below:

(Rs. in Million)				
S. No.	Name of office	Financial Year	AIR Para No.	Amount
1	Pishin	2023-24	1	271.879
2	Lasbella	2023-24	1	22.252
Total				294.131

Irregular retention of security deposits occurred due to weak internal and financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department during August to December 2024, but no reply was received.

In the DAC meeting held on January 6-8, 2025, the office at S. No. 1 claimed to have maintained the Public Works Deposit Register, and stated that 60% of schemes were ongoing, while the remaining schemes were completed in June 2024, with security deposits to be released after the defect liability period. However, audit raised concerns about millions of rupees in unclaimed securities related to completed schemes and the works divisions in Balochistan lacked proper record keeping. Office at S. No. 2 accepted that unclaimed securities were retained for a long time. The DAC directed the relevant offices for settlement of liabilities within one month and surrender any remaining amounts to the Government as per rules, besides providing original Security deposit register to audit, specifying the period covered in the registers.

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

Audit recommends compliance to the rules governing deduction and release of security deposit besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.2.27 having financial impact of Rs.25.937 million. Recurrence of same irregularity is a matter of serious concern.

4.3.11 Non-utilization of available earth - Rs. 10.408 million

As per SI No.21-1(f) of BCSR, 2018, “If cutting and filling are being done simultaneously all suitable material obtained from excavation shall be used in filling of embankment. For this purpose, additional rate of Rs. 102.10 cum has been provided.”

The following Road Divisions of CWPP&HD, GoB, during the financial year 2023-24, obtained earth from cuttings / excavations in various works but did not utilize the same in making embankments. Instead, the department allowed the contractors to obtain fresh earth from borrow pits, which resulted in overpayment of Rs. 10.408 million, as detailed below:

(Rs. in Million)

S. No.	Name of office	Financial Year	AIR Para No.	Amount
1	PD, Dirgai Shabozai to Taunsa Sharif Road	2023-24	5	2.868
2	Roads, Killa Abdullah	2023-24	6	1.745
3	Roads, Chaman	2023-24	4	5.795
Total				10.408

Overpayment for earth taken from borrow pits occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department during August to December 2024, but no reply was received.

In the DAC meeting held on January 6-8, 2025, the DAC directed the respective offices to submit justification, duly supported by proper evidence, otherwise overpaid amount be recovered.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 6.2.16 having financial impact of Rs. 20.531 million. Recurrence of same irregularity is a matter of serious concern.

4.3.12 Irregular expenditure on flood damaged roads - Rs. 10 million

According to CPWD Code 56 and B&R Code 2.82, “It is a fundamental rule that no work shall be commenced unless Administrative Approval by competent authority is given, and properly detailed design and estimate have been sanctioned, allotment of funds made and orders for its commencement issued by competent authority”. Further, as per GFR-23, “Every government officer should realize fully and clearly that he will be held Personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held Personally responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action.”

The Executive Engineer, Roads Division (CWPP&HD), Kachhi at Bolan, during the financial year 2022-23, executed repair of roads and structures damaged during the flood and made payments of Rs. 10 million to various GCs, as detailed below:

(Rs. in Million)		
S. No.	Name of work	Amount
1	Protection Work of Mach Bridge and Supply of Petrol.	5
2	Restoration of different Approaches, Flood Damages and Supply of POL	5
Total		10

The following irregularities were observed:

- No SOPs were prepared for managing flood related expenditures.
- The expenditure was incurred on repair works by splitting up the cost and without adopting open tenders.
- No survey reports detailing damages in the districts and progress reports were available in record.
- No RDs were mentioned in vouchers, due to which lengths of the roads damaged by flood could not be determined.
- No work completion certificates, work orders / detailed estimates were available in record.
- No monitoring reports were available to ensure proper utilization of funds.
- Payments were made to the contractors without recording detailed measurement and entries in the MB and Bills were paid on the basis of a single page showing total quantity of work done.

Payment without devising policy and fulfilling codal formalities occurred due to weak administrative controls.

The lapse resulted in irregular expenditure.

The matter was reported to the department in February 2024, but no reply was received.

In the DAC meeting on July 8-10, 2024, the DAC directed the office to provide complete record to audit for verification and forward the case to FD, GoB for regularization of the expenditure.

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

Audit recommends that proper SOPs regarding flood relief funds be developed and followed besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2023-24 vide para number 4.2.29 having financial impact of Rs. 138.982 million. Recurrence of same irregularity is a matter of serious concern.

Chapter 5

5.1 Education Department

5.1.1 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.

5.1.2 Comments on Budget and Accounts (Variance Analysis)

Higher Education

Development and non-development funds amounting to Rs. 22,870.632 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 22,350.687 million was incurred, as summarized below:

Type of grant	(Rs. in Million) 2023-24 Higher Education			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21016	16,460.100	16,108.687	(-)351.413	2.13
Development Grant No.BC12216 Function No.093101	6,410.532	6,242.000	(-)168.532	2.63
Grand Total Non-Development & Development	22,870.632	22,350.687	(-)519.945	2.27

Secondary Education

Development and non-development funds amounting to Rs. 70,829.749 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 70,228.700 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2023-24 Secondary Education			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21041	67,109.719	66,740.719	(-)369.000	0.55
Development Grant No.BC12241 Function No.092101	3,514.113	3,324.652	(-)189.461	5.39
Development Grant No.BC12241 Function No.091102	205.917	163.329	(-)42.588	20.68
Total Development	3,720.030	3,487.981	(-)232.049	6.24
Grand Total Non-Development & Development	70,829.749	70,228.700	(-)601.049	0.85

5.1.3 Audit profile of Education Department

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ receipts audited: financial year 2023-24
1.	Formations	1,914	40	24,905.072	3.271
2.	Assignment Accounts	2	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP) (BHICP move to P&D)	1	1	1,624.502	-

5.1.4 Classified Summary of Audit Observations

Audit observations related to Education Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, overpayments, mis-procurements, non-deduction of taxes, irregular retention of public money and payment of inadmissible allowances. The department also failed to make effective utilization of Grant-in-aid funds for the intended purpose.

Audit observations amounting to Rs. 809.157 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 332.501 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	379.801
2.	Recoverable	337.501
3.	Loss	35.45
4.	Overpayment	43.996
5.	Doubtful expenditure	12.409

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	3	-	3	0
2.	1988-89	60	-	60	0
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

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
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	6	3	66
26.	2017-2018	19	6	13	31.5
27.	2018-2019	15	5	10	33
28.	2019-2020	6	-	6	0
29.	2020-2021	6	-	6	0
30.	2021-2022	9	-	9	0
31.	2022-2023	10	-	10	0
32.	2023-2024	19	-	19	0
Total		507	72	461	14.20

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

5.2 AUDIT PARAS (Higher Education)

5.2.1 Irregular payment of retirement benefits from Grant-in-aid - Rs. 153.538 million

According to Section 35 of the Universities Act, 2022, “the contents and manner in which the annual report is to be presented by the Vice-Chancellor before the Senate shall be specified, along with details regarding university fees, other charges, and the constitution of pension, gratuity, provident, and benevolent funds for university employees.”

The VC, LUWAMS, Lasbela at Uthal, during the financial year 2023-24, paid an amount of Rs. 153.538 million to retired employees as retirement benefits, including pension, Benevolent Fund, Group Insurance and GPF from grants provided by the GoB and the HEC. Further, the amounts deducted from employees' monthly salaries for these funds were being utilized for the university's operational expenses instead of being deposited into a dedicated retirement benefit account.

The irregularities occurred due to weak financial management.

The lapse resulted in mis-utilization of funds.

The matter was reported to the department in December 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends adherence to rules governing Grant-in-aid.

[AIR 3]

5.2.2 Excess payment of inadmissible allowances – Rs. 142.628 million

As per FD, GoP's OM, dated July 4, 2023¹, "orderly Allowance to BS-20 to BPS-22 officers with effect from 1st July 2023 for the civil employees of the Federal Government, paid out of civil estimates. Further, as per FD, GoB's Notification dated February 13, 2002², "Only those employee who draw their pay and allowances form the allocation specifically meant for Secretariat staff are entitled to Utility allowance." Furthermore, as per FD, GoP's OM, dated September 29, 2021,³ the TTS was revised as per given rates.

The following universities, during the financial years 2022-24, paid an amount of Rs. 142.628 million on account of inadmissible salary package/allowances to the officials/officers.

(Rs. in Million)			
S. No.	Name of University	AIR Para No.	Amount
1	University of Loralai	4	2.596
2	University of Balochistan	2,10,17,19	74.713
3	Sardar Bahadur Khan Women University	1,2,3	35.099
4	University of Gwadar	5	1.360
5	Lasbella University of Agriculture, Water and Marine Sciences, at Uthal	7,8,9,10,12	28.860
Total			142.628

The payment of inadmissible allowances occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department during September to December 2024, but no reply was received.

¹ No. 1(13)Imp/2016-227

² No. FD -(R-1)III-58/2002/236

³ F. No.4(6)R-4/2016

In the DAC meeting held on January 01, 2024, the DAC directed the office at S.No.4 to recover the overpaid amount from the concerned officers/officers at the earliest. The PAO in respect of other offices was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends recovery and discontinuation of the inadmissible allowances.

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2023-24 vide para number 21.14.5, 21.18.1 and 21.22.2 having financial impact of Rs. 11.756 million, Rs. 6.689 million and Rs. 8.398 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.2.3 Non/less-realization of rent and fee – Rs. 124.761 million

According to GFR 28 Vol.-I, “No amount due to government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of the competent authority for their adjustment must be sought.” Further, as per accommodation Allocation Rules, 2002, “a retired allottee can retain their government accommodation for a maximum of six months after retirement, provided they pay normal rent. However, if such a pensioner defaults on their rent payments, the matter will be referred to the appropriate authority for recovery of the outstanding dues from their pension.”

The following universities, during the financial years 2023-24, failed to recover an amount of Rs. 124.761 million on account of various rent charges and fee.

(Rs. in Million)

S. No.	Name of University	AIR Para No.	Amount
1	University of Balochistan	5,6,8,15	94.096
2	Sardar Bahadur Khan Women University	4,13,19	30.665
Total			124.761

The lapse occurred due to weak financial management.

Non/less realization of rent resulted in loss to the Government.

The matter was reported to the department in November 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends recovery of rent charges.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 21.22.4 having financial impact of Rs. 46.203 million. Recurrence of same irregularity is a matter of serious concern.

5.2.4 Irregular expenditure without inviting open tenders – Rs. 69.385 million

As per Public Procurement Rules, 2004 Rule 12(1), “Procurements over five hundred thousand Pakistani Rupees and up to the limit of three million Pakistani Rupees shall be advertised on the Authority’s website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media.”

The following universities, during the financial year 2023-24, incurred an expenditure of Rs. 69.385 million on procurement of different items without calling open tenders.

(Rs. in Million)

S. No.	Name of University	AIR Para No.	Amount
1	University of Balochistan	4, 14	29.947
2	Sardar Bahadur Khan Women University	7, 13	39.438
Total			69.385

Expenditure without open tenders was caused due to weak financial management.

The lapse resulted in mis-procurement.

The matter was reported to the department during October and November 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends to get the expenditure regularized from the competent forum.

5.2.5 Non/less deduction of government taxes - Rs. 52.736 million

According to BSTS Act, 2015⁴, Income Tax Ordinance, 2001⁵, General Sales Tax Act, 1990⁶, the government levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively, GST @ 17%.

The following universities, during the financial years 2022-24, made payments to various contractors/suppliers for different works and supplies without/less deduction of government taxes, resulting in loss amounting to Rs. 52.736 million.

(Rs. in Million)

S. No.	Name of University	AIR Para No.	BSTS	GST	Income Tax
1	University of Loralai	1	1.764	1.043	7.520

⁴ Section 3 of BSTS Act, 2015

⁵ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

⁶ General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

S. No.	Name of University	AIR Para No.	BSTS	GST	Income Tax
2	University of Balochistan	1, 27	39.828	0.150	0.200
3	Sardar Bahadur Khan Women University	10	0.595	1.636	-
Total			42.187	2.829	7.720
Grand Total			52.736		

Non/less deduction of government taxes/duties occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department during October and November 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends effecting recovery of government taxes and duties from the concerned.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21, 2022-23 and 2023-24 vide para numbers 3.8.1, 4.18.2, 21.22.2 and 21.24.2 having financial impact of Rs. 12.357 million, Rs. 5.843 million and 23.32 million and 24.505 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.2.6 Loss on scholarship due to breach of agreement - Rs. 35.450 million

According to Faculty Development Projects of Universities, “after a scholar is in breach of the agreement category, the following steps will be taken by HEC: Scholarship shall be cancelled by the Executive Director,

HEC/Chairman, and NSMC, and expenses incurred by the scholar plus a penalty of up to 25% may be recovered from the scholar.”

The VC, SBKWU, Quetta awarded scholarships for Ph.D. to various Lecturers/Assistant Professors in different foreign universities, but few Ph.D. scholars reported back within the stipulated time. The management failed to realize the penalty amounting to Rs. 35.450 million from the remaining scholars, as detailed below:

(Rs. in Million)

S No.	Scholars Name	Father's Name/ Husband name	Country of Study	Department / Subject	Amount
1	Aasiya Hamzazai	Ajmal Khan	USA	Botany	8.440
2	Mirfa Manzoor	Manzoor Ahmed	Sweden	Computer Science	8.440
3	Ayesha Hafeez	Muhammad Hafeez	Pakistan	Bio. Technology	1.690
4	Samia Gharsheen	Syed Amanullah	Sweden	Mathematics	8.440
5	Nadia Arshad	Arshad Mahmood	Sweden	Commerce	8.440
6	Sidra Bibi	Manzoor Ahmed	Germany	Environmental Science	8.440
7	Nosheen Saeed	Saeed Ahmed Shah	Not available	Computer Science	8.440
Total					52.33

The lapse occurred due to weak contract management.

Breach of scholarship agreement resulted in loss to the University.

The matter was reported to the department in November 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends effecting recovery besides implementation of HEC guidelines/SOPs.

[AIR 17]

5.2.7 Overpayment of electricity charges due to non-installation of separate meters - Rs. 32.343 million

According to the minutes of the 20th Syndicate meeting held on 25th April 2024 at LUAWMS, Uthal, “During the budget approval discussion, the management assured the house that LUAWMS is prioritizing the reduction of recurring expenses and taking significant steps to curb excessive spending. A major step in rationalizing electricity charges has been undertaken with the implementation of a one-megawatt solarization project. This initiative is expected to reduce electricity expenses by 50%.”

Audit of VC, LUWAMS, Lasbella at Uthal, during the financial year 2023-24, revealed that the management incurred an expenditure of Rs. 32.343 million on electricity bills. It was noted that electricity was supplied to main campus, hostels, mess, residential colony, school and colleges located in university premises from a single meter resulting in high tariff rates, as detailed below:

(Rs. in million)

S. No.	Cheque No. and date	Billing month	Amount
1	003799/15.05.24	May, 2024	3.659
2	14317346/ 24.04.24	April, 24	4.364
3	14317311/ 18.03.24	March, 24	3.140
4	49217335/ 19.02.24	February, 24	4.019
5	41526493/ 22.01.24	January, 24	3.439
6	49217274/ 20.11.23	November, 23	6.160
7	56623446/ 20.10.23	October, 23	7.562
Total			32.343

The lapse occurred due to weak internal controls.

Non-installation of separate meters resulted in financial loss to the university.

The matter was reported to the department in December 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends installation of separate meters.

[AIR 3]

5.2.8 Less realization of revenue - Rs. 29.545 million

As per Rule 26 of GFR, Vol.-I, “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.”

The VC, University of Loralai, during the financial year 2023-24, realized a sum of Rs. 15.540 million against a target of Rs. 45.085 million, resulting in less realization of revenue amounting to Rs. 29.545 million.

The following irregularities were also observed:

- No record of the outstanding fee was available in either the Student Affairs Wing or the Finance Wing.
- There was no back up record for reconciliation instead the figures received from bank were posted in utilization report.
- No revenue was realized in terms of Hostel Charges including utilities etc.
- University property was allotted to tenants without tender and rent agreements.

- The revenue records were maintained manually, which posed a risk of misappropriation.

Less realization of targeted revenue occurred due to weak financial management.

The lapse resulted in loss to the Government.

The matter was reported to the department in October 2024, no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends the digitization of the revenue collection system.

[AIR 5]

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2023-24 vide para number 21.24.3 having financial impact of Rs. 5 million. Recurrence of same irregularity is a matter of serious concern.

5.2.9 Irregular expenditure from non-development budget - Rs. 12.913 million

According to GFR 12 Vol.-I, “A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the fund allotted to spending units are expended in the public interest and upon objects for which the money was provided. In order to maintain a proper control, he should arrange to be kept informed, not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it. He must be in a position to assume before Government and the Public Accounts Committee, if necessary, complete responsibility for departmental expenditure and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise.”

The VC, University of Loralai, during the financial year 2022-23, irregularly made payments amounting to Rs. 12.913 million on development works out of recurring grant, as detailed below:

(Rs. in million)

Payment Voucher	Cheque No.	Month	Name of Work / Contractor	Amount
1	554	3.2021	Construction of Cricket Stadium, M/s Cemcon Associates, GC.	4.787
3	612	6.2021		2.902
14	742	12.2021		0.377
6	780	3.2022		0.447
-	-		Construction of Cafeteria, M/s Jalal Kibzai, GC.	4.400
Total				12.913

The lapse occurred due to weak financial management.

Expenditure from non-development budget resulted in misclassification.

The matter was reported to the department in December 2023, No reply was received.

In the DAC meeting held on June 3, 2024, the University management stated that all allocations from the recurring budget for these works had been approved by the competent authority at the University of Loralai. However, audit did not accept this explanation, as there were no existing rules permitting development expenditures from the recurring budget. The DAC directed the office to get the expenditure regularized from the competent forum.

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

Audit recommends regularization of expenditure from the competent authority besides implementation of DAC directives.

5.2.9 Overpayment due to allowing higher rate – Rs. 11.653 million

As per Rule 4.14 of Manual for Development Projects, “In case a project has been revised for the first time either due to increase in the total cost by more than 15% or due to revision in its scope, it would be treated as a new scheme for obtaining sanction of the competent authority. Any further increase thereafter is not allowed and therefore it is essential that the revised cost estimates are prepared with due care.”

Audit of VC, UoB, during the financial year 2023-24, revealed that the DG, Works of the university awarded a consultancy contract in the financial year 2021, for an amount of Rs. 11.653 million in excess of the approved cost in the PC-I, as detailed in below:

(Rs. in Million)						
S. No.	Name of consultant	Name of Scheme	PC-I Cost	Work Award	Difference	%age above
1	M/s The Building Consultant, Quetta	Expansion of Academic Facilities at main campus, UoB	34.486	46.139	11.653	34%

The lapse occurred due to weak administrative controls.

The overpayment resulted in loss to the university.

The matter was reported to the department in October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter.

[AIR 26]

5.2.10 Non-recovery of liquidated damages - Rs. 7.892 million

As per Clause 2 of the General Conditions of Contract, “if the contractor fails to complete the work within a stipulated time, he shall be liable to pay compensation @ 1% per day or maximum 10% of the contract cost.”

Audit of PD, Establishment of University of Gwadar Phase-I, during the financial year 2023-24, revealed that contract amounting to Rs. 78.291 was awarded to GC, which was not completed as per stipulated time. The management failed to enforce the agreed-upon liquidated damages, resulting in loss of Rs. 7.892 million, as detailed below:

(Rs. in Million)						
S. No.	Name of work	Amount	Stipulated date of completion	Actual date of completion	Delay in days	Penalty
1	Construction of Boundary Wall, M/s Saleh Techno Enterprises, GC	78.291	15.02.2024	In progress.	135	7.892

Delay in completion of work occurred due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department in September 2024, but no reply was received.

In the DAC meeting held on January 01, 2024, the forum directed the management to produce the detailed documents to audit for verification.

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

Audit recommends implementation of effective measures to complete the scheme besides imposition of liquidated damages on the contractor.

[AIR 3]

5.2.11 Less-deduction of security deposits - Rs. 4.311 million

According to Para 2.66 of B&R Code read with Clause 19 of the 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.”

PD, Establishment of University of Gwadar Phase-I, awarded the work of “Construction of Boundary Wall, Academic Block and Admin Block” to different contractors at an estimated contract cost of Rs. 1,058.738 million. However, security deposit was less deducted, as detailed below:

(Rs. in Million)

S. No.	Name of work/ contractor	Cheque No. & Date	Gross amount	SD to be deducted	SD deducted	Difference
1	Construction of Boundary Wall, M/s Saleh Techno Enterprises	B003526 05.06.2024	52.462	5.246	2.623	2.623
2	Construction of Admin Block, M/s Saleh Techno Enterprises	B00036 26.06.2024	15.4	1.54	0.77	0.77

S. No.	Name of work/ contractor	Cheque No. & Date	Gross amount	SD to be deducted	SD deducted	Difference
3	Construction of Academic Block, M/s Muhammad Umar Baloch	B003547 26.06.2024	18.357	1.836	0.918	0.918
Total						4.311

The lapse occurred due to weak financial controls.

Less-deduction of security deposits resulted in undue financial benefit to the contractor.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on January 01, 2024, the DAC showed concern over violation of rules and directed the management to recover security deposit @ 10%.

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

Audit recommends compliance to the rules governing deduction and release of security deposit besides implementation of DAC directives.

[AIR 1]

5.2.12 Illegal retention/occupation of university accommodation

The Accommodation Allocation Rules, 2002, prohibit subletting. Penalties include allotment cancellation, rent penalties, and disciplinary action for government servants. Unauthorized occupation can lead to eviction, disconnection of utilities, rent penalties, and potential criminal proceedings.

Audit of UoB, Quetta, during the financial year 2023-24, revealed that several houses in the University's Colony were illegally retained or occupied without approval of the Estate Officer, as detailed in Annexure 5.1.

The lapse occurred due to weak administrative controls.

Retention of university accommodation by was illegal.

The matter was reported to the department in October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends to get the illegally occupied accommodations vacated.

[AIR 9]

5.3 Audit Paras (Secondary Education Department)

5.3.1 Irregular payment by split-up to avoid open tenders and sanction - Rs. 32.393 million

As per Rule 15 (1) of BPPRs, 2014, amended vide FD's Notification⁷ "Procurements over two hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website." Further, according to GFR 146 Vol.-I, "Purchase Orders should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders." Furthermore, according to Balochistan Delegation of Financial Powers 2019, Head Master of High School, being officer in category-III is empowered to incur expenditure under detailed object S. No. 29(b) uniforms and protective clothing up to Rs. 50,000 and S. No. 22(a) Stationary up to Rs. 200,000 during a financial year."

⁷ No. FD.SO(Procurement)1-31/BPPRA/2019/235-330 dated 20.03.2019,

The following offices of Secondary Education Department, incurred an expenditure amounting to Rs. 32.393 million, during the financial years 2019-24, by split-up to avoid the sanction of higher authority and open tenders.

(Rs. in Million)

S. No.	AIR Para No.	Period	Name of formation	Amount
1	2	2022-23	Director, Bureau of Curriculum and Extension Centre, Balochistan	6.730
2	3-8	2021-22 and 2022-23	Director, PITE, Quetta	6.456
3	3	2022-23	Secretary, Secondary Education Department Balochistan	8.277
4	6	2019-24	DEO, Gwadar	1.060
5	3	2022-23	DEO, Zhob	1.819
6	5	2022-23	DEO, Zhob	4.824
7	2	2020-23	DEO, Gwadar	3.227
Total				32.393

Procurement without inviting open tenders was due to weak financial controls.

The lapse resulted in mis-procurement.

The matter was reported to the department between March and October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in April 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends that concerned office should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure.

5.3.2 Irregular payment through DDOs - Rs. 7.668 million

According to Para 4.2.9.9, of APPM, “Cheque payments should be released to the payee or personally collected by the payee or his authorized agent.” Further, according to Rule 88 of GFR, Vol.-I, “All payments made to Suppliers/service providers etc. are required to be made through cheques exceeding amount worth Rs. 500.”

Following offices of Secondary Education Department during the financial years 2019-24, withdrew an amount of Rs. 7.668 million through cheques in the name of DDOs instead of direct payment to vendors.

(Rs. in Million)

S. No.	Name of offices	Amount
1	DEO Gwadar	0.906
2	DDOE (Male) Gwadar	0.977
3	DOE (Male) Gwadar	0.604
4	DOE (Female) Gwadar	0.981
5	Government Girls Elementary College Sibi	4.200
Total		7.668

Expenditure through DDO was due to weak financial management.

Payment through DDO resulted in irregular payment.

The matter was reported to the department between March and October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends providing acknowledgment receipts, besides stopping of DDO payments in future.

5.3.3 Payment of inadmissible allowances - Rs. 5.173 million

As per FD's Notifications dated November 24, 1996⁸ and October 23, 1972, details of admissibility of conveyance allowance has been prescribed by the Government. FD, GoB Notification dated August 25, 1991⁹. Under FD, GoB memorandum dated April 19, 1983¹⁰, 5% repair and maintenance charges are applicable on residents of government accommodation. Further, according to Finance Division order dated February 22, 2023.¹¹

The following offices of the Secondary Education Department, paid an amount of Rs. 5.173 million during the financial years 2021-23, on account of inadmissible allowances to the officials/officers.

(Rs. in Million)

S. No.	AIR, FY	Name of office	Name of Allowance	Amount
1.	1, 2022-23	Director, Bureau of Curriculum and Extension Centre, Balochistan	Health Professional Allowance, Science Teaching Allowance, Basic Science Allowance, Teaching Allowance	1.327
2.	1, 2021-22 and 2022-23	Director, Provincial Institute for Teachers Education (PITE), Quetta	Health Professional Allowance, Science Teaching Allowance, Basic Science Allowance, Teaching Allowance	0.887
3	1, 2017-18 to 2022-23	Government Girls Elementary College, Sibi	House Rent, Conveyance Allowance, 5% Maintenance Charges	1.925

⁸ No. FD (R)II-4/96/2537-2687.

⁹ No. FD (R) XIX-2/1977

¹⁰ No. CS-III/71/4752-82/GB

¹¹ No. F.No.17 (3) R-2/2017 (pt) -757

S. No.	AIR, FY	Name of office	Name of Allowance	Amount
4	2, 2017-18 to 2022-23	Government Girls Elementary College, Sibi	Charge Allowance, Teaching Allowance	1.034
Total				5.173

Allowing inadmissible allowances occurred due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department between March and October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in April 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends recovery and stoppage of inadmissible allowances.

5.3.4 Non-completion of the project components - Rs. 1,624.502 million¹²

According to Para 9 regarding Capital Costing Estimates of the revised PC-I: “The timely completion of the components i.e., Component 1-Improving Delivery of Quality Health Services, Component 2 - Improving health sector stewardship and Establishment of PMU under Health Component were planned to be completed by the end of first year of the project life cycle. The monitoring of different components as detailed above by the project steering committee was to be ensured by the lead agency (Planning and Development Department, GoB) and other line departments.

¹² FAP “BHICP” Sponsoring Agency World Bank, Credit No. 6313-PK, Grant No. D 679-PK and P166308, P&D Department, GoB.

The PD, BHCIP (Education Component), Quetta, during the financial year 2023-24, did not meet its targets for the year and failed to utilize the allocated amount of Rs. 1,624 million. The project, which involved renovating 292 schools or establishing additional classrooms, had not progressed as expected. After four years, the overall completion rate was only 38%, and with the project set to close in June 2025, the pace of work was too slow to meet the deadline, as detailed below:

S. No.	District	Schools	Completed	Schools Handed Over
1	Chaghi	88	30	0
2	Quetta	59	39	25
3	Pishin	61	29	27
4	Killa Abdullah	84	15	0
Total		292	113	52

Non-completion of the project components occurred due to improper planning and management which not only resulted in non-achievement of the project objectives, but also slowed down the project activities aimed at facilitating the achievement of SDG 4 regarding quality education.

The matter was reported to the project management during October, 2024, but no reply was received.

In the DAC meeting held on November 07, 2024, the forum was apprised that due to some official hurdles in the field, activities could not be started in time. The management stated that it was trying its best to achieve all the projects targets before June 2025. The DAC directed that efforts should be made to complete the yearly set targets as envisaged in the PC-I. The DAC further advised that compliance will be checked in the next audit.

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

Audit recommends stringent monitoring and evaluation for such projects to meet time lines, and that proper justification for lapse in implementation be provided.

5.3.5 Non-deduction of BSTS - Rs. 8.413 million¹³

According to FD, GoB Clarification dated 04.05.202014, under Section 35 (1) of BSTS Act, 2015, “Every withholding agent is advised that while making payments to service providers, deduct and withhold 100% of the tax which is charged @ 6% to construction services under tariff heading 9814.2000.”

The PD, BHICP (Education component), Quetta, during the financial year 2023-24, awarded different civil works and paid an amount of Rs. 140.220 million to the contractors, without deduction of BSTS amounting to Rs. 8.413 million, as detailed below:

(Rs. in Million)					
S. No.	Name of items	Cheque No.	Date	Amount	BST
1	M/s Tariq and Brothers	125835	20.12.2023	15.732	0.943
2	M/s Chamal association	125935	20.12.2023	18.433	1.106
3	M/s Ayan and Brothers	125936	20.12.2023	10.465	0.627
4	M/s Ayan and Brothers	125814	6.12.2023	5.086	0.305
5	M/s Aman Const:	125911	14.12.2023	9.665	0.579
6	M/s Rab const:	125832	14.12.2023	48.420	2.905
7	M/s Abdullah Khan and Sons	125908	12.12.2023	7.397	0.443
8	M/s Dost M and Brothers	134362	23.05.2024	25.018	1.501
Total				140.220	8.413

¹³ FAP “BHICP” Sponsoring Agency World Bank, Credit No. 6313-PK, Grant No. D 679-PK and P166308 P&D Department, GoB.

¹⁴ Letter No. FD.SO(MPR)1-46BST/20203714-48.

Non-deduction of BSTS occurred due to weak financial controls.

The lapse resulted in a revenue loss to the government.

The matter was reported to the project management during October, 2024, but no reply was received.

In the DAC meeting held on November 07, 2024, the DAC instructed the department that to effect recovery and provide the deposit slip regarding BSTS to Audit.

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

Audit recommends effecting recovery from the concerned at the earliest under intimation to Audit, and ensuring automation of such tax deductions.

5.3.6 Non-deduction of security deposits – Rs. 25.356 million¹⁵

According to Para 2.66 of B&R Code, read with Clause 19 of condition of the contract agreement, and further as per Rules 290 of Treasury Rules, “Security deposit @ 10% should be deducted from payment made to a contractor for work done and may be refunded after three months from date of completion of scheme. It is not permissible to draw money from the treasury to prevent the lapse of budget grant.”

The PD, BHICP, (Education component), Quetta during the financial year 2023-24 made payments amounting to Rs. 253.569 million to different contractors without holding/deducting security deposits amounting to Rs. 25.356 million, as detailed below:

¹⁵FAP “BHICP” Sponsoring Agency World Bank, Credit No. 6313-PK, Grant No. D 679-PK and P166308 P&D Department, GoB.

(Rs. in Million)

S. No.	Name of Contractor	Cheque No.	Date	Amount	Security deposit
1	M/s Dost M and Brothers	121644	6.09.2023	85.458	8.545
2	M/s Tariq and Brothers	121640	5.09.2023	27.890	2.789
3	M/s Tariq and Brothers	125835	20.12.2023	15.732	1.573
4	M/s Chamal association	125935	20.12.2023	18.433	1.843
5	M/s Ayan and Brothers	125936	20.12.2023	10.465	1.046
6	M/s Ayan and Brothers	125814	6.12.2023	5.086	0.508
7	M/s Aman Const:	125911	14.12.2023	9.665	0.966
8	M/s Rab Const:	125832	14.12.2023	48.420	4.842
9	M/s Abdullah Khan and Sons	125908	12.12.2023	7.397	0.739
10	M/s Dost M and Brothers	134362	23.05.2024	25.018	2.501
Total				253.569	25.356

Non-deduction of security deposits occurred due to weak financial management.

The lapse may have resulted in a loss to the general public.

The matter was reported to the project management during October, 2024, but no reply was received.

In the DAC meeting held on November 07, 2024, the DAC was informed that management followed the World Bank SOPs while making payment to contractors. Accordingly, 5 % was obtained in the form of bank guarantee, while 5% was deducted from each running bills. Audit disagreed, stating that security deposit was to be deducted @10% from the bills of contractors and deposited in the government account. The DAC directed the

management to provide the World Bank's SoP regarding Security Deposits to Audit.

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

Audit recommends adherence to the rules governing deduction of security deposit besides implementation of DAC directives.

Chapter 6

6.1 Excise and Taxation Department

6.1.1 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.

6.1.2 Comments on Budget and Accounts (Variance Analysis)

Non-development & development funds amounting to Rs. 1,879.712 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 1,853.039 million was incurred, as summarized below:

(Rs. in Million)				
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21002	1,632.723	1,606.057	(-)26.666	1.63
Development Grant No. BC12202 Function No.011205	246.989	246.982	(-).007	0.00
Total Non-Development	1,879.712	1,853.039	(-)26.674	1.42

6.1.3 Audit profile of Excise and Taxation Department, Balochistan

(Rs. in Million)					
S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	40	2	373.904	--

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
2.	Assignment Accounts	-	-	-	-
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 related to Excise and Taxation Department show continued systemic weaknesses in internal controls. These weaknesses translated into mis-procurements, non-realization of revenue and non-reconciliation of receipt.

Audit observations amounting to Rs. 2,722.791 million were raised in this report during the current audit of Excise and Taxation Department. This amount also includes recoveries of Rs. 284.827 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	284.827
2.	Irregular expenditure	2,437.964

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.	2018-2019	6	6	0	100
2.	2019-2020	5	-	5	0
3.	2020-2021	3	-	3	0
4.	2022-2023	4	-	4	0
Total		18	6	12	33.33%

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

6.2 AUDIT PARAS

6.2.1 Irregular expenditure without calling open tenders - Rs. 12.627 million

According to Rule 15 (2) of BPPR, “All procurement over two million rupees shall be advertised by on authority’s website and as well as in newspaper as prescribed by these rules.”

The DG, Excise and Taxation and Narcotics Control (North), GoB, Quetta, during the financial year 2022-23, incurred an expenditure of Rs. 12.627 on account of stationery, printing and publication, transport, plant and machinery, and building rent, by split-up to avoid open tenders, as detailed below:

(Rs. in Million)		
S. No.	Description	Amount
1	Stationery	0.933
2	Printing & Publication	0.423
3	Transport	2.476
4	Plant & Machinery	0.397
5	Account of rent	8.398
Total		12.627

The irregularity occurred due to weak internal controls.

The lapse resulted in mis-procurement.

The matter was reported to the department in May 2024, but no reply was received.

In the DAC meeting held on January 09, 2025, the DAC directed the management to provide evidence of releases below the tender limit or to regularize the expenditure through the competent forum. Besides, the forum directed to provide the tender documents, rent assessment, and agreement to audit.

No further progress was reported till finalization of this report.

Audit recommends that concerned office should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure apart from implementation of DAC directives.

[AIR 1,4]

6.2.2 Less realization of revenue - Rs. 576.011 million

As per Rule 26 of GFR, Vol.-I, "Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account." Further, As per Volume-II of the Annual Budget for the financial year 2022-23, the Excise, Taxation, and Anti-Narcotics Department was assigned a revenue target of Rs. 3,114.59 million.

The DG, Excise, Taxation and Anti-Narcotics (North & South), GoB, Quetta, during the financial year 2022-23, realized a sum of Rs. 2,538.578

million against a target of Rs. 3,114.59 million, resulting in less realization of revenue receipt amounting to Rs. 576.011 million.

Less realization of targeted revenue occurred due to weak financial management.

The lapse resulted in loss to the Government.

The matter was reported to the department in May 2024, but no reply was received.

In the DAC meeting held on January 09, 2025, the DAC directed the management to coordinate with the FD, GoB to review and rationalize the revenue targets. Meanwhile, the department was instructed to take remedial measures to achieve the set annual revenue targets under intimation to Audit.

No further progress was reported till finalization of this report.

Audit recommends implementation of DAC directives besides realization of government revenue.

[AIR 17,2]

6.2.3 Non/less realization of government taxes/ fees – Rs. 284.827 million

According to Clause 3(2) of President Order No. 13 of 1979, Section 5(1) of the Balochistan Finance Act, 1996, Section 3 and 11(2) of the Motor Vehicles Tax Act, 1958, Balochistan High Court Judgment¹, and Section 16(2) of the Urban Immovable Property Tax Act, 1958, the government levied various taxes and fees specifically for Excise and Taxation Department, GoB. Further, According to BSTS Act, 2015² and Income Tax Ordinance, 2001³, the government levied sales tax on services @ 6% and 15% on contract and other

¹ CP No. 677/2019, dated 09.03.2023

² Section 3 of BSTS Act, 2015

³ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

services respectively; income tax @ 7.5%, 10%, 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively.

The DG, Excise, Taxation and Anti-Narcotics (North), Quetta for the financial year 2022-23, failed to realize the government taxes/ fees amounting to Rs. 284.827 million, as detailed below:

(Rs. in Million)

S. No.	Description	AIR Para No.	Amount
1	License renewal Fee	19	10.15
2	Property Tax	22	10.676
3	Motor vehicle tax	26	87.914
4	Income Tax	16	1.102
5	BSTS		0.293
6	Property Tax from CBQ	21	154.734
7	Trade Tax	23	9.884
8	Professional Tax	24	10.074
Total			284.827

Non-realization of government taxes occurred due to weak financial controls.

The lapse resulted in loss to the Government.

The matter was reported to the department in May 2024, but no reply was received.

In the DAC meeting held on January 09, 2025, the DAC directed the management to investigate the reasons for non-realization of taxes/fees, share the findings with the audit, and take corrective actions to meet the assigned revenue targets. Besides, for income tax and BSTS, the DAC directed the management to recalculate the due taxes and recover the amount from vendors.

No further progress was intimated till finalization of this report.

Audit recommends recovery of government taxes and fees besides implementation of DAC directives.

6.2.4 Non-reconciliation of receipts - Rs. 1,849.326 million

As per GFR, Vol.-I Para 89-VIII, “The head of the department will be responsible for the reconciliation of the figures given in the accounts maintained by head of the department with those that appear in the AG’s books.”

The DG, Excise, Taxation and Anti-Narcotics (North), Quetta, during the financial year 2022-23, realized a sum of Rs. 1849.326 million on account of different taxes but failed to reconcile those receipts with the AGB.

Non-reconciliation occurred due to poor financial management and weak internal controls.

The lapse may have resulted in misuse of public funds.

The matter was reported to the department in May 2024, but no reply was received.

In the DAC meeting held on January 09, 2025, the DAC directed the management to provide reconciled statements duly verified by concerned TO, Bank and AG Balochistan to audit.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 8]

Chapter 7

7.1 Finance Department

7.1.1 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.

7.1.2 Comments on Budget and Accounts (Variance Analysis)

Non-Development funds amounting to Rs. 3,965.615 million were allocated to the FD, GoB during the financial year 2023-24. Against the said allocation, an expenditure of Rs. 3,214.796 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2023-24			
	Final Grant	Actual expenditure	Excess/ (Saving)	%
Non-Development Grant No.BC21056	3,965.615	3,214.796	(-)750.820	18.93
Total Non-Development	3,965.615	3,214.796	(-)750.820	18.93

There was a saving of Rs. 750.820 million on non-development side, which indicated improper budgeting and inefficient utilization of funds.

7.1.3 Audit profile of FD, GoB, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	50	2	821.215	-
2.	Assignment accounts	-	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	-	-	-

7.1.4 Classified Summary of Audit Observations

Audit observations related to Finance Department show continued systemic weaknesses in internal controls. These weaknesses translated into financial irregularities including mis-procurements, payment of inadmissible allowances and non-utilization of funds. The department also failed to achieve the intended benefits associated with various investment funds established to uplift the social condition of the public.

Audit observations amounting to Rs.15,907.648 million were raised in this report during the current audit of FD, GoB. Summary of the audit observations classified by nature is as under:

(Rs. in Million)

S. No.	Classification	Amount
1.	Irregular expenditure	15,907.648

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.	2020-2021	5	-	5	0
2.	2021-2022	5	-	5	0
3.	2022-2023	4	-	4	0
Total		14	0	14	0%

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

7.2 AUDIT PARAS

7.2.1 Non-utilization of funds for the intended purpose - Rs. 14,585 million

According to Rule 30 (1) of BPFM, Act, 2020, “If monies have been appropriated by the Provincial Assembly to establish a fund, the FD, GoB, shall notify rules or regulations and issue directives for the management and control of such a fund.

Any statutory instrument shall:

- (a) State the purposes for which the special fund has been established;
- (b) Revenue generation capacity of such fund as a source of provincial revenues and Transfer of such proceeds into provincial consolidated fund;
- (c) Identify the principal accounting officer responsible for its operations; and
- (d) Specify that the cash balances of such funds shall form part of Public Account of the Province.

Such funds shall be subject to audit by the AGP.

Where the Government is satisfied that either:

- (a) The purposes for which any special fund was established have been fully served; or

- (b) It is in the public interest to wind up a special fund, it shall notify dissolution of the said special fund and any credit balances in such fund shall be transferred to the Provincial Consolidated Fund. An evaluation report and regulation of such funds shall be notified by the FD, GoB.”

The Secretary, FD, GoB, invested an amount of Rs. 13,027 million in various funds. The profit earned on these funds was to be utilized as per associated objectives for the financial year 2022-23. However, audit noticed that the fund along with profit remained unutilized, as detailed in Annexure 7.1.

The lapse occurred due to poor financial management.

Non-utilization of funds and earned interest resulted in blockage of funds.

The matter was reported to the department during June 2024, but no reply was received.

The PAO was requested in June, 2024, followed by repeated reminders, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends justification and utilization of funds for the intended purpose.

[AIR-9]

7.2.2 Non-disbursement of Group insurance – Rs. 754.716 million

According to Section 9 of the Balochistan provincial Employees Group Insurance Act, 2009. “The board may delegate such of its power and duties under the Act, to any of the member (s) individually or jointly, as it may deem necessary to facilitate the discharge of its function and to endure efficient operation of the insurance Fund, subject to such conditions and limitation if any, as may be specified therein.”

Audit of Secretary, FD, GoB, for the financial year 2022-23, revealed

that a closing balance of Rs. 754.716 million was lying in Group Insurance Fund Account, which was earmarked for disbursement. Audit observed that payments were made only twice during the financial year 2022-23 due to the complex composition of the board, which caused delays in meetings and subsequent disbursement.

The lapse occurred due to poor financial management.

Delays in disbursement of funds deprived the subscribers of timely benefit of Group Insurance.

The matter was reported to the department during June, 2024, but no reply was received.

The PAO was requested in June, 2024, followed by repeated reminders, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends justification in the matter and simplifying the disbursement procedure as well as revisiting the composition of the board and frequency of its meeting.

[AIR-5]

7.2.3 Non-utilization of flood relief fund – Rs. 311.440 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 and that he will be responsible for any loss arising from fraud or negligence on the part of any other Government Officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

The Secretary, FD, GoB, during the financial year 2022-23, had established the Balochistan Flood Relief and Rehabilitation Fund. Audit noticed that the unutilized amount of Rs. 1,436.904 million from the Covid-19 fund was transferred to this fund. However, the amount remained unutilized for two years. Furthermore, Rs. 1,436.904 million was transferred to Account-I, leaving an unutilized closing balance of Rs. 311.44 million, which was earned as interest.

The lapse occurred due to poor financial management.

Non-utilization resulted in blockage of funds.

The matter was reported to the department during June, 2024, but no reply was received.

The PAO was requested in June, 2024, followed by repeated reminders, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends justification in the matter.

[AIR-7]

7.2.4 Inadmissible payment pay and allowances - Rs. 167.710 million

According to FD, GoB's Notifications dated 27.04.2015¹, dated November 10, 1987, dated September 5, 1988, July 12, 1994,² dated 10.11.2016,³ dated April 2, 1989,⁴ and November 10, 2016⁵, the government had allowed Dress Allowance, Fixed Daily Allowance, Computer Allowance, Ration Allowance and Health Professional Allowance to various categories of employees.

Audit of SDAO Lasbella at Uthal for the financial year 2022-23 revealed that following allowances were inadmissibly paid to different categories of employees in violation of rules:

(Rs. in Million)

S. No.	AIR Para No.	Nature of Para	Amount
1	3	Irregular payment of Dress Allowance	4.369
2	4	Unauthorized payment of Fixed Daily Allowance	0.126
3	5	Irregular payment of Computer Allowance	0.198
4	6	Unauthorized Payment of Ration Allowance	15.829

1 No.FD(R-I)III-6/2015/1114-1233 (Fixed Daily Allowance)

2 No. FD(R)III-45/87/4502-25 (Computer Allowance)

3 No. FD(R-I)III-42/Dr/2016/2109-2230 (Health Professional Allowance)

4 No. FD(R)II-21/89-1208-1358 (Dress Allowance)

5 No. FD(R-I)III-42/Dr/2016/2109-2230 (Health Professional Allowance)

S. No.	AIR Para No.	Nature of Para	Amount
5	7	Undue payment of Health Professional Allowance	147.218
Total			167.740

Payment of inadmissible allowances occurred due to weak internal and financial controls.

The lapse resulted in overpayment and loss to the government.

The matter was reported to the department during April 2024, but no reply was received.

The PAO was requested in April, 2024, followed by repeated reminders, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends recovery of overpaid allowances.

[AIR 3,4,5,6,7]

7.2.5 Irregular expenditure without tender – Rs. 12.307 million

According to Rule 15(2) of BPPRs, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.”

The Secretary, FD, GoB incurred an expenditure of Rs.9.361 million on account of repair of the Government vehicles and Rs 2.946 million on Printing during the financial year 2022-23 by split-up to avoid inviting tender.

The irregularity occurred due to weak financial and internal controls.

Due to weak internal controls, the government was deprived of obtaining competitive rates

The matter was reported to the department during June 2024, but no

reply was received.

The PAO was requested in June 2024, followed by repeated reminders, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends justification besides regularization of expenditure.
[AIR-2, 3]

Chapter 8

8 Food Department

8.1.1 Introduction

The major function of Food Department is procurement, storage and distribution of wheat for masses of Balochistan province. The department is responsible to have sufficient reserve / stock of wheat to meet the requirements in case of drought, and other emergencies likely to be occurred in future.

8.1.2 Comments on Budget and Accounts

Development and non-development funds amounting to Rs.920.196 million were allocated to the Department during 2023-24. Against the said allocation, an expenditure of Rs.772.954 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2023-24			
	Final Grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21025	870.925	737.094	(-)133.831	15.37
Development Grant No. BC12225 Function No.042601	49.271	35.861	(-)13.410	27.22
Grand Total Non-Development & Development	920.196	772.954	(-)147.242	16.00

8.1.3 Audit profile of Food Department, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	24	2	11,635.721	-
2.	Assignment Accounts	-	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)				-

8.1.4 Classified Summary of Audit Observations

Audit observations related to Food Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregularities related to procurement and disbursement of wheat, in addition to mis-procurements and losses due to interest payments.

Audit observations amounting to Rs. 4,288 million were raised in this report during the current Audit. Summary of the audit observations classified by nature is as under:

(Rs. in Million)

S. No.	Classification	Amount
1.	Loss	693
2.	Irregular expenditure	3,594.595

8.1.5 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	5	4	55
3.	2011-2012	5	-	5	0
4.	2013-2014	10	-	10	0
5.	2016-2017	12	12	0	100
6.	2022-2023	3	-	3	0
7.	2023-2024	5	-	5	0
Total		49	17	32	34.69

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

8.2 AUDIT PARAS

8.2.1 Loss due to interest payments - Rs. 610.86 million and non-utilization of funds – Rs. 2,800 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 fraud or negligence on his part. The controlling officer must take immediate action for enforcement of such responsibility.”

The DG, Food Balochistan, Quetta, during the financial year 2023-24 borrowed a loan of Rs. 2,719.825 million from various banks for wheat procurement. The interest of borrowed amount was Rs. 1.674 million per day, which was paid to five commercial banks at an interest rate of 22.46%. This resulted in an annual interest expense of Rs. 610.86 million.

Additionally, the office was assigned to procure wheat worth Rs. 2,800 million during the financial year 2023-24. However, the procurement process was not completed, consequently, Rs. 2,800 million remained idle in various bank accounts, as detailed below:

Idle amount (Rs. in Million)			
S. No.	Name of Bank	Account No.	Amount
1	ABL	0010029185380061	500
2	ABL	0010029185380055	2,300
Total			2,800

Interest paid (Rs. in Million)				
S. No.	Name of Bank	Amount borrowed	Interest 22.46%	Interest per day
1	ABL	544.678	122.33	0.335
2	UBL	545.009	122.41	0.335
3	MCB	544.678	122.33	0.335
4	NBP	544.678	122.33	0.335
5	HBL	540.781	121.46	0.333
		2,719.82	610.87	1.674

The lapse occurred due to weak financial controls.

The failure to prepare a financial plan resulted in substantial loss.

The matter was reported to the department on August 01, 2024, to which the department replied and accepted the stance of the audit. However, no justification was offered.

In the DAC meeting held on November 27, 2024, the department informed that it had borrowed funds from commercial banks in 2017, and since then, interest payments had been made to those banks. In 2023-2024, a procurement mismanagement issue resulted in a High Court case. The court directed the department to deposit the funds allocated for procurement into commercial banks to repay the outstanding loan and interest. The department acknowledged the auditor's concern regarding excessive interest payments. The DAC directed the department to provide a detailed account to the Audit,

outlining past borrowings from banks, their intended purposes, and any financial losses incurred.

No progress was intimated till the finalization of this report.

Audit recommends implementation of DAC directives and development of financial plan for such interest based borrowing.

[AIR 1,9]

8.2.2 Non-issuance of challans for stored wheat – Rs. 2,719 million

According to Chapter-V, Para 43(i) of Food Manual Vol, I,II, 1986, “The provincial government taking into consideration the wheat production level in certain wheat producing areas, shall declare wheat purchasing centers and assign target of procurement to be made.”

The DG, Food Balochistan, Quetta, during the financial year 2023-24, failed to issue 800,000 bags of wheat costing Rs. 2,719 million, for grinding, which increased the risk of spoilage, pest infestation, microflora damage and fungal condemnation, as detailed below:

S. No.	PR Centers	Wheat Available (Bags)
1	Quetta Sairab	314,040
2	Quetta Spinny	32,920
3	Quetta Whyte road	40,000
4	Pishin	192,790
5	Zhob	27,910
6	Muslim Bagh	79,450
7	Loralai	37,210
8	Kalat	6,320
9	Sorab	4,940
10	Mastung	114,304
11	Khuzdar	21,940
12	Hub	17,999
13	Turbat	4,800
Total		894,623

Non-issuance of challans occurred due to weak internal controls.

The lapse may result in loss to government exchequer.

The matter was reported to the department in August, 2024, to which department replied and accepted the stance of the audit. However, no justification was offered.

In the DAC meeting held on November 27, 2024, the DAC directed the department to expedite the issuance of wheat to flour mills to prevent potential losses due to fungal contamination at PR centers under intimation to Audit.

No progress was intimated till the finalization of this report.

Audit recommends implementation DAC decision.

[AIR 8]

8.2.3 Shortage of wheat bags - Rs. 320.640 million

As per Para 14 (ii), 15(a)(d) of Procurement of Wheat Policy dated September 29, 2022¹, “The officer / official in charge of procurement center will be responsible for weight and quality of wheat purchased and as such he must carefully examine the quality of wheat tendered (by visual inspection) and ensure that it conforms to the laid down specification. Project in charge will continuously monitor the procurement process to ensure acceptance of on Fair Average Quality (FAQ) wheat, as per specifications and in correct weigh and in bandana. Only 100 kg net (101.100 kg including bandana) wheat is purchased, no excess weight is allowed to be purchased from growers.”

The DG, Food Department Balochistan, Quetta, during the financial year 2022-23, submitted progress report which revealed that 32,064 metric ton of wheat amounting to Rs. 320.640 million was found missing.

Shortage of wheat occurred due to weak internal controls.

The lapse resulted in loss to the Government.

¹ No. 601-BFD/R/2020/1870

The matter was reported to the department in March, 2024, to which the department replied that as per office record, a procurement of 700,000 bags of wheat was made instead of 667,936 bags. However, no evidence was provided.

In the DAC meeting held on November 27, 2024, the DAC directed the management to provide documentary evidence justifying the difference of 32,064 bags. Additionally, the management was directed to get all relevant record verified by Audit at the earliest.

Audit recommends implementation of DAC directives.

[AIR 7]

8.2.4 Non-collection of security deposits on EG bags - Rs. 280 million

According to Para 43(vi) Food Manual Vol-I-II, “The empty gunny bags will be provided by the food directorate to the growers against the cash securities fixed in the procurement policy. The security deposit will be refunded by the in-charge purchase center only after the outstanding bags have been recovered. Further, as per procurement of wheat policy², “Bardana will be issued to the genuine farmers / growers by the center in charge after deposit of security @ Rs. 400 per jute bag. No of bardana will be issued without prior deposit of security except small farmers and personal and on personal guarantee of center in charge.”

The DG, Food Department Balochistan, Quetta during the financial year 2022-23, issued 700,000 EG bags to growers without collecting security deposit @ 400 per bag amounting to Rs. 280 million.

Non-collection of security deposit occurred due to weak internal controls, which resulted in loss to the Government.

The matter was reported to the department in March 2024, to which the department replied that security deposit @ Rs. 400 per EG bag was collected at the time of procurement. However, no evidence was provided.

² No. 601BFD/R/2020/1870 dated September 29, 2022, stated in Para 11(c)

In the DAC meeting held on November 27, 2024, the DAC directed the management to provide guarantee/surety documents along with detailed statement enlisting the security deposits to Audit for verification.

Audit recommends implementation of DAC directives.

[AIR 2]

8.2.5 Irregular retention of savings and unauthorized expenditure from interest earned from Grant-in-aid - Rs. 266.299 million

According to Section 22 of the BPFM Act, 2020, “All departments, their attached departments and sub-ordinate offices, and autonomous organizations shall surrender to the FD, GoB by the thirty-first day of May each year, all anticipated savings in the grants or assignment accounts or grant-in-aid controlled by them.” Further, according to Rule 6 and 7 of Grant-in-aid Rules, 2021, “Any portion of the amount which was not ultimately required for expenditure on the specified object was duly surrendered to the Government and interest or other earnings against Grant-in-aid (other than reimbursement) released to any grantee institution should be remitted to the Public Consolidated Fund.”

The DG, Balochistan Food Authority, Quetta could not utilize the unspent amount of Rs. 80 million of Grant-in-aid for the intended purposes at the close of financial year 2022-23. Instead of surrendering the savings, the department deposited the amount in a private bank account, earning interest amounting to Rs. 4.266 million. Moreover, expenditure was incurred from the interest amount in violation of Grant-in-aid Rules.

The irregularities occurred due to weak financial controls.

The lapse resulted in blockage and mis-utilization of funds.

The matter was reported to the department in March 2024, but no reply was received.

In the DAC meeting held on July 22, 2024, the management replied that as per section 46 and 47 of BFA Act, 2014 amended up to 2021 and subsequent approval of Food Authority (Board), the amount released to BFA by the GoB, FD, GoB as grant-in-aid was deposited in BFA Account. The required funds

along with the profit are withdrawn from the subject account for day to day expenditure. Moreover, the main reason for significant saving was that BFA could not finalize its recruitment against the sanctioned posts due to non-finalization of BFA's employees service rules. Audit was of the view that provisions of PFM Act and Grant-in-Aid rules are applicable to all the departments across the board. The DAC directed that the non-utilized amount of Grant-in-Aid be surrendered to the FD, GoB, the expenditure from the interest amount be regularized and recruitments be finalized at the earliest.

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

Audit recommends adherence to rules governing Grant-in-aid besides implementation of DAC directives.

[AIR 1]

8.2.6 Loss due to understatement of wheat weightage - Rs. 74.540 million

As per Para 14 (ii), 15(a)(d) Procurement of Wheat Policy, dated September 29, 2022³, "The officer / official in charge of procurement center will be responsible for weight and quality of wheat purchased and as such he must carefully examine the quality of wheat tendered (by visual inspection) and ensure that it conforms to the laid down specification. Project In charge will continuously monitor the procurement process to ensure acceptance of on Fair Average Quality (FAQ) wheat, as per specifications and in correct weigh and in bandana. Only 100kg net (101.100 kg including bardana) wheat is purchased, no excess weight is allowed to be purchased from growers."

The DG, Food Department Balochistan, Quetta / Project in-charge during the financial year 2022-23, understated the weightage of procured wheat by 745,465 ton, resulting in loss amounting to Rs. 74.540 million.

Less weight measurement was due to weak internal controls.

The lapse resulted in loss to government.

³ No. 601-BFD/R/2020/1870

The matter was reported to the department in March, 2024, to which the department replied that the recorded weight of procured wheat in the office record was 34.393 metric tons instead of the notified weight of 35.138 metric tons. However, no justification was provided.

In the DAC meeting held on November 27, 2024, the DAC directed the management to provide documentary evidence justifying the difference of 745,465 Kgs in weight of procured wheat.

Audit recommends implementation of DAC directives.

[AIR 3]

8.2.7 Irregular expenditure by split-up to avoid open tenders - Rs. 8.656 million

According to Rule 15(2) of BPPRs, “All procurements opportunities over two hundred thousand and up to two million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.”

The DG, BFA, Quetta during the financial year 2022-23, incurred an expenditure amounting to Rs. 8.656 million on account of various heads of account by split-up to avoid open tenders, as detailed below:

(Rs. in Million)

S. No.	Object Code	Object Classification	Revised Budget Estimate 2022-23	Total Expenditure till 30th June 2023
1	A03901	Stationary	0.700	0.475
2	A13301	Office Build:	3.633	0.492
3	A13001	Transport	1.801	1.741
4	A09701	Furniture	2.348	0.170
5	A09501	Transport	0.435	0.435
6	A09404	Medical and Lab Equipment	2.629	0.370
7	A09203	IT Equipment	11.477	0.357

S. No.	Object Code	Object Classification	Revised Budget Estimate 2022-23	Total Expenditure till 30th June 2023
8	A03907	Advertisement & Publicity	3.297	3.283
9	A03902	Printing & Publication	1.362	1.333
Total			27.682	8.656

The irregularity occurred due to weak internal and financial controls.

The lapse resulted in mis-procurement.

The matter was reported to the department in March, 2024, but no reply was received.

In the DAC meeting held on July 22, 2024, the management replied that all bulk procurements were tendered accordingly and in the instant case, BFA made procurements under various heads of accounts as per its need from time to time. The DAC directed the management to provide details to Audit for verification, else the expenditure be regularized by the competent authority.

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

Audit recommends that concerned office should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure apart from implementation of DAC directives.

[AIR 3]

8.2.8 Loss due to burning of PP bags in procurement center - Rs. 7.787 million

As per Para 11(c) of Procurement of Wheat Policy, dated September 29, 2022⁴, “Bardana will be issued to the genuine farmers / growers by the center in charge after deposit of security @ Rs. 400 per jute bag. No bardana will be

⁴ No. 601-BFD/R/2020/1870

issued without prior deposit of security except small farmers and personal and on personal guarantee of center in charge.”

The DG, Food Department Balochistan, Quetta, during the financial year 2022-23, distributed 19,468 PP bags amounting to Rs. 7.787 million to purchase center of DM Jamali. Scrutiny of the record revealed that the bags got burnt in the purchase center.

The loss occurred due to weak internal controls and negligence of the management.

The lapse resulted in loss to the Government.

The matter was reported to the department in March, 2024, to which the department replied that an inquiry had been initiated against those responsible for the lapse. The inquiry report would be shared as soon as the proceedings are completed.

In the DAC meeting held on November 27, 2024, the DAC directed the management to share the proceedings of the inquiry with Audit.

Audit recommends implementation of DAC directives.

[AIR 6]

8.2.9 Undue payment on account of wheat procurement - Rs. 47.237 million

According to Para B.4.4 of Wheat Procurement Policy, 2017, “One filled bag must be of 100 Kgs wheat Plus 1.05 kg of EG bag. The gross weight of the filled bag should be 101.05 Kgs. Weight of every bag must be standard and equal.”

Audit of wheat procurement for the financial year 2017-18 revealed that excess payment of Rs. 47.237 million was made on account of wheat procurement. Disposal records showed that weight of some bags was less than

the standard weight i.e., 101.05 kg gross, but the payment was made for a full bag which resulted in the above mentioned loss.

The irregularity occurred due to weak administration.

The lapse resulted in loss to the government.

The matter was reported to the department in July 2021, but no reply was received.

In the DAC meeting held on August 12, 2021, the department could not justify the difference in weights. DAC decided that the matter may be pursued in the light of Food Manual under intimation to Audit.

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

Audit recommends strict adherence to the relevant provisions of Food Manual besides implementation of DAC directives.

8.2.10 Non-selling of excess quantity of wheat - Rs. 16.309 million

According to Para B.4.4 of Procurement Policy, 2017, “One filled Bag must be of 100 Kgs wheat Plus 1.05 kg of EG bag. The gross weight of the filled bag should be 101.05 Kgs. Weight of every bag must be standard and equal.” Further, as per Para 162 of Food Manual, “The stock found in excess on physical verification shall be entered in the stock register with an entry Tonnes of ... or ... Gunny bags were found in excess, to be recorded by verifying officer under the column Receipts.”

Audit of wheat procurement for the financial year 2017-18 revealed that in some bags wheat worth Rs. 16.309 million was in excess of the standard quantity i.e., 101.5 kg which should have been sold separately. Non-selling of excess quantity resulted in non-realization of Rs. 16.309 million.

Non-selling of excess quantity of wheat occurred due to weak planning.

The lapse resulted in loss to the government.

The matter was reported to the department in July 2021, but no reply was received.

In the DAC meeting held on August 12, 2021, the department could not justify the difference in weights. DAC decided that the matter may be pursued in the light of Food Manual under intimation to Audit.

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

Audit recommends strict adherence to the relevant provisions of Food Manual besides implementation of DAC directives.

8.2.11 Non-deduction of BSTS - Rs. 3.629 million

According to Section 3 of BSTS Act, 2015, “The GoB levies Sales Tax @ 15% on provision of services rendered by contractors.”

Audit of wheat procurement for the financial year 2017-18 revealed that Food Department, Balochistan incurred an expenditure of Rs. 37.824 million on transportation of wheat from different PCs to respective PRCs without deduction of BSTS from the contractor, as detailed below:

(Rs. in Million)

S. No.	Name of contractor	Bags	Destination	Rate (Rs.)	Total claim	BSTS @15%
1.	M/s Abdul Bari, GC	19,325	Sohbatpur to Zhob	321	6.203	0.809
		20,790	Bibi Parveen to Nushki	227	4.660	0.607
		9,869	Dera Murad Jamali to Panjgur	345	3.421	0.446

S. No.	Name of contractor	Bags	Destination	Rate (Rs.)	Total claim	BSTS @15%
		8,330	Azizabad to Sohrab	220	1.855	0.242
		51,930	Babakot to Muslim Bagh	225	11.684	1.524
Total					27.824	3.629

Non-deduction of BSTS was due to weak financial management.

The lapse resulted in revenue loss to the government.

The matter was reported to the department in July 2021, but no reply was received.

In the DAC meeting held on August 12, 2021, the DAC directed to effect recovery from the contractor.

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

Audit recommends recovery of government taxes.

8.2.12 Non-imposition of penalty - Rs. 1.656 million

As per Clause 6 of Contract between Food Department and the Transport Contractors, “In case the Contractor fails to complete the work as per orders (lifting wheat within 10 days), he will be liable to pay a penalty of Rs. 5 per M.T per day.”

Audit of wheat procurement for the financial year 2017-18 revealed that the following contractors failed to lift the wheat in stipulated time and the management did not impose penalty of Rs. 5 per M.T per day, as detailed below:

S. No.	Name of Contractor	Delayed Quantity (Bags)	Delayed quantity in (M.Ton)	Delays in days	Amount of Fine
A	b.	c.	d.	e.	f.(dxex5)
1	Associate Enterprises	17,410	1741	7	64,093
2	Fazal Muhammad	13,353	1335.3	8	53,669
3	Mattiullah & Co.	72,401	7240.1	12	447,970
4	Qutab Khan	52,035	5203.5	18	476,268
5	S. Abdul Bari	69,682	6968.2	8	269,654
6	Zahid Traders	75,457	7545.7	9	345,325
Total		300,338	30033.8	316	1,656,979

Non-imposition of penalty occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department in July 2021, but no reply was received.

In the DAC meeting held on August 12, 2021, the DAC directed to effect recovery of penalty charges.

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

Audit recommends compliance to the provisions of contract agreement.

8.2.13 Undue claim of subsidy - Rs. 42.858 million

As per Food Manual, “Before setting up the price of Wheat, the department considers all the costs incurred during the procurement process which includes purchase price and incidental charges i.e., cost of E.G bags handling and transportation charges, fumigation charges, interest charges (Interest on Bank Loan as the purchases are on credit), sampling cost and cost of tarpaulins.”

Audit of wheat procurement for the financial year 2017-18 revealed that the cost of the wheat subsidy, which was based on certain incidental charges, was overstated to Rs. 42.858 million due to wrong calculation of these charges, as detailed below:

(Rs. in Million)				
Description	Departmental book value	Actual value	Difference (Per Bag)	Total difference 996,005 bags
Cost of wheat (Support Price)	3,250	3,250	0	-
EG Bags	164.99	164.99	0	-
H&T Charges	200	165.96	34.04	33.904
Fumigation	5	2.01	2.99	2.978
Tarpaulins	5	0	5	4.980
Sampling	1	0	1	0.996
Interest Charges @ 6.5	211.25	211.25	0	-
Total	3,837.24	3,794.21	43.03	42.858

Wrong calculation occurred due to weak financial controls.

The lapse resulted in undue subsidy payment.

The matter was reported to the department in July 2021, but no reply was received.

In the DAC meeting held on August 12, 2021, the DAC directed that incidental charges be recalculated and the differences adjusted.

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

Audit recommends implementation of DAC directives.

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. 33,431.510 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 32,358.603 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21018	25,571.106	25,097.936	(-)473.171	1.85
Development Grant No. BC12218 Function No.074120	7,860.404	7,260.667	(-)599.737	7.63
Grand Total Non-Development & Development	33,431.510	32,358.603	(-)1,072.907	3.21

9.1.3 Audit profile of Health Department, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	259	68	33,831.176	-
2.	Assignment Accounts	5	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	1	1	1,443.533	-

9.1.4 Classified Summary of Audit Observations

Audit observations related to Health Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, non-installation of essential medical equipment, creation of liabilities, dual drawal of salaries, mis-procurements, non-functional HMIS and procurement of medicines without mandatory drug testing. The department also failed to utilize medical equipment despite incurring huge expenditure.

Audit observations amounting to Rs. 9,180.643 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 276.677 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	8,903.966
2.	Recoverable	276.677

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.	1984-1985	6	-	6	-
2.	1988-1989	12	-	12	-
3.	1989-1990	12	-	12	-
4.	1990-1991	38	-	38	-
5.	1991-1992	52	-	52	-
6.	1992-1993	30	-	30	-
7.	1993-1994	38	-	38	-
8.	1994-1995	19	-	19	-
9.	1995-1996	23	-	23	-
10.	1996-1997	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	11	2	84
28.	2017-2018	11	5	6	45
29.	2018-2019	21	6	15	28
30.	2019-2020	8	-	8	-
31.	2020-2021	6	-	6	-
32.	2021-2022	15	-	15	-

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
33.	2022-2023	11	-	11	0
34.	2023-2024	17	-	17	
Total		539	39	500	7.23

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

9.2 AUDIT PARAS

9.2.1 Irregular retention of Grant-in-aid - Rs. 3,757.196 million and expenditure from interest earned - Rs. 76.60 million

According to Section 22 of the BPFM Act, 2020, “all departments, their attached offices, and autonomous organizations must surrender anticipated savings in grants or assignment accounts to the FD by May 31 each year.” Further, as per Rule 5(e) of Grant-in-Aid Rules 2022, “the concerned DDO must certify, through a countersigned certificate, that (i) the previous year’s grant was used for its intended purpose, (ii) spent within the same financial year, and 5(f), any unused portion must be surrendered to the Government.”

The following offices of Health Department, GoB, during the financial year 2023-24, could not utilize the unspent amount of Rs. 3,757.196 million of Grant-in-aid for the intended purposes. Instead of surrendering the savings, the department had retained the amount and one of the offices earned and spent interest amounting to Rs. 76.60 million, as detailed below:

(Rs. in Million)

S. No.	Name of Formation	AIR Para	Amount	Interest Amount
1	CEO, Sheikh Muhammad Bin Zayyad Al Nayan, Institute of Cardiology.	1,8	1,138.74	76.60
2	DG, MERC, Balochistan	5	10.46	-
3	MS, SPH, Quetta	8,15	668.516	-
4	CEO, Balochistan Health Card Program, Quetta	1	1,454.61	-
		2	484.87	-
Total			3,757.196	76.600

The irregularities occurred due to weak financial controls.

The lapse resulted in blockage and mis-utilization of funds.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the management to provide justification or approval of FD, GoB. The forum further directed to deposit the retained amount into Government treasury and get the expenditure from interest earned regularized from the competent forum.

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

Audit recommends adherence to rules governing Grant-in-aid besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21, 2021-22 , 2022-23 and 2023-24 vide para numbers 9.2.6, 10.2.11, 13.2.4 and 11.2.9 having financial impact of Rs. 3.027 million, Rs. 9.409 million, Rs. 273.897 million and 345.431 million respectively. Recurrence of same irregularity is a matter of serious concern.

9.2.2 Non-installation of medical equipment due to poor planning - Rs. 833.586 million

The project COVID-19, as per PC-I, involved civil and non-civil work, executed by the Health Department and CWPP&HD, respectively. The objective was to upgrade hospitals with various facilities. Further, according to Rule 30(1) of BPPRs, 2014, “a Procuring Agency shall specify a bid validity period in the bidding document, not exceeding 90 days for National Competitive Bidding and 120 days for International Competitive Bidding.”

The following offices of Health Department, GoB, during the financial years 2022-24, incurred an expenditure amounting to Rs. 279.086 million on procurement of medical equipment. Audit observed that the PD, COVID-19 Response & Natural Calamities Program in Balochistan procured ICU and oxygen plants for 13 hospitals amounting to Rs. 279.86 million but the Building and Road Department failed to construct the necessary infrastructure for their installation, despite PC-I provisions. Further, an ICU ventilator delivered to DHQ Hospital, Killa Saifullah which remained unused due to lack of installation. Similarly, in Gwadar, multiple medical equipment items procured for DHQ Hospital were left idle due to the incomplete construction of the hospital building, highlighting poor planning and a significant wastage of public funds, as detailed below:

(Rs. in Million)

S. No.	Para No	Name of Department	Financial Year	Amount
1	5	MS, DHQ Hospital, Gwadar	2022-23	-
2	4	MS DHQ Hospital Killa Saifullah	2023-24	-
3	2	PD, COVID 19 response and Natural Calamities Program, Balochistan	2023-24	279.086
Total				279.086

Non-utilization/delivery of medical equipment occurred due to lack of planning.

The lapse resulted in non-utilization of medical equipment depriving the general public from availing basic health facilities.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the concerned offices to make the medical equipment functional by coordinating with CWPP&HD through the administrative department without further delay. The paras of the offices at S.No.1 and 2 were not discussed.

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

Audit recommends to make the medical equipment functional without further delay.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para numbers 11.2.8 having financial impact of Rs. 300 million. Recurrence of same irregularity is a matter of serious concern.

9.2.3 Irregular expenditure by split-up to avoid open tenders – Rs. 690.450 million

According to Rule 15(2) of BPPRs, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.”

Various offices of Health Department, GoB, during the financial years 2022-24, incurred an expenditure of Rs. 690.450 million, on procurement of different items, by split-up to avoid open tenders, as detailed in Annexure 9.1.

Expenditure by split-up occurred due to weak internal controls.

The lapse resulted in mis-procurement.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the department to conduct an internal inquiry into the matter. Further, the forum directed the concerned offices to justify the deviation of completing the procurement without tenders and through splitting and get the expenditure regularized by the competent authority.

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

Audit recommends that concerned offices should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure apart from implementation of DAC directives.

Note: The issue was also reported in the Audit Reports for Audit Years 2020-21, 2022-23 and 2023-24 vide para numbers 10.2.2, 15.2.2 and 11.2.8 with the financial impact of Rs. 91.171 million, Rs. 68.327 million and Rs. 371.215 million respectively. Recurrence of same irregularity is a matter of serious concern.

9.2.4 Non-monitoring and evaluation of grant expenditure – Rs. 650.085 million

As per Rule 6(1) of Grant in Aid Rules, 2022, “The Administrative Department concerned shall designate the responsibility of the Monitoring and Evaluation function within the department to a dedicated wing/section or attached office of the department or request the FD, GoB to undertake a qualitative and quantitative evaluation of grant expenditure to assess that the grants are utilized for the primary purpose and the objectives achieved.”

The following office Health Department, GoB, during the financial year 2023-24, made payments through Grant-in-aid amounting to Rs. 650.085 million to their sub-ordinate offices for providing health services. Despite allocated funds, the local office failed to properly monitor and evaluate their use, as detailed below:

(Rs. in Million)				
S. No.	Name of Formation	AIR Para	Financial year	Amount
1.	MS, SPH, Quetta	2	2023-24	406.972
2.	DG Health Balochistan	3	2023-24	243.113
Total				650.085

Non-monitoring occurred due to weak administrative controls.

The lapse may have resulted in loss to the government.

The matter was reported to the department during October to September, 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the department to ensure monitoring of Grant-in-aid funds in line with rules. It was further directed that utilization reports be shared with Audit and any amount left unspent be surrendered to the government.

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

Audit recommends adherence to the rules governing Grant-in-aid besides implementation of DAC directives.

[AIR 2,3]

9.2.5 Irregular expenditure on procurement of drugs and medicines – Rs. 556.907 million

According to Rule 10 of GFR Vol-I, “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety being ordinary prudence spent government as his own money”. Further, as per the Drugs Act, 1976 read with Special Conditions of Contract Agreement, “After drug delivery to the purchaser, the Area Drug Inspector sends batch samples to the DTL for testing. The Health Department's Procurement Committee inspects the goods' quantity and specifications upon receiving the DTL's standard quality report.”

Various offices of Health Department, GoB, during the financial years 2022-24, incurred an expenditure of Rs. 556.907 million on account of purchase of drugs and medicines, as detailed in Annexure 9.2.

The procurement was held irregular due to following reasons:

- Lack of testing from DTL increased the risk of compromise on quality of the medicines.
- Procurement was made without conducting actual need assessment.
- Stock registers were not maintained.

- District Drug Inspection Committees were not constituted to check quantity of medicines as per supply order, date of manufacturing and shelf life, inner and outer surface of the medicines.

Irregular expenditure on procurement occurred due to weak internal controls.

The lapse may have resulted in compromised quality of job performed.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC showed serious concerns and directed the DG Health Services to take up the matter with DTL for devising proactive approach in testing medicines samples well before their consumption. It was also directed that in future the DRAP reports may also be obtained from vendors should the DTL reports get late. Furthermore, the forum directed the DG Health Services to conduct an inquiry in the matter under intimation to audit besides provision of necessary record of procurement.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para numbers 11.2.11 having financial impact of Rs. 297.692 million. Recurrence of same irregularity is a matter of serious concern.

9.2.6 Irregular payments through DDO - Rs. 489.105 million

According to Para 4.2.2.9 of APPM, “Cheque payments should be released to the payee or personally collected by the payee or his authorized agent.”

The following offices of Health Department, GoB, during the financial years 2021-24, incurred an expenditure amounting to Rs. 46.605 million by drawing cheques in the name of DDOs instead of payment to the vendors, as detailed below:

(Rs. in Million)				
S. No.	AIR Para No	Name of office	Financial Year	Amount
1	4	MS, DHQ Hospital, Gwadar	2021-23	1.255
2	14	ED, Sheikh Khalifa Bin Zayyed Hospital, Quetta and Principal, Nursing College	2023-24	12.086
3	2	CEO, Sheikh Muhammad Bin Zayyad Al Nayan, Institute of Cardiology Quetta		13.124
4	4	DHO, Loralai		20.14
Total				46.605

Payment through DDOs occurred due to weak financial controls.

The lapse resulted in irregular expenditure.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the respective offices to produce the consolidated list of payees and

acknowledgment receipts along with tax deduction details to audit for verification. Paras of the offices at S.No.1 and 4 were not discussed.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2023-24 vide para number 11.2.14 having financial impact of Rs. 48.186 million. Recurrence of same irregularity is a matter of serious concern.

9.2.7 Irregular advance payment – Rs. 442.500 million and cost-overflow - Rs. 114 million

As per Rule 30(1) of BPPR, 2014, “a Procuring Agency shall specify a bid validity period in the bidding document, not exceeding 90 days for National Competitive Bidding and 120 days for International Competitive Bidding.” Further, according to Para 4.2.9.9 of the APPM, “cheque payments should be either released to the payee or collected by the payee or their authorized agent. Cheques sent by registered post should have envelopes with instructions to return unclaimed cheques to the issuing department.” Furthermore, as per Rule 290 of Treasury Rules, “no money should be drawn from the treasury unless required for immediate disbursement, and it is not permissible to draw funds in anticipation of claims to avoid the lapse of budget grants.”

The MS, SPH, Quetta, during the financial year 2023-24, awarded the work for supply of MRI machine vide work order dated December 1, 2022¹ and made advance payment amounting to Rs. 442.500 million, as detailed below:

¹ No. 1-4/A&F/1490-93/SPH

(Rs. in Million)

S. No.	Name of firm	Particulars	Amount in 2022	Amount in 2024	Cost-overrun
1	M/s Medequips Pvt. Ltd.	MRI 1.5 Tesla and complete cardiac package	\$1500,000x219 = Rs. 328.500	442.500	114
Total			328.500	442.500	114

The following further irregularities were noted:

- The amount was drawn in advance in the name of the DDO to prevent lapse of funds, but the MRI machine was not delivered till the currency of audit.
- The procurement process, initiated with a tender in October 2022 and scheduled for delivery by March 2023, remained incomplete.
- Despite the expiry of the original 90-day bid validity, the same bidder was awarded the contract without issuing a new tender, raising concerns about fairness and competitiveness.
- No performance guarantee was obtained from the contractor.
- The quoted price of \$15 million for the MRI 1.5 Tesla system remained unchanged from 2022 to 2024, even though the model had become outdated, potentially leading to overpayment.
- The delay in procurement and non-delivery of the machine within the stipulated time caused a cost overrun of Rs. 114 million, primarily due to fluctuations in the foreign currency exchange rate.

The irregularities were caused due to weak internal controls.

The lapse resulted in delayed medical services.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the department to conduct an inquiry into the matter.

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

Audit recommends provision of inquiry report to audit.

[AIR 1,6]

9.2.8 Unjustified procurement and creation of liability - Rs. 440 million

According to Rule 51 of BPPR, 2014, “a procuring agency may use alternative procurement methods, including (i) request for quotation, based on comparing price quotations from at least three suppliers, contractors, or service providers for non-consulting services to ensure competitive pricing, and (ii) engaging in this method when the cost is below the prescribed limit of two hundred thousand and above the financial limit for petty purchases.”

The DG Health Services, Balochistan, during the financial year 2023-24, made procurement amounting to Rs. 684.336 million from M/s Global Marketing Services, Rawalpindi, and Hussein Enterprises, Hyderabad, for Plant and Machinery, PPE Kits and consumables, as detailed below:

(Rs. in Million)

S. No.	Name of firm	Particulars	Cheque No. and date	Total Amount	Amount paid	Liability
1	M/s Global Marketing	Plant and Machinery	2119717, 13.02.2024	6.112	6.112	-
2		PCR Kit	2112889, 14.02.2024	18.330	18.330	-
3		PCR Kit	2112888, 14.02.2024	69.894	69.894	-
4	Hussein Enterprises	PPE Kits	84691380, 13.06.2020	590	150	440
Total				684.336	244.336	440

The following irregularities were observed:

- The procurement and inspection committees, although formulated, were bypassed, and purchases were directly made by issuing work orders to the concerned firms and distributed without proper inspection.
- No need assessment was conducted prior to procurement, leading to excessive and unnecessary purchases. Specifically, out of 100,000 PPE kits procured, 35,872 kits, valued at Rs. 211.379 million, remained idle in the warehouse.
- It was also noted that the same items were procured by the PDMA, suggesting duplication of efforts and resources.
- The unjustified and non-transparent procurement practices had resulted in a liability of Rs. 440 million on the part of the DG Health Services, with a significant portion of the procured items remaining unutilized.
- The items purchased without consulting the procurement committee were priced at Rs. 5,900 per unit, significantly higher than the Rs. 2,984 per unit rate previously set and procured by the procurement committee during the COVID-19 lockdown.

Unjustified expenditure occurred due to weak internal controls.

The lapse resulted in financial losses to the government.

The matter was reported to the department in September 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed that the matter be inquired by forming an internal fact finding committee.

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

Audit recommends provision of inquiry report to audit.

[AIR 1]

9.2.9 Non/less deduction government taxes/duty - Rs. 276.677 million

According to BSTS Act, 2015², Income Tax Ordinance, 2001³, General Sales Tax Act, 1990⁴ and Stamp Act, 1899⁵, the government had levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively, GST @ 17% and Stamp duty @ 0.25%”

Various offices of Health Department, during the financial year 2022-24, incurred expenditure in different heads without deducting government taxes/duty, which resulted in loss of Rs. 276.677 million to government, as detailed in Annexure 9.3.

Non-deduction of governmental taxes/duty occurred due to weak financial controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27 and 28, 2024, the DAC directed the management of the respective offices to ensure full recovery from the concerned at the earliest. The forum further directed that exemption certificates be produced in case of tax exemption, along with the record of tax deducted as per prescribed rates.

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

² Section 3 of BSTS Act, 2015

³ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

⁴ General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

⁵ S.No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1994

Audit recommends recovery of government taxes and duties.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21, 2021-22, 2022-23 and 2023-24 vide para numbers 9.2.5, 10.2.9, 3.2.6 and 11.2.5 having financial impact of Rs. 19.529 million, Rs. 29.615 million, Rs. 120.02 million and Rs. 107.927 million respectively. Recurrence of same irregularity is a matter of serious concern.

9.2.10 Dual drawl of salaries - Rs. 243.014 million

According to Rule 23 of GFR, “Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.” Further, according to Rule 16 of Government Servants (Conduct) Rules, 1964, “No government servant shall, except with the previous sanction of the government, engage in any trade or undertake any employment or work, other than his official duties.”

The following autonomous bodies of Health Department, GoB, during the financial years 2022-24, appointed employees who were already serving as government employees and receiving salaries as per the SAP record. This resulted in a loss of Rs. 243.014 million, as detailed below:

(Rs. in Million)

S. No.	AIR Para	Name of Office	Financial Year	Amount
1	1	CEO PPHI, Quetta	2022-23	8.105
2	1		2023-24	198.286
3	3	CEO, Sheikh Muhammad Bin Zayyad Al Nayan, Institute of Cardiology, Quetta	2023-24	32.787
4	2	DG, MERC		3.836
Total				243.014

Dual payment of salaries occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department between February and October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the forum directed the recovery of overpaid salaries from the concerned employees and initiation of disciplinary proceedings against the concerned employees / doctors in respect of offices mentioned at S.No.1 and 4; whereas, the office at S.No.3 was directed for submission of complete record for verification.

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

Audit recommends implementation of DAC directives.

9.2.11 Irregular procurements without need assessment and infrastructure readiness – Rs. 214.368 million

As per Rule 11(1) of BPPR, 2014, “Mandatory provision of procurement for each financial year all Procuring Agencies shall prepare annual plans in detail for all their proposed procurements, determining the requirement of the Procuring Agency, within its available resources.”

The DG Health Services Balochistan, during the financial year 2023-24, procured Machinery & Equipment, Furniture, Biomedical Equipment, Medicines etc., Rs. 214.368 million, as detailed in Annexure 9.4.

The following irregularities were observed:

- The procurements without conducting a proper need assessment and without considering the PC-I of the relevant PSDPs.

- No documentation or confirmation had been obtained from the CWPP&HD verifying, whether the associated construction work were completed to accommodate the procured items.
- The machinery and equipment were being stored improperly in warehouses, leading to potential financial loss, depreciation of assets, and a waste of public resources.

The irregularities occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department during September 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the department to inquire the matter under intimation to Audit.

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

Audit recommends to carryout proper need assessment before making procurement besides implementation of DAC directives.

[AIR 5]

9.2.12 Irregular procurement without conducting survey and inviting open tenders - Rs. 214.548 million

According to Rule 51(bii) of BPPRs, “Alternative methods of procurement shall be resorted to only in highly exceptional cases provided for in this rule (ii) the required item(s) is of proprietary nature and obtainable only from one source: Provided that the Head of the Department certifies in writing the proprietary nature of the item(s) to be procured.” Further, On June 1, 2017, the Secretary, GoB, Health Department initiated a plan for the program management to procure essential medicines for the marginalized community. Under this plan, the Lady Health Workers (LHWs) were to distribute these medicines under the supervision of the Lady Health Supervisors (LHS) and

District Management, in collaboration with the District Program Implementation Unit (DPIU) of the National Program. To tackle the prevalent issue of iron deficiency anemia, a decision was made to acquire Monofer Injection (Iron Isomaltoside 1000) for anemic mothers and women of reproductive age.

The PC, NPFP&PHC Balochistan, during the financial years 2016-21, procured costing Rs. 214.548 million, without conducting a survey to determine the prevalence of iron deficiency anemia among pregnant and growing women, and inviting open tenders, as detailed below:

(Rs. in Million)					
S. No.	Name of firm	Bill No. date	Description	Quantity	Amount (Rs.)
1.	M/s Allmed laboratories, Karachi	22589, 05.2017	Monofer 100mg	249,560	114.548
2.		22624, 09.06.2017	Monofer 100mg	217,865	100
Total					214.548

Further, the procurement was made through direct contracting from a single source, without inviting open tender, by obtaining "Proprietary Certificate" from the Secretary, Health Department, GoB. However, it is important to note that "Iron deficiency Ampules" are manufactured by various local and multinational pharmaceutical companies in Pakistan.

The irregularity occurred due to inadequate internal controls.

Expenditure without open tender and survey resulted in mis-procurement.

The matter was reported to the department on April 19, 2023, to which it was replied that the procurement was followed by BPPRA, Rule 51b(ii), after obtaining proprietary certificates from Health Department, GoB. Further, a survey was conducted by WHO and the Federal Ministry of NHR&C of Pakistan regarding iron deficiency. Audit requested for submission of survey report specifically meant for the Balochistan province on the basis of which 13

districts were selected while 17 districts comprising more than 50% of women population was ignored. Further, in the same financial year the PC, NMNCH Balochistan procured Monofer injections through open competitive bidding (invoice No.22626 dated June 9, 2017), therefore justification that the said injections were of propriety nature was not justified. In addition, the requisitions attached with the reply were from March, May, and July 2018, but the procurement process was initiated in May 2017. This indicated that the procurement was done without proper planning or conducting a need assessment.

The PAO was requested to convene a DAC meeting on May 24, 2023 followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends provision of justification for direct contracting method in addition to submission of survey report to Audit.

9.2.13 Creation of liabilities without prior approval – Rs. 197.614 million

As per GFR 9 Vol.-I, “As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the President or by an authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorized grants and appropriations for the year.”

The MS, SPH, Quetta, during the financial year 2023-24, created liabilities amounting to Rs. 197.614 million on procurements without provision of budget, as detailed below:

(Rs. in Million)		
S. No.	Head of Account	Amount of liability
1	Purchase of Drugs and Medicines	80
2	POL	3.825
3	Stationary	5.544

S. No.	Head of Account	Amount of liability
4	Printing and Publication	12.298
5	Services rendered	50.156
6	Bedding and Clothing	3.500
7	Consumables	22.161
8	Others	24.863
9	Office Building	10
Total		197.614

The creation of liabilities occurred due to weak financial controls.

The lapse resulted in extra financial burden on the public exchequer.

The matter was reported to the department during October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC decided that the matter would be probed at the PAO level to assess the nature and extent of liabilities under intimation to Audit.

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

Audit recommends implementation of DAC directives.

[AIR 3]

9.2.14 Non-functional HMIS - Rs. 184.858 million

As per PC-I of HMIS, “the Project benefits and analysis included enhanced/comprehensive information system for evidence based decision making for policy makers, hospital administrators, district managers, stakeholders and others concerned for better and improved health care delivery services for the public. The project was commenced on 2016-17 and was to be completed by 2018-19.”

The DG, Health Services Balochistan, had expended Rs. 184.855 million on HMIS till the financial year 2023-24. The system was to be operationalized in 2018-19, but the same was non-functional after lapse of 05 years.

Non-functionalization of HMIS occurred due to weak internal planning and execution.

The lapse resulted in waste of public money.

The matter was reported to the department in October 2024, but not reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed inquiry in the matter.

Audit recommends implementation of DAC directives.

9.2.15 Non-depositing of government receipts and non-transparent revenue collection system - Rs. 136.289 million

As per Para 23 of GFR, Vol.-1, “Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.” Further, according to of Section 19(3) of Establishment of Sheikh Muhammad Bin Zayed Al-Nahyan Institute of Cardiology, Quetta Act, 2023, “the fund shall be maintained and managed through Finance Committee and shall be kept in a separate bank account as may be decided by the CEO/Hospital Director which may accrue some earning The CEO/Hospital Director may devise SOPs or regulation for utilizing such earning for benefit and welfare of the patients.”

The following offices of the Health Department, GoB, during the financial year 2023-24, failed to deposit an amount of Rs. 136.289 million on account of revenue from various hospital charges, fees and dues. Further, it was noted that in the largest hospital of province i.e., MS, SPH, Quetta, no authentic source/ documents were available to verify the receipts and accounting for receipts was being carried through MS-DOS software that does not support to maintain comprehensive and accurate database for a tertiary care hospital, as detailed below:

(Rs. in Million)

S. No.	AIR Para No.	Name of Office	Financial Year	Amount
1	9	CEO, Sheikh Muhammad Bin Zayyad Al Nayan, Institute of Cardiology, Quetta	2023-24	107.412
2	10	MS, SPH, Quetta	2023-24	23.598
3	1	MS, DHQ Hospital, Loralai	2023-24	4.134
4	1	MS 50 Bedded Hospital Shaheed Nawab Zada Sikandar Khan Memorial Hospital Khuzdar	2023-24	0.208
5	2	PD, BMSP (PEI), Quetta	2023-24	0.937
Total				136.289

Non-depositing of charges/dues occurred due to weak internal controls.

The lapse resulted in loss to the Government.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the office at S.No.1 to deposit the amount into government treasury at earliest, and decided to conduct inquiry regarding the revenue collection system of office at S.No.2. Paras of the offices at S.No.3 to 5 were not discussed.

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

Audit recommends implementation of DAC directives.

9.2.16 Huge expenditure on account of electricity/POL – Rs. 100.086 million

As per FD, GoB, Notification dated December 12, 2013⁶, “All administrative departments /autonomous bodies/ Local bodies are hereby strictly directed to ensure timely and regular payment of monthly reconciled electricity dues through their concerned DDOs/Offices.”

The Executive Director, Sheikh Khalifa Bin Zayyed Hospital, Quetta, during the financial year 2023-24, incurred expenditure amounting to Rs. 100.086 million on account of electricity. Audit noted that no separate electricity meters were installed for residential and commercial areas, which significantly increased electricity consumption costs, as detailed below:

(Rs. in Million)

S. No.	Vendor Name/ Description	Amount
1	R. O QESCO, Quetta, Electricity	39.114
2		9.464
3		17.409
4		0.500
5		5
6		23.599
7	M/s Al-Siraj Petroleum Service, POL	0.414
8		0.308
9		0.372
10	M/s. Balochistan Oil Traders, POL	0.154
11	M/s. Quetta Petroleum Service, POL	0.401
12		0.421
13		0.427
14		0.418
15		0.414

⁶ No. F.D(SO-VIII) (I)/2013-14/1139-85

S. No.	Vendor Name/ Description	Amount
16		0.416
17		0.417
18		0.415
19		0.416
Total		100.086

Huge expenditure on account of electricity occurred due to weak internal controls.

The lapse resulted in extra financial burden on the public exchequer.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the management to take up the matter with QESCO through administrative department for early resolution of the issue under intimation to Audit.

Audit recommends installation of separate meters at the earliest.

9.2.17 Absence of medicine stock and non-compliance with GoB stamping - Rs. 68.686 million

As per the Drugs Labelling and Packing Rules, 1986, the label on every drug container intended for supply to any government agency, including autonomous or semi-government bodies, must bear the words "Government Supply" or other markings as required by the concerned agency. Further, GFR 148, Vol. I, mandates that all materials received be examined, counted, measured, or weighed upon delivery and taken in charge by a responsible government officer, who must verify the quantities and quality, and record a certificate to that effect. The officer must also certify that the materials have been received and recorded in the appropriate stock register.

The MS, SPH, Quetta, during the financial year 2023-24, incurred an expenditure of Rs. 68.686 million on medicines but audit revealed that nominal stock of medicines was available in the hospital's store, which too was not stamped with the mandatory "GoB - Not for Sale" marking.

The lapse occurred due to weak internal controls and asset management.

The unavailability of medicines led to delay in treatment and potentially compromised patient care. Besides, the absence of "GoB - Not for Sale" stamps increased the risk of government-procured medicines being sold in the open market.

The matter was reported to the department in September 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC decided that the matter be inquired by forming an internal inquiry committee.

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

Audit recommends provision of inquiry report to audit.

[AIR 12]

9.2.18 Non-provision of Drug Testing Reports and ineffective functioning of DTL Balochistan – Rs. 61.340 million

As per the Drugs Act 1976, Section 22(1) and (2), "The Government Analyst to whom a sample of any drug has been submitted for testing must deliver a signed report in quadruplicate to the submitting Inspector and forward one copy to the prescribed authority. The report should be submitted within sixty days of receiving the sample; if delayed for reasons beyond control, the Analyst must inform the Inspector in writing and notify the Central Licensing Board or the relevant board, who may have the sample tested by another Government Analyst or laboratory and ensure receipt of the results.

Audit of the DTL Balochistan for the financial year 2023-24, revealed that 7,962 units of drugs were inspected by Drug Inspector, and 1,242 drug samples were submitted to the DTL for testing. However, only 439 reports (35% of the total samples) were provided to the Drug Inspectors, and none of the reports identified substandard drugs or recommended further actions, despite incurrence of huge expenditure of Rs. 61.340 million on salaries and operations.

The lapse was due to weak management and lack of accountability.

The lapse increased the risk of substandard or harmful drugs being distributed in the market, jeopardizing public health.

The matter was reported to the department in September, 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC showed serious concerns and directed the DG Health Services to take up the matter with DTL for devising proactive approach in testing medicines samples well before their consumption under intimation to Audit.

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

Audit recommends strict adherence to the Drugs Act 1976 besides implementation of DAC directives.

[AIR 2]

9.2.19 Irrational expenditure on transportation of medicine - Rs. 55.268 million

According to Health Department letter dated 15.11.2023⁷, “the department assigned the duty of transportation of medicine to relevant districts through MERC.” According to Rule 12 of GFR, “a controlling officer must see not only that the total expenditure is kept within the limits of the authorized

⁷ No. SO (Dev)/H/G-4-8/2023-24/1231-35

appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.”

The AD, MSD, GoB, Quetta, during the financial year 2023-24, procured medicine amounting to Rs. 62 million. The Health Department assigned the duty of transporting the medicine to various districts to MERC and was allotted an amount of Rs. 55.268 million. The transportation was carried out using MSD vehicles. Audit noticed that the transportation cost for the procured medicine was very high, amounting to about 90% of the cost of the medicine.

(Rs. in Million)

Head of account	Cost of Medicines	Cost of Transportation	%
Transportation of Drugs and Medicines	62.00	55.268	90

Irrational transportation costs were incurred due to inadequate internal controls.

The lapse resulted in loss to government.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the department to probe into matter and find why funds had been allocated in MERC’s account instead of MSD, and why the MSD vehicles were used for transportation.

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

Audit recommends implementation of DAC directives.

9.2.20 Irregular procurement from single vendor - Rs. 34.680 million

According to Rule 13(1) of BPPRs, “Specifications shall allow the widest possible competition and shall not favour any single contractor or supplier nor put others at a disadvantage.” Further according to Rule 10(i) and 12 of GFR Vol.-I, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Every controlling officer must see that the funds allocated to spending units are expended in the public interest and upon the objects for which the money was provided, and every officer incurring or authorizing expenditure from public funds should be guided by high standard of financial property”.

The following offices of Health Department, GoB, during the financial years 2022-24, irregularly engaged single vendors for a range of diverse procurements amounting to Rs. 34.680 million without obtaining market competitive rates, as detailed below:

(Rs. in Million)

S. No	AIR Para	Name of Department	Financial Year	Amount
1	2	DHO, Dera Bugti	2022-23	2.399
2	2	DHO, Jhal Magsi		3.205
Subtotal				5.604
3	10	MS, Mohtarma Shaheed Benazir Bhutto General Hospital, Quetta	2023-24	5.736
4	5	Principal, Medical College, Loralai		4.463
5	6	DHO, Loralai		5.308
6	10	MS, Helper Eye Hospital, Quetta		13.570
Subtotal				29.077
Total				34.68

Procurements of diverse items from a single vendor occurred due to weak internal controls.

The lapse resulted in mis-procurement.

The matter was reported to the department during February to October 2024, but no reply was received.

In the DAC meeting held on November 27, 2024, the DAC directed the department to justify the procurement from the single vendor and produce relevant record to Audit for verification.

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

Audit recommends implementation of DAC directives.

9.2.21 Non-provision of record and irregular retention of government vehicles

As per Staff Car Rule, Notification dated December 29, 1999,⁸ “all officers posted in PAO Department, Grade 19 and above officers are entitled one number of Government vehicles only.”

The PC, NPFP&PHC Balochistan, during the financial years 2016-21, had procured different vehicles but failed to provide the record for audit purpose despite repeated requests. Besides, audit revealed the following irregularities:

- i. The PC did not produce a comprehensive list of the total vehicles procured, nor did they provide information regarding the officers who were assigned these vehicles.
- ii. The current status of these vehicles remained unknown, as the PC did not provide any report on their whereabouts.
- iii. The PC did not furnish any documentation regarding the handing/ taking over of the procured vehicles.
- iv. Two Suzuki Wagon-R vehicles with registration numbers QBA-2246 and QBA-2247 were allocated to the Health department, GoB for Covid pandemic-related duties. However, despite the conclusion of the Covid

⁸ No. U.O.No. PS/S.SGANID/99

pandemic, the officers failed to return the vehicles and unlawfully retained them.

Inadequate internal controls caused irregular retention and lack of proper record for government vehicles.

The lapse resulted in misuse of government vehicles.

The matter was reported to the department on April 19, 2023, to which details of vehicles were provided excluding handing/taking over reports. It was also added that the officers had been communicated for retrieval of the vehicles, but no documentary evidence was found attached with the reply. Audit requested to provide complete record of procured vehicles, status of vehicles and handing/taking over to Audit for verification.

The PAO was requested to convene a DAC meeting on May 24, 2023, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter.

9.2.22 Irregular procurement of medicines - Rs. 34.500 million and overpayment due to higher rate - Rs. 14.182 million

According to Rule 10(i) of GFR, Vol.-1, “Every officer incurring or authorizing expenditure from public funds should be guided by high standard of financial propriety and he is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence exercise in respect of his own money”. Further, as per website ⁹ the market value of the medicine “Tab: Foliron 10x100 BLISTER PACK (Benson Pharmaceutical)” was Rs. 500.

The PC, NPFP&PHC Balochistan, during the financial years 2016-21, had procured Tab Foliron amounting to Rs. 34.500 million without obtaining

⁹ <https://medicalstore.com.pk/product/foliron-tablet-1000s-2/>

NOC from MSD, despite the medicine being listed in MSD's "Medicine and drug list," and paid higher rate resulting in overpayment of Rs. 14.182 million, as detailed below:

(Rs. in Million)

S. No.	Name of Firm	Description	Quantity	Rate paid	Rate payable	Diff:	Amount
1	M/s Universal Traders, Quetta	Tab: Foliron 10x100 BLISTER PACK (Benson Pharmaceutical)	40,637	849	500	349	14.182

Inadequate internal and financial controls caused the irregularity.

The lapse resulted in loss to the government.

The matter was reported to the department on April 19, 2023, to which it was replied that the National program was engaged in development activities through PC-I, whereas, MSD operated in a non-development sector, hence there was no requirement to acquire NOC from MSD. Additionally, comparing rates of an item procured seven years ago with current rates was not feasible due to annual market rate fluctuations. However, the procurement of Foliron medicine was made at a discounted rate of 15.10%, with saving of Rs. 5.210 million. The quoted price of medicine was Rs. 1000, but management procured it for Rs. 849, the lowest rate available in that financial year. Audit requested for provision of approved list of medicine by Health Department, GoB for the financial year 2016-17, NOC from MSD and all requisite record to Audit for verification.

The PAO was requested to convene a DAC meeting on May 24, 2023 followed by repeated reminders but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter.

9.2.23 Non-completion of the project components and underutilization of funds – Rs. 194 million¹⁰

According to Para 9, Capital Costing Estimates of the revised PC-I: “The timely completion of the components i.e., Component 1-Improving Delivery of Quality Health Services, Component 2 - Improving health sector stewardship and Establishment of PMU under Health Component were planned to be completed by the end of first year of the project life cycle. The monitoring of different components as detailed above by the project steering committee was to be ensured by the lead agency (Planning and Development Department, GoB) and other line departments.”

The PD, BHCIP (Health Component), Quetta, during the financial year 2023-24, did not meet its targets for the year and failed to utilize the full allocated amount of Rs. 1,638.01 million. With the project set to close in June 2025, only 42% of the work had been completed, indicating that progress was significantly behind schedule. Consequently, Rs. 194 million remained unutilized for the time being. It is anticipated that in the financial year 2024-2025, there would be a rush to spend the remaining funds, which could lead to compromised work quality, as detailed below:

(Rs. in Million)		
Total budget at start of the year	Total expenditure	Not utilized
1,638.01	1,443.53	194.48

Slow progress occurred due to weak internal controls.

Delays in project implementation may hinder the delivery of essential health services to the target population, potentially slowing down the activities aimed at facilitating the achievement of SDG 3 regarding good health and wellbeing.

¹⁰ FAP “BHICP” Sponsoring Agency World Bank, Credit No. 6313-PK, Grant No. D 679-PK and P166308 P&D Department, GoB.

The matter was reported to the project management during October, 2024, but no reply was received.

In the DAC meeting held on November 07, 2024, the management apprised that due to some official hurdles in field, activities could not be started well in time. However, the project was trying best to achieve all the targets before June 2025. The DAC showed its concern on the slow progress by the project, directing the management to expedite implementation of project activities and decided that compliance would be checked in next audit.

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

Audit recommends implementation of DAC directives.

9.2.23 Unutilized medical equipment causing loss of - Rs. 21.950 million¹¹

As per Treasury Rules 290, 309-310 and Appendix 6 of Rule 411, “No money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants. Further according to the contract agreement clause 15 sub clause (ii) “Supplier shall also be responsible to replace the unconsumed expired/defective stocks without any further charges”.

During the Special Audit of the MSD, Quetta for the financial years 2017-22, a physical verification of the store revealed that the following equipment with the total value of Rs. 21.950 million were found to be in deplorable condition within the stores. It was noted that the medical equipment had not been utilized, replaced or had their warranty claimed in accordance with the agreed terms, as explained below:

¹¹ Printed in Special Audit Report on the accounts of Additional Director, MSD, GoB, FYs 2017-22

(Rs. in Million)						
S. No.	Equipment	Distributor	Status	Quantity	Year of purchase	Amount
1	Infant baby incubator	M/s Bio tech, Quetta.	Defective	10	2017-18	20
2	Intensive tube light dermatologist	M/s Nasar Enterprises	Non-conforming with the required standards	02	2017-18	1.950
3	Ethylene Oxide sterilizer/ Plasma sterilizer	M/s Bio Tech, Quetta.		02	2014-15	NA
Total						21.950

Non-utilization occurred due to weak internal controls.

Unutilized medical equipment caused loss to the government

The matter was reported to the department on April 19, 2023, but no reply was received.

The DAC meeting was convened on October 23, 2023. The management informed that the matter had been inquired by DGHS. Inquiry report will be shared with Audit. However, audit team stressed the importance of not only providing the inquiry report but also outlining the corrective measures taken by the department based on the report's recommendations. The forum directed the management to not only provide the inquiry report but also furnish relevant documents as specified by the audit team. Additionally, the DAC emphasized the need to ensure the timely issuance of medical/equipment items to the respective healthcare units.

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

Audit recommends conducting thorough need assessments before any procurement and emphasizes the timely distribution of medicines and equipment to ensure that healthcare facilities are extended to the public in a timely manner.

9.2.24 Non-deduction of Security deposits – Rs. 4.612 million¹²

According to Para 2.66 of B&R Code, read with Clause 19 of condition of the contract agreement, and further as per Rule 290 of Treasury Rules, “Security deposit @ 10% should be deducted from payment made to a contractor for work done and may be refunded after three months from date of completion of scheme. It is not permissible to draw money from the treasury to prevent the lapse of budget grant.”

The PD, BHICP, (Health component), Quetta during the financial year 2023-24 made payments amounting to Rs. 46.122 million to different contractors without deducting security deposits amounting to Rs. 4.612 million, as detailed below:

(Rs. in Million)			
S No.	Name of Firm	Total Amount	Security Amount
1	M/s Abdul Baqi Construction Co.	3.759	0.375
2	Ms/ Bangulzai Construction Co.	6.790	0.679
3	M/s Zia and Brothers.	7.291	0.729
4	M/s Zia and Brothers	15.491	1.549
5	Abdul Baqi Construction Company	3.759	0.375
6	Zia & Brothers Govt Contractor JV Afnan brothers construction company	9.030	0.903
Total		46.122	4.612

Non-deduction of security deposits occurred due to weak financial controls.

The lapse may have resulted in a loss to the general public.

¹² FAP “BHICP” Sponsoring Agency World Bank, Credit No. 6313-PK, Grant No. D 679-PK and P166308 P&D Department, GoB.

The matter was reported to the project management during October, 2024, but no reply was received.

In the DAC meeting held on November 07, 2024, the DAC was informed that management followed the World Bank SOPs while making payment to contractors. Accordingly, 5 % was obtained in the form of bank guarantee, while 5% was deducted from running bills each. Audit disagreed, stating that security deposit was to be deducted @10% from the bills of contractor and deposited in the government account. The DAC directed the management to provide the World Bank's SoP regarding deduction of Security Deposits to Audit.

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

Audit recommends compliance to the rules governing deduction and release of security deposit besides implementation of DAC directives.

9.2.25 Irregular payment of incentive - Rs. 4.800 million

As per Secretary, Health Department, GoB letters No.S/O-I(H)19-73/2012/109 dated July 6, 2012 and No.SO-I(R)/19-74/2012/887/89 dated October 2, 2012, the nomination of Dr. Qazi Sanaullah (Anatomy) and Dr. Nighat Mohsin (Micro Biology) for post-graduation studies was rejected by the competent authority due to their age exceeding the limits of 50 years and they were directed to report back to college. Further, the Principal BMC was instructed to suspend their salaries.

Audit of Principal, BMC, Quetta revealed that the following doctors were enrolled in Jinnah Postgraduate Medical Center, Karachi on June 26, 2012 for post-graduation studies and remained regular students till May 8, 2015. Despite being overaged and having their nomination cancelled by the competent authority, they continued to receive a monthly stipend of Rs. 50,000, as detailed below:

(Rs. in million)

S. No.	Name of doctor	Total Months	Incentive Per Month	Amount
1	Dr. Qazi Sanaullah (Anatomy)	48	50,000	2.400
2	Dr. Nighat Mohsin (Micro Biology)	48	50,000	2.400
Total				4.800

Despite cancellation of nomination of the concerned doctors by the competent authority the doctors continued as post graduates and received incentives which was irregular.

The lapse resulted in loss to the government.

The matter was reported to the concerned authorities on August 19, 2020, but no reply was received.

In the DAC meeting held on December 22, 2022, the department replied that the matter would be scrutinized and progress would be shared with Audit. The DAC directed the department to produce the relevant record to Audit for verification.

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

Audit recommends implementation of DAC directives.

Chapter 10

10.1 Home and Tribal Affairs Department

10.1.1 Introduction

The function of the Home and Tribal Affairs Department is to maintain the Internal Security and Public Order in the province and also administer the Prison and Crisis management. It also functions to rehabilitate the offenders and provide security to expatriates and foreigners, along with the coordination among the law enforcement and the Anti-Smuggling Agencies.

10.1.2 Comments on Budget and Accounts

Development and non-development funds amounting to Rs. 4,896.392 million were allocated to the Department during 2023-24. Against the said allocation, an expenditure of Rs. 4,379.043 million was incurred, as summarized below:

Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	%
Non-Development Grant No. BC21054	3,942.524	3,500.479	(-)442.045	11.21
Development Grant No. BC12254 Function: 36101	953.868	878.564	(-)75.304	7.89
Total Development & Non-Development	4,896.392	4,379.043	(-)517.349	10.57

There is a significant saving of Rs. 517.349 million against non-development and development expenditure, which indicated improper budgeting and inefficient utilization of funds.

10.1.3 Audit Profile of Home and Tribal Affairs Department, Balochistan
(Rs. in Million)

S. No.	Description	Total numbers	Audited	Expenditure audited financial year 2023-24	Revenue/ Receipts audited financial year 2023-24
1.	Formations	36	3	4,278.447	-
2.	Assignment Accounts	1	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	-	-	-

10.1.4 Classified Summary of Audit Observations

Audit observations related to Home and Tribal Affairs Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, mis-procurements and non-deduction of taxes.

Audit observation amounting to Rs. 87.735 million was raised in this report during the current audit of Home and Tribal Affairs Department. This amount also includes recoveries of Rs. 5.336 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.	Recoverable	5.336
2.	Irregularities	82.399

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	4	-	4	0
2.	2005-2006	5	-	5	0
3.	2007-2008	4	-	4	0
4.	2011-2012	10	-	10	0
5.	2013-2014	8	-	8	0
6.	2014-2015	3	-	3	0
7.	2019-2020	3	-	3	0
8.	2021-2022	6	-	6	0
9.	2023-2024	7	-	7	0
Total		50	-	50	0

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

10.2 AUDIT PARAS

Levies

10.2.1 Irregular expenditure without inviting open tenders - Rs. 69.956 million

According to Rule 15 (2) of BPPR, “All procurement over two million rupees shall be advertised by on authority’s website and as well as in newspaper as prescribed by these rules.”

The DG, Levies Force, GoB, Quetta, during the financial year 2023-24, incurred an expenditure of Rs. 69.956 million on bullet-proofing, fabrication and tracking without calling open tenders, as detailed below:

(Rs. in Million)

S. No.	Quantity	Description of Goods	Amount
1	1	Bullet Proofing B6 level. 1 year extra extended warranty for vehicle for all variants. Vehicle periodic maintenance for all variants. Trackers for all variants.	12.100
2	2	Fabrication for strike force Hilux 4x4 S/C semi armoring for rear deck.	3.616
3	7	Fabrication for strike force Hilux 4x4 S/C semi armoring for rear deck.	12.656
4	23	Fabrication for strike force Hilux 4x4 S/C semi armoring for rear deck.	41.584
Total			69.956

Expenditure without calling open tender occurred due to weak financial controls.

The lapse resulted in mis-procurement.

The matter was reported to the department during October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends justification and regularization of the expenditure.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 10.2.4 having financial impact of Rs. 65.90 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 1]

10.2.2 Non/less deduction of government taxes - Rs. 5.336 million

According to BSTS Act, 2015¹, Income Tax Ordinance, 2001² and General Sales Tax Act, 1990³, the government levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively, GST @ 18% and stamp duty @ 0.25% of cost of contract.

The DG, Levies Force, GoB, Quetta during the financial year 2023-24, made payments of Rs. 59.284 million to M/s Toyota Zarghoon Motors, Quetta on account of bullet proofing and fabrication, but income tax amounting to Rs. 14.637 million was not deducted.

Non-deduction of government taxes occurred due to weak financial management.

The lapse resulted in loss to the Government.

The matter was reported to the department during October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends recovery of government taxes.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 10.2.5 having financial impact of Rs. 7.643 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2]

¹ Section 3 of BSTS Act, 2015

² Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

³ General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

Prison Department

10.2.3 Irregular payments without calling open tenders - Rs. 12.443 million

According to Rule 15(2) of BPPR, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.”

IG, Prisons, GoB, (Superintendent Jail, Pishin), during the financial years 2020-23, incurred an expenditure amounting to Rs. 12.44 million on procurement of different items by split-up to avoid open tender.

Expenditure by split-up to avoid open tenders occurred due to weak financial controls.

The lapse resulted in mis-procurement.

The matter was reported to the department in May 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in May 2024, followed by repeated reminders, but no meeting was held till finalization of this report.

Audit recommends justification and regularization of the expenditure.

[AIR 1]

Chapter 11

11.1 Irrigation Department

11.1.1 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.

11.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 16,174.127 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 16,164.885 million was incurred, as summarized below:

Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21032	3,999.941	3,992.872	(-)7.069	0.18
Development Grant No. BC12232 Function No.042205	4,770.098	4,654.587	(-)115.511	2.42
Development Grant No. BC12232 Function No.042202	7,404.088	7,517.426	(+)113.338	1.53
Total Development	12,174.186	12,172.013	(-)2.173	0.02
Grand Total Non-Development & Development	16,174.127	16,164.885	(-)9.242	0.06

11.1.3 Audit profile of Irrigation Department

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	82	49	30,529.246	-
2.	Assignment Accounts	13	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	2	2	6,026.26	-

11.1.4 Classified Summary of Audit Observations

Audit observations related to Irrigation Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, overpayments, mis-procurements, non-deduction of taxes, time and cost overrun and losses due to non-imposition of liquidated damages on the contractors.

Audit observations amounting to Rs. 4,091.153 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 552.955 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	1,722.561
2.	Recoverable	552.955
3.	Overpayment	1,815.637

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.	1984-1985	14	-	14	0
2.	1988-1989	20	-	20	0
3.	1989-1990	36	-	36	0
4.	1990-1991	7	-	7	0
5.	1991-1992	47	-	47	0
6.	1992-1993	27	-	27	0
7.	1993-1994	50	-	50	0
8.	1994-1995	24	-	24	0
9.	1995-1996	34	-	34	0
10.	1996-1997	8	-	8	0
11.	1997-1998	28	26	2	93
12.	1998-1999	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	8	1	89
29.	2017-2018	10	6	4	60

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
30.	2018-2019	12	7	5	58
31.	2019-2020	11	-	11	0
32.	2020-2021	6	-	6	0
33.	2021-2022	10	-	10	0
34.	2022-2023	8	-	8	0
35.	2023-2024	12	-	12	0
Total		562	68	494	12.09

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

11.2 AUDIT PARAS

11.2.1 Cost and Time-overrun of the projects - Rs. 22,123.259 million

According to the original PC-I documents of the projects, the cost of the Basol Dam Project, Ormara was Rs. 9,636 million, with a completion date set for June 2018. For the Construction of Garuk Storage Dam Project, District Kharan, the project cost was approved at Rs. 10,511.186 million by ECNEC, with the completion date set for June 2024. The Construction of Toiwar Batozai Dam had a completion timeline of 36 months from the signing of the contract agreement on May 18, 2010, with the expected completion date being May 18, 2013. Lastly, the cost for the Construction of Winder Dam, District Lasbella was approved at Rs. 15,230.760 million by ECNEC during its meeting on March 16, 2020.

The following Project Directors of the Irrigation Dam Projects failed to timely complete the projects at the awarded cost of Rs. 35,337.946 million, due to be completed in specified time period. Later on, the PCs'-I were revised and cost was enhanced to Rs. 59,816.705 million. Delay in completion of the project resulted in cost overrun of Rs. 22,123.259 million and time-overrun, as detailed below:

(Rs. in Million)

Name of Project	Cost as per original PC-I	Cost as per revised PC-I	Cost Overrun	% of cost overrun	Completion date as per PC-I	Time overrun up to June, 2024
Construction of Toiwar/Bato zai Storage Dam, Killa Saifullah	*2,315.500	4,905.667	2,590.167	112%	May 18, 2013	12 Years
PD, Basol Dam Project, Ormara	9,636	18,679.890	9,043.890	93%	December, 2018	6 Years
Construction of Garuk Storage Dam Project, District Kharan	10,511.186	15,453.125	4,941.939	47%	June, 2024	1 Year
Construction of Winder Dam Lasbella	15,230.760	20,778.023	5,547.263	36.4%	-----	-----
Total	35,377.946	59,816.705	22,123.259			

*Work Awarded cost in year 2010.

Delay in completion of the project occurred due to weak planning.

The lapse resulted in cost and time-overrun.

The matter was reported to the department in June 2024, and again on October 16, 2024, and December 12, 2024, but no reply was received.

In the DAC meetings held on July 4-5, 2024, and January 1-2, 2025, Para of office at S.No.1 was not discussed. The department provided detailed explanations for delays and cost overruns, attributing these primarily to slow fund releases and security issues. Audit noted that the release of funds is

generally linked to expenditures, and underutilization of allocated funds may result in a reduced release in subsequent years. The DAC instructed the department to address the slow release of funds at the highest level and to submit records of fund releases, corresponding expenditures, PC-III and contractor time extensions. It also emphasized the need for comprehensive feasibility studies in the preparation of PC-Is to prevent issues related to land acquisition, security, and other operational challenges. The DAC stressed that the FC must ensure security for project staff, given the significant payments made by the GoB for this purpose.

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

Audit recommends implementation of DAC directives besides completion of the projects within the revised estimates.

[AIR FY-2022-23 Para-3 and FY(2023-24) Paras-03, 01, 01]

11.2.2 Overpayment due to allowing excess quantities - Rs. 1,177.365 million

According to Para 4.12 of Manual for Development Projects, “Once approved by the competent authority the executing agency should implement the project in accordance with the PC-I provisions. It has no authority to change and modify the main approved parameters of the project on its own, beyond permissible limit of 15%.” Further, as per para 2.86 B&R Code and para 56 of CPWD Code, “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 following Divisions of Irrigation Department, GoB, during the financial years 2022-24, paid GCs for different items of work by allowing excess quantities than provided in approved PC-Is and non-deduction as required, resulting in overpayments of Rs. 1,177.365 million, as detailed below:

(Rs. in Million)

S. No.	Name of division	AIR#, F.Y	Amount paid	Amount payable	Overpaid
1	Drainage Irrigation Division Jaffarabad	4,5,6, 2022-23	101.109	64.821	36.288
2	Irrigation Division, Ziarat	5, 2022-23	22.681	15.877	6.804
3	Irrigation Division Kachi at Bolan	7, 2022-23	14.474	10.132	4.342
4	PD, Basol Dam Project Ormara	4, 2023-24	4,267.755	3,140.310	1,127.445
5	Irrigation Division, Haranai	1, 2023-24	16.138	13.652	2.486
Total			4,422.157	3,244.792	1,177.365

Payment by allowing excess quantities occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department in October 2023 and November 2024, to which only the office at S.No.3 responded, stating that payments were made as per the provisions of PC-I. However, no documentary evidence was provided.

In the DAC meetings held on July 4-5, 2024, and January 1-2, 2025, the DAC directed the respective offices to provide relevant record to Audit for verification or effect recovery. Para of the office at S.No.2 was not discussed.

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

Audit recommends adherence to the provisions of PC-I besides implementation of DAC directives.

Note: The issue was also reported in the Audit Report for Audit Year 2021-22 vide para number 13.2.1 with the financial impact of Rs. 1,769.993 million. Recurrence of same irregularity is a matter of serious concern.

11.2.3 Financial mis-management due to non-utilization of funds - Rs. 1,042.320 million

Activities of the project are required to be undertaken as per Annual Financial/Work Plan that is given in the Section 10 of the PC I. As per the financial phasing provided in the PC I, the financial progress should have been Rs 2,640.05 million till June 30, 23. Further, activities of the project are required to be undertaken as per “Year Wise Estimated Cost / Financial Phasing & Plan” that is given in the Section 3.iii of the PC II. As per the financial phasing provided in the PC-II, the financial progress should have been Rs.489.953 till June 30, 2023.

The management of the following Irrigation Projects, during the financial year 2022-23, failed to comply with projects’ implementation schedules and various activities had not been completed till June 2023, as detailed below:

(Rs. in Million)

S. No.	Name of Formation	AIR, F.Y	Released during the year	Expenditure	Non-utilization
1	PD, Construction of Sunni Gar Dam, Khuzdar	2, 2022-23	772.100	33.500	738.600
2	PD, Mapping of all water Resources in Southern Balochistan	2, 2022-23	435.580	131.860	303.720
Total			1,207.68	165.36	1,042.32

Audit observed following deficiencies regarding progress of the projects:

- The overall progress recorded by the project at S. No. 1, as of June 30, 2023, was only 01% against a target of 59%. During the financial years 2021-23, total funds amounting to Rs. 772.100 million were released, whereas Rs. 738.600 million were surrendered by the project management.
- The project at S. No. 2 failed to comply with project implementation schedule. The project had been approved by the

DDWP of MoWR in May, 2021 with a total cost of Rs. 489.953 million. During the Financial years 2021-23 funds amounting to Rs.303.720 were surrendered by the project management. The financial progress should have been 100% as on the June 30, 2023, whereas less than 27% progress was achieved.

Non-utilization of funds was caused due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department on April 24, 2024, to which no reply was received.

In the DAC meeting held on July 04-05, 2024, the management of project at S.No.1 replied that project was delayed due litigation issues and revised approval was received in September, 2023. The DAC directed the management to produce work and cash plan to audit for verification. During verification of work/cash plan prepared for the year 2023-24, it was revealed that financial resources of Rs. 1,317.272 million were demanded through cash plan which was equal to 26% of the estimated cost. However, the progress of 1% could not be justified. Para of project at S.No.2 was not discussed.

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

Audit recommends remedial measures to accelerate the activities for early completion of the project.

[AIR 2]

11.2.4 Non/less deduction of government taxes/duties - Rs. 552.955 million

According to BSTS Act, 2015¹, Income Tax Ordinance, 2001² and Stamp Act, 1899³, the government levied sales tax on services @ 6% and 15% (amended to 4% and 15% in FY 2023-24) on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and

¹ Section 3 of BSTS Act, 2015

² Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

³ S. No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Finance Act, 1994

supply of goods amended to 7%, 3% and 4% in FY 2022-23 respectively amended for FY 2023-24 to 8%, 4% and 5.5% respectively, and stamp duty @ 0.25% of cost of contract.

Various Divisions of Irrigation Department, GoB, during the financial years 2021-2024, awarded contracts and made payments to the GCs and consultants without/ less deduction of government taxes and duties amounting to Rs. 552.955 million, as detailed in Annexure 11.1:

Non/less deduction of taxes/duties occurred due to weak internal controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department from January to December 2024, but no reply was received.

In the DAC meetings held on July 4-5, 2024, and January 1-2, 2025, the department accepted the audit's stance and assured the recovery of applicable taxes and duties. Paras related to the offices at S.No.2,3,5,9 to 11, 28, and 29 were not discussed. However, in compliance with the DAC's decision, the offices at S. No. 2 and 3 later submitted replies, stating that the deduction of BSTS was sub-judice. They also claimed that the firms were registered with the FBR under a joint venture (JV) and provided the JV registration certificate. Upon online verification by Audit through the FBR portal (<https://iris.fbr.gov.pk/>), it was found that the JV was registered after the payment dates. The DAC directed the respective offices to effect recovery and provide the relevant records to Audit for verification.

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

Audit recommends implementation of DAC directives.

Note: The issue was also reported in the Audit Reports for Audit Years 2020-21, 2021-22 and 2022-23 vide para numbers 10.2.4, 13.2.2 and 15.2.4 with the financial impact of Rs. 51.117 million, Rs. 434.556 million and Rs. 143.999 million respectively. Recurrence of same irregularity is a matter of serious concern.

11.2.5 Delay in completions of irrigation works and non-imposition of liquidated damages - Rs. 385.854 million

As per Clause 41.1 of Standard form of bidding documents, “The Contractor shall commence the works on site from the date of receipt by him from the Engineer of a written Notice to Commence. Thereafter, the contractor shall proceed with the works with due expedition and without delay.” Further, as per Clause 2 of the General Conditions of Contract, “if the contractor fails to complete the work within a stipulated time, he shall be liable to pay compensation @ 1% per day or maximum 10% of the contract cost.”

The following Divisions of Irrigation Department, GoB, had awarded various works costing Rs. 3,858.539 million to different GCs, which were not completed as per stipulated time and the management failed to enforce the agreed-upon liquidated damages, resulting in a significant financial loss of Rs. 385.854 million. Physical progress of the works/dams was very slow, which increased the risk of both time and cost-overruns, as detailed below:

(Rs. in Million)

S. No.	Name of Office/ Project	AIR# F.Y	Amount (Rs. in Million)	Stipulated date of completion	Actual date of completion	Delay in days	Penalty
1	Ziarat	2, 2022-23	901.542	30.06.23	In-progress	550	90.154
2	PE, Feasibility Study and Detail Design of 08 Dams in Balochistan	4, 2022-23	655.216	19.01.23	In-progress	713	65.522
3	Kalat	4, 2023-24	79.704	30.01.23	In-progress	701	7.970
4	Killa Saifullah	5, 2023-24	529.328	30.06.24	In-progress	184	52.932
5	Lasbella	6, 2023-24	518.494	02.01.24 30.06.24 30.06.24 30.06.20	In-progress	364 184 184 1645	51.850

S. No.	Name of Office/ Project	AIR# F.Y	Amount (Rs. in Million)	Stipulated date of completion	Actual date of completion	Delay in days	Penalty
6	PD, Construction of Topak Dam Kech	1, 2023-24	1,174.265	27.01.25	54% progress	Expected delay 365	117.426
Total			3,858.549				385.854

Delay in completion of works occurred due to weak administrative controls.

The lapse may lead to both time and cost-overruns, ultimately depriving the intended beneficiaries of the Schemes' anticipated benefits, besides, loss to the government.

The matter was reported to the department during February to November 2024, but no reply was received.

In the DAC meetings held on July 4-5, 2024, and January 1-2, 2025, the department attributed the delay in project completion to a shortage of funds. The DAC directed the respective offices to take up the issue of the slow release of funds at the highest level. It was further directed, to provide PC-III showing detailed financial and physical progress, copies of release orders and time extension orders issued under the signatures of PAO to audit for verification. Paras of the offices at S.No.1,2 were not discussed.

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

Audit recommends stringent monitoring and evaluation for such projects to meet time lines besides implementation of DAC directives.

11.2.6 Overpayments due to wrong calculations, inadmissible items, price adjustments and higher rates - Rs. 321.376 million

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

quantities and rate recorded in the MB are correct and calculation have been checked arithmetically.”

The following Divisions of Irrigation Department, GoB, during the financial years 2021-24, overpaid an amount of Rs. 321.376 million to GCs by allowing inadmissible items of work/incorrect higher rates/wrong calculation of quantities/price adjustments (escalation charges), as detailed below:

(Rs. in Million)

S. No.	Name of Division	AIR# F.Y	Amount paid	Amount payable	Overpaid
1.	Drainage Irrigation Division Jaffarabad	7, 2022-23	126.127	131.347	5.220
2.	Ziarat	8, 2022-23	17.632	14.158	3.474
3.	PD, Construction of Shehzanik Dam Dasht	5, 2022-23	28.773	14.386	14.386
4.	Kachi at Bolan	2,4,5, 2022-23	391.900	153.360	238.540
5.	Khirthar Canal Usta Muhammad	1, 2022-23	1.182	0	1.182
6.	Dera Bugti	1, 2022-23	9.133	1.490	7.643
7.	Barkhan	1, 2022-23	2.007	1.507	0.500
8.	Surab	3,4, 2022-23	10.905	9.696	1.209
9.	Chaman	1,2,2022-23			1.854
10.	Quetta	1, 2023-24	1.035	0	1.035
11.	Ziarat	4, 2023-24	17.337	12.137	5.200
12.	Pishin	5, 2023-24	12.684	6.342	6.342
13.	Zhob	3, 2023-24	5.834	4.167	1.667
14.	Killa Saifullah	4, 2023-24	11.250	5.070	6.180
15.	Panjgur	5, 2023-24	90.808	85.164	5.644
16.	Killa Saifullah	3, 2021-22	15.224	10.221	5.003
17.	Irrigation Division, Quetta	2021-22	22.331	15.632	6.699
18.	Duki	1,3, 2021-22	14.722	13.249	1.473
19.	Dhadar	4, 2021-22	13.468	9.427	4.041
20.	Musakhail	3, 2021-22	1.168	0.847	0.321
21.	Dera Bugti	2, 2021-22	7.526	3.763	3.763
Total			801.046	491.963	321.376

Overpayment occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department during January to June 2024, and September to December, 2024, but no reply was received.

In the DAC meetings held on July 4-5, 2024, and January 1-2, 2025, the DAC directed the respective offices for providing comprehensive report including Quotations and Survey Reports, approved in PC-I, lab test reports regarding higher compactions, proper calculations and geo technical investigation report, and MB to audit for verification, otherwise, effect recovery as pointed out by audit. Further, the DAC decided to uphold the decision regarding the deduction of voids on providing and filling of wire crates, considering the case was already under PAC's consideration. Para of office at S.No.2 was not discussed.

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

Audit recommends implementation of DAC directives.

Note: The issue was also reported in the Audit Reports for Audit Years 2020-21 and 2022-23 vide para numbers 10.2.2 and 15.2.2 with the financial impact of Rs. 91.171 million and Rs. 68.327 million respectively. Recurrence of same irregularity is a matter of serious concern.

11.2.7 Excess payment of escalation than provision in Revised PC-I - Rs. 147.178 million

According to Para-220 of CPWA Code, “full rates as per agreement, catalogue, indent or other order should be allowed only if the quantity of work done or supplies made is up to the stipulated specifications.”

The PD, Construction of Basol Dam Project Ormara, Gwadar, awarded the following works to GCs, granted three time extensions and paid an escalation in excess of budget provision.

(Rs. in Million)						
S. No.	Name of work	Original cost	Revised cost	Escalation paid	Escalation payable	Difference
1	Construction of main dam, Spillway and access road Package – I	5,377.493	7,507.366	1,303.895	3,140.310	147.178
2	Water Supply, Command area and Buildings Package - II	4,197.467	6,116.015	1,983.593		

Excess payment of escalation was caused due to weak internal and financial controls.

The lapse resulted in undue favor to the contractors and loss to the government.

The matter was reported to the department on March 11, 2024, to which no reply was received.

In the DAC meeting held on July 04-05, 2024, the management did not attend the DAC meeting but submitted their reply and stated that price Adjustment was allowed due to rise in cost of labor and material in accordance with the Clause 70.1 of the General Conditions of Contract. After approval, the payments of IPCs and EPCs would be adjusted and produced to the audit within due course of time. Audit requested for provision of revised PC-I, summarized statement of work done by the contractor on monthly basis along with escalation payments made to verify the escalation payments actually due to the contractor.

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

Audit recommends adherence to the provisions of PC-I besides implementation of DAC directives.

[AIR 3, 6]

11.2.8 Irregular expenditure against flood emergency funds - Rs. 137.420 million

According to BCSR, 2018, “The rates for items other than those given in the schedule are treated as non-schedule rates (NSRs). The analysis of NSR is required to be prepared by the Executive Engineer and approved by the competent authority.” In addition, as per BCSR-2018 Chapter "Plant & Machinery" the per hour hiring rate of Excavator is Rs. 2,500/- including operational cost. As per CSR-2018 Chapter "Plant & Machinery" the per hour hiring rate of Dozer is Rs. 3,597/- including operational cost”. Further, as per para 56 of CPWD Code and para 2.82 of B&R Code, “It is a fundamental rule that no work shall be commenced unless Administrative Approval by competent authority is given, and properly detailed design and estimate have been sanctioned, allotment of funds made and orders for its commencement issued by competent authority”.

The following Divisions of Irrigation Department, GoB, during the financial year 2022-23, incurred expenditure amounting to Rs. 137.420 million on repair of flood damages and flood emergency works through various contractors, as detailed below:

(Rs. in Million)

S. No.	Name of Formation	AIR Para No.	Financial year	Amount
1.	Drainage Irrigation Division, Jaffarabad	3	2022-23	133.426
2.	Irrigation Division, Ziarat	4	2022-23	3.994
Total				137.420

Audit observed the following irregularities in execution of flood rehabilitation works:

- Payments were made to the contractors without recording detailed measurement and entries in the MB and bills were paid on the basis of a single page showing a total quantity of work done.

- Expenditure was incurred on NSR despite the fact that all the works were available in BCSR.
- No SOPs were prepared for managing flood related expenditures.
- No survey reports detailing damages in the districts and progress reports were available in record.
- Work completion certificates, work orders/detailed estimates, logbooks, and machinery inventory lists were not available in record.
- No monitoring reports were available to ensure proper utilization of funds.

Expenditure without fulfilling codal formalities occurred due to weak internal controls.

The lapse resulted in irregularities.

The matter was reported to the department on October 10, 2023, and February 26, 2024, but no reply was received.

In the DAC meeting held on July 04-05, 2024, the DAC directed the office at S.No.1 to provide justification in the matter in addition to provision of approved rate analysis, market survey reports to Audit. Para of the office at S. No.2 was not discussed neither were the reply was furnished to audit as directed by the DAC.

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

Audit recommends development of SOPs for such work besides implementation of DAC directives.

11.2.9 Non-maintenance of public works deposits register and unauthorized retention of contractor's security deposits – Rs. 88.825 million

According to Paragraph 399 of CPW Account Code, “In the accounts for March each year, the following classes of items in the Public Works Deposits account should be credited to Government as lapsed deposits i. Original deposits not exceeding one rupee remaining outstanding for one whole account year, ii. Balances not exceeding one rupee of items partly cleared during

the year then closing, iii. Balances unclaimed for more than the three complete account years”. Further, as per Paragraphs 401 and 402 *ibid*, “A record of the transactions relating to Public Works Deposits should be maintained in the divisional office in a register in the same form as the Suspense Register, Form 67”.

The following Irrigation Divisions retained an amount of Rs. 88.825 million up to June, 2024. But the amount was not credited to government as lapsed deposits. Further, Public Works Deposits registers were not maintained and proper record of security deposits, as required under the rules, was not maintained, as detailed below:

(Rs. in Million)

S. No.	Name of Formation	AIR Para No.	Financial year	Amount
1	Irrigation Division, Lasbella	1	2023-24	4.851
2	Irrigation Division, Pishin	2	2023-24	83.974
Total				88.825

Prevalence of weak internal and financial controls of the management caused the lapse, which resulted in outstanding balances at the years'-end, raising concerns about the reliability of the financial records.

The matter was reported to the department on October 17 and 24, 2024, but no reply was received.

In the DAC meeting held on January 1-2, 2024, the office at S.No.1 stated that the contractors have not claimed clearance of security deposits for schemes that have completed their liability period. Audit, emphasized that timely surrender of lapsed deposits could accrue to the Government's revenue. Office at S.No.2 submitted unverified copies of the Deposit Register for Public Works for the financial year 2023-24, and did not specify the period covered. The DAC directed the relevant offices for settlement of liabilities within one month and surrender any remaining amounts to the Government as per rules, besides providing original Security deposit register, specifying the period covered in the registers.

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

Audit recommends compliance to the rules governing deduction and release of security deposit besides implementation of DAC directives.

[AIR 1, 2]

11.2.10 Overpayment due to non-utilization of available earth - Rs. 49.637 million

As per Book of Specifications, Volume-III of BCSR, 2018, “If cutting and filling are being done simultaneously all suitable material obtained from excavation shall be used in filling of embankment.” Further, according to Paras 16 and 221 of CPWA Code, “The Divisional and Sub Divisional Officers are responsible for ensuring correctness of rates, quantities and calculations before signing the bill of the contractor.”

The following Divisions of Irrigation Department, GoB obtained earth from cuttings / excavations in various works, but did not utilize the same in making embankments, instead, allowed the contractors to obtain fresh earth from borrow pits, which resulted in overpayment of Rs. 49.637 million.

(Rs. in Million)

S. No.	Name of Formation	AIR, F.Y	Amount paid	Amount payable	Overpaid
1	Dera Bugti	3, 2022-23	7.765	0	7.765
2	Zhob	2, 2023-24	15.577	0	15.577
3	Zhob	2, 2021-22	8.241	0	8.241
4	Ziarat	5, 2021-22	1.760	0	1.760
5	Harnai	1, 2021-22	5.257	0	5.257
6	Killa Saifullah	5, 2021-22	11.037	0	11.037
Total			49.637	0	49.637

Overpayment for earth taken from borrow pits occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department during June to October, 2024, but no reply was received.

In the DAC meetings held on July 4-5, 2024, and January 1-2, 2025, the DAC directed the respective offices to submit justification, duly supported by proper evidence, otherwise overpaid amount be recovered. Paras of offices at S. No.1,5 and 6 were not discussed.

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

Audit recommends implementation of DAC directives.

11.2.11 Non-submission of final Feasibility Report, Geo-Technical Investigation Report and Environmental Impact Assessment Report – Rs. 68.142 million

According to Clause 6.3 of Contract Agreement, “A lump sum amount in local currencies against Planning and Design referred under SC-6.2 (655.216 million) shall be paid to the consultants for services to be completed within the period specified in SC-2.4 (12 Months). Further, as per Appendix-B of the Contract Agreement. “In accordance with the requirement of TOR, the Consultants as part of consultancy services shall submit feasibility report, geo-technical investigation report and impact assessment report to the Client”.

The Project Engineer, Feasibility Study and Detailed Design of 08 Dams in Balochistan, during the financial year 2021-22, awarded the work “Feasibility Study and Detail Design of 08 Dams in Balochistan” and paid Rs. 68.142 million vide cheque No.148282 dated 20.06.23 to a joint venture Consulting firm, which submitted a Draft Feasibility Report without conducting geotechnical investigation. Further, final Feasibility Report, with EIA/IEE (Environmental Impact Assessment/Initial Environmental Examination) were also not conducted. The Reports were required to be submitted and duly approved by EPA (Environmental Protection Agency) Balochistan, which was

not submitted.

Non-submission of essential reports was caused due to weak planning and management of the project.

The lapse may result in ultimate failure of the project.

The matter was reported to the department on June 12, 2024, but no reply was received.

In the DAC meeting held on July 04-05, 2024, the paras of the Project were not discussed and the DAC directed the respective office to submit replies to Audit within one week.

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

Audit recommends carrying out feasibility study, Geo technical investigation and impact assessment at the earliest.

[AIR 1]

11.2.12 Overpayment due to inadmissible premium - Rs. 63.814 million

According to P&D Department's Notification dated April 28, 2022⁴, the Chief Minister granted percentage increases on different items of work of BCSR, 2018. Further, as per CPWA Code 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 following Divisions of Irrigation Department, GoB, during the financial years 2021-24, made overpayments of Rs. 63.814 million to different contractors due to allowing inadmissible/wrong calculations/non-deduction of premium, as detailed below:

⁴ No. P&DD/CSR-Cell/2022/1869

(Rs. in million)

S. No.	Name of Formation	AIR# F.Y	Premium paid	Premium payable	Premium overpaid
1	Drainage Irrigation, Division Jaffarabad	9, 2022-23	6.580	3.464	3.116
2	Kachi at Bolan	6, 2022-23	2.437	0	2.437
3	Musakhail	1, 2022-23	2.285	0	2.285
4	Ziarat	2, 2023-24	35.100	0	35.100
5	Pishin	6, 2023-24	5.146	0	5.146
6	Zhob	6, 2023-24	12.033	0	12.033
7	Kech at Turbat	3, 2023-24	1.831	0	1.831
8	Zhob	6, 2021-22	1.866	0	1.866
Total			67.278	3.464	63.814

Overpayment on premium occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department from October 2023 to October 2024, but no reply was received.

In the DAC meetings held on July 4-5, 2024, and January 1-2, 2025, the department contested that the premiums were paid in accordance with the notifications of P&D Department. The DAC accepted the reply and directed the management to get the original record verified from audit. During verification audit did not agree with the decision because the G.I. Wire did not fall in the category of "Structural Steel", therefore, amount may be recovered.

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

Audit recommends recovery of the overpaid amount.

Note: The issue was also reported in the Audit Reports for Audit Years 2020-21 and 2021-22 vide para numbers 10.2.5 and 13.2.5 with the financial impact of Rs. 2.103 million and Rs. 7.671 million respectively. Recurrence of same irregularity is a matter of serious concern.

11.2.13 Slow progress of command area development - Rs. 2,148.30 million⁵

According to loan agreement of project “Balochistan Water Resources Development Sector Project Quetta “Completion date of the project is December, 2025 and loan closing date is June, 2026.” According to work plan and PC I of the Project, Balochistan Water Resources Development Sector Project Quetta, Command area was to be developed on Zhob River Basin and Mula River Basin. Further, as per Work and Cash Plan for the financial year 2023-24, dully approved by the Project Steering Committee, 51% of the work of Zhob River Basin and 42% of Mula River Basin was to be completed in the financial year 2023-24.

The PD, BWRDSP, Quetta had aimed to complete the development of command areas on both rivers within 30 months. However, progress has been significantly slower than anticipated. As of June 30, 2024, only Rs. 63.287 million had been spent on the development of command areas for both rivers, which represents a mere 3% of the total allocated budget, as detailed in below:

(Rs. in Million)				
S. No.	Name of field	Estimated cost	Amount expended up to June, 2024	%
1.	Command area development of Zhob River Basin	1,397.55	23.573	1.687%
2.	Command area development of Mula River Basin	750.75	39.714	5.290%
Total		2,148.3	63.287	3%

Thus, due to slow progress, completion of contract within stipulated time period which is December, 2025 seems quite difficult.

Slow progress was caused due to weak internal controls.

Non-adherence to the time line of loan conditions may result in non-achievement of the project objectives.

⁵Foreign Aided Project “BWRDSP” Sponsoring Agency - ADB Loan and Grant No. L3700-PAK, G9197 and G0597

The matter was reported to the management on September 24, 2024, to which it was replied that the command areas of agriculture components were to be developed after completion of the irrigation schemes and outlet levels. The major component of the command area development was under Siri Toi Dam, for which tenders had been floated, but the ADB showed concerns over the conventional design, therefore, feasibility and detailed designs were revised which were under process of approval. It was assured that work would be completed without any cost or time overrun.

In the DAC meeting held on November 05, 2024, the forum directed the management to provide documentary evidences with respect to change in design along with progress report to audit for verification. It was further directed that efforts should be made to complete the task within timelines as provided in the PC-I.

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

Audit recommends that project activities be expedited to complete the project within stipulated time period.

[FAP Report Para 4.3.2]

11.2.14 Non-tendering of Sabakzai command area development leading to time-overrun - Rs. 1,014 million⁶

According to loan agreement of project Balochistan Water Resources Development Sector Project Quetta “Completion date of the project is December, 2025 and loan closing date is June, 2026.”

The PD, BWRDP, Quetta did not advertise the work for the work development of command area of Sabakzai Dam amounting to Rs. 1,014 million, an important package of the project, due to which work could not be started on the command area till the end of financial year 2023-24.

⁶ Foreign Aided Project “BWRDSP” Sponsoring Agency - ADB Loan and Grant No. L3700-PAK, G9197 and G0597

Non-advertisement of important packages of the project was caused due to lack of proper planning coupled with weak financial and administrative controls.

Non-adherence to the timelines of loan conditions may result in time and cost-overflow and non-achievement of the project objectives. Besides, the delay not only hampered the timely completion of the project activities, but also slowed down the achievement of SDG 6, which promotes clean water and sanitation, potentially depriving the intended beneficiaries of the anticipated project benefits.

The matter was reported to the management on September 24, 2024. The management replied that Command Area Development was part of Muslim Bagh Flood Dispersal Scheme with an estimated cost of Rs. 1,014 million. Later on, Muslim Bagh Command Area Development was discarded on the basis of feasibility and was replaced with Sabakzai Command Area Development for which Revised PC-I had been approved from PDWP and is under process for approval by the ECNEC. As the project was not yet approved, therefore, it was not advertised.

In the DAC meeting held on November 05, 2024, the forum directed the department to provide the correspondence made with respect to change of scheme from Muslim Bagh to Sabakzai, and feasibility report of both the sites in addition to financial impact as a result of change of site.

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

Audit recommends implementation of DAC directives. Besides, the project activities may be expedited and finalized within the stipulated timelines.

[FAP Report Para 4.1.1]

11.2.15 Time-overrun due to non-completion of public benefit project and less utilization of funds - Rs. 1,554.659 million⁷

According to the PC-I of the project, “The GoB has adopted a policy of IWRM including 16 Policy Thrust Areas”, which are essential for improving and sustaining the management of surface and groundwater resources. Further, “The Project Development Objective was to strengthen provincial government capacity for water resources, monitoring, management, and to improve community-based water management for targeted irrigation schemes in Balochistan”. Moreover, as per revised PC-I, the financial progress (expenditure) should have been Rs. 14,747.740 million up to June 30, 2022 and project was required to be completed by that date”.

The PD, BIWRMD Project, Quetta failed to observe project implementation schedule, and various activities were not completed till date. The project completion date was June 30, 2022, but the project could not be completed within stipulated period. Till date, 89% of the total project cost amounting to Rs. 13,194.282 million had been utilized with a time overrun of more than 02 years, along with less utilization funds amounting to Rs. 1,554.659 million, as detailed in Annexure 11.2.

Weak administrative controls caused the delay.

The delay not only hampered the timely completion of the project activities, but also slowed down the achievement of SDG 6, which promotes clean water and sanitation, potentially depriving the intended beneficiaries of the anticipated project benefits.

The matter was reported to the management on August 30, 2024 to which no reply was received.

In the DAC meeting held on November 05, 2024, the management in its response elaborated the reasons which delayed the project activities, such as law

⁷ Foreign Aided Project “BIWRMD” Sponsoring Agency - World Bank, Loan No. 5885-Pak.

and order situation, COVID-19, termination of major work contracts, prolonged litigation, loan suspension by World Bank, delay in approval of PC-I, floods, inflation and revision of PC-I. It was further stated that activities of the project are now on track and assured the forum that work would be completed by 28.02.2025. The DAC after detailed discussion directed the management to provide all the relevant evidences as claimed to be the reasons of delay along with physical and financial progress to audit for verification. It was further directed that the remaining targets be achieved timely as envisaged in PC-I.

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

Audit recommends implementation of DAC directives. Besides, the project activities may be expedited and finalized within the stipulated timelines.

[FAP Report Para 4.1.1]

11.2.16 Unauthorized payment due to allowing inadmissible item - Rs. 29.367 million⁸

As per Para 3.7 of Procurement Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers 2014, “An existing contract for goods, works, and non-consulting services, awarded in accordance with procedures acceptable to the Bank, may be extended for additional goods, works, and non-consulting services of a similar nature. The Bank shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable. Provisions for such an extension, if considered likely in advance, shall be included in the original contract”.

The PD, BIWRMD Project, Quetta awarded the work “Construction of Sibi Town Water Supply Scheme (Lot-02: Treatment Plant and Overhead Water Tanks)” to M/s. Zarghoon Enterprises Pvt. Ltd-Moosa Jan and Co-Ghazi Enterprises (J.V) at estimated cost of Rs. 325.797 million vide work order dated

⁸ Foreign Aided Project “BIWRMD” Sponsoring Agency - World Bank, Loan No. 5885-Pak.

January 02, 2022, revised to Rs. 397,087 million. Payment of the 06th running bill/IPC for Rs. 89.558 million was made vide cheque No. 1136821 and BPV No. 488 dated 11.06.2024. Total work done amount to Rs. 279.371 million was paid till the date.

Review of IPC-6 (Bill 3. Const: of Sedimentation Tank 3 Nos., Bill 4. Const: of Slow Sand Filters at Treatment Plant 04 Nos. and Bill 5. Const: of Clear water reservoir), revealed that the contractor received payment for an item of work “Earthwork excavation in open cutting from 5ft. to 10ft. depth for storm water channels, drains in open area, roads, streets lanes and shoring to protect existing works under BoQ item Nos. 3.1.a, 4.1.a and 5.1.a. The item of work was not included in the original estimates/BOQs prepared by the consultant and were paid through a variation order. This indicated that these items were initially neglected in the estimates, resulting in willful rates through the variation order. It is important to note that additional quantities should be allowed in ongoing contracts with a 15% increase in the original contract amount, rather than allowing additional items at higher rates. As a result of allowing additional item through variation, the contractor was overpaid by Rs. 29.367 million, as detailed below:

(Rs. in Million)

S. No.	Item of work	Item No.	Quantity paid	Rate	Amount
1	Earthwork excavation in open cutting up to 5ft. (1.5m) depth for storm water channels, drains in open area, roads, streets lanes and shoring to protect existing works, BCSR-2018, SI No. 3-7/c @ 261.40)	3.1.a	11,732.10	906.31	10.633
2		4.1.a	10,508.86	906.31	9.524
3		5.1.a	10,161.966	906.31	9.210
Total					29.367

Allowing additional items of work through variation order was caused due to weak financial and internal controls, which resulted in loss to the government.

The matter was reported to the management on August 30, 2024, to which no reply was received.

In the DAC meeting held on November 05, 2024, the management replied that originally the items of work provided in BOQ were initiated, but the contractor encountered water table at merely 3 feet below the natural ground level, which required extra efforts for excavation, therefore, new items were developed as per site requirement and paid through variation orders. Audit contested the reply with the plea that water at 3 feet depth could have been forecasted during planning phase, which indicated that proper feasibility was not done. The DAC directed the management to produce feasibility study report along with Bank's SOPs for issuance of variation orders to audit for verification.

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

Audit recommends adherence to the provisions of PC-I besides implementation of DAC directives.

[FAP Report Para 4.2.1]

11.2.17 Time overrun due to slow progress of the project⁹

According to Work and Cash plan dully approved by the Project Steering Committee in its meeting held on September 08, 2023 under chairmanship of ACS (Development), "Activities of the project are to be undertaken as per Annual Work Plan which is given in the PC I. These activities will be reviewed on the quarterly basis as defined in the Annual Work Plan."

PD, Emergency Flood Assistance Project, Sub-Head: Reconstruction and Rehabilitation of Flood Affected Irrigation Infrastructure at Balochistan

⁹ Foreign Aided Project "EFAP" Sponsoring Agency – ADB, Loan No. 4279-Pak

(Balochistan Irrigation Department Component) Quetta awarded various contracts during the financial year 2023-24 for an estimated cost of Rs. 11,468 million. As per Work and Cash Plan for the financial year 2023-24, 25% of the work was to be completed in the financial year 2023-24. However, record revealed that only Rs. 319.429 million were expended up to June 30, 2024, which was only 2.8% of the total cost. Thus, due to slow progress on the project activities, completion of project within stipulated time period, which is December, 2025, is not achievable, as detailed below:

(Rs. in Million)

S. No.	Description	Contract Cost	Targets		Achievements	
1	Package-I, Districts Hub and Lasbela.	1,890.298	33%	624	14%	266.417
2	Package-II, District Surab and Khuzdar (Category-I).	767.928	33%	253	0%	0
3	Package-III, Districts Pishin and Killa Abdullah and Quetta.	5,177.611	25%	1,294	01%	53.012
4	Package-IV, in District Harnai.	1,800.716	20%	360	0%	0
5	Package-V Killa Saifullah, Zhob, and Musakhel	1,831.650	15%	275	0%	0
Total		11,468.203	25%	2,806	2.8%	319.429

Slow progress was caused due to weak internal, financial and administrative controls.

The delay not only resulted in non-achievement of project objectives, but also slowed down the activities aimed at facilitating the achievement of SDG 6 regarding Water and Sanitation.

The matter was reported to the management on September 24, 2024, to which it was replied that Election Commission of Pakistan had imposed ban on

opening, award and issuance of new tenders in November 2023 which was lifted in March, 2024. Further, honorable High Court of Balochistan directed to maintain status quo on the complaint of a disqualified bidder, due to which work could not be awarded and started in time. However, the works are now on track and will be completed in due time.

In the DAC meeting held on November 05, 2024, the forum directed management to expedite the work and provide original record including bidding documents and progress report to audit for verification.

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

Audit recommends stringent monitoring and evaluation for such projects to meet time lines besides implementation of DAC directives.

[FAP Report Para 4.1.2]

11.2.18 Non-obtaining of stamp duty - Rs. 31.658 million¹⁰

According to 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.”

The PD, EFAP awarded the contracts for civil works and consultants services of “Emergency Flood Assistance Project, Sub-Head: Reconstruction and Rehabilitation of Flood Affected Irrigation Infrastructure at Balochistan” to various civil contractors during the financial year 2023-24 without obtaining stamp duty amounting to Rs. 31.658 million, as detailed below:

(Rs. in million)			
S. No.	Name of Packages/Scheme	Amount	Stamp duty @ 0.25%
1	Package I	1,890.298	4.726
2	Package II	767.928	1.920

¹⁰ Foreign Aided Project “EFAP” Sponsoring Agency – ADB, Loan No. 4279-Pak

S. No.	Name of Packages/Scheme	Amount	Stamp duty @ 0.25%
3	Package III	5,177.611	12.944
4	Package IV	1,800.716	4.502
5	Package V	1,831.650	4.579
6	Emergency Flood assistant Project	1,397.091	3.492
7	Less received		(0.505)
Total outstanding of Consultants			2.987
Total Stamp Duty Recoverable			31.658

Non-realization of stamp duty was caused due to weak internal and financial controls, which resulted in loss to the government.

The matter was reported to the management on September 24, 2024, to which it was replied that as per GCC Clause 4.1, "The stamp duties shall be borne by the employer." The management further stated that the matter had also been taken up with ADB. The bank clarified that stamp duty was required to be paid by the employer.

In the DAC meeting held on November 05, 2024, the forum directed the management to deposit the stamp duty in Government accounts from the GoB share in project. The forum further directed that clarification may be obtained from FD.

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

Audit recommends recovery of government duty besides implementation of DAC directives.

[FAP Report Para 4.2.1]

Chapter 12

12.1 Labour and Manpower

12.1.1 Introduction

The common identified objectives of the department include implementation of labour laws, registration of trade union and industrial units, provision of training, inspection of factories, shops, establishment, weight and measures and provision of technical education and conducting research.

12.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 2,409.925 million were allocated to the Department during 2023-24. Against the said allocation, an expenditure of Rs. 2,014.711 million was incurred, as summarized below:

(Rs. in Million)

2022-23				
Type of grant	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21020	2,212.329	1,817.117	(-)395.212	17.86
Development Grant No. BC12220 Function No.041350	197.596	197.594	(-).002	0.00
Grand Total Non-Development & Development	2,409.925	2,014.711	(-)395.214	16.40

12.1.3 Audit profile of Labour and Manpower Department

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	70	7	1254.565	1.818

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
2.	Assignment Accounts	1	-	-	-
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 observations related to Labour and Manpower Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, mis-procurements, non-achievement of revenue targets and non-deduction of taxes.

Audit observations amounting to Rs. 104.251 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 37.665 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	60.144
2.	Recoverable	37.665
3.	Overpayment	6.442

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.	2018-2019	5	3	2	60
2.	2022-2023	1	-	1	0
3.	2023-2024	3	-	3	0
Total		9	3	6	33.33

12.2 AUDIT PARAS

12.2.1 Irregular expenditure by split-up to avoid tendering - Rs. 51.296 million

According to Rule 15 (2) (3) of BPPRs, 2014, "All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority's website as well as in the newspapers as prescribed in these rules, and the advertisement in the newspapers shall be published in at least two widely circulated leading dailies of English and Urdu languages." Further, according to Rule 12 *ibid*, "Procurement proposals shall not be shortened to avoid sanction of the competent authority." Furthermore, according to Rule 54 *ibid*, "Procurement contract shall come into force when the procuring Agency signs a contract, on the date on which the signatures of both the procuring Agency and the successful bidder are affixed to the written contract. Such affixing of signatures shall take place within the time prescribed in the bidding documents."

Following offices of the Labour & Manpower Department, GoB, incurred an expenditure of Rs. 51.296 million on account of repair of office buildings and various purchases during the financial years 2021-24, by splitting-up the expenditure to avoid obtaining sanction of the competent authority and tendering. Moreover, procuring agency mentioned at serial No.3 did not sign the contract agreement with successful bidder prior to award of contract.

(Rs. in Million)				
S. No.	Year	Name of Office	AIR	Amount
1	2021-24	Secretary, Labor and Manpower, GoB, Quetta	4	9.466
2	2023-24	Principal, WTTC, Quetta,	1	1.839
3	2019-23	Director Wheight and Measures	2	39.991
Total				51.296

The irregularity occurred due to weak internal controls.

The lapse resulted in mis-procurement.

The matter was reported to the department on June 12, 2024, but no reply was received.

In the DAC meeting held on October 16, 2024, the DAC directed the respective offices to get the expenditure regularized from competent forum.

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

Audit recommends that concerned offices should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure apart from implementation of DAC directives.

12.2.2 Non-deduction of government taxes - Rs. 19.675 million

According to Income Tax Ordinance, 2001¹ and Stamp Act, 1899², the income tax @ 7.5%, 10%, 4.5% on contract, services and supply of goods

¹ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

² S. No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan

amended to 7%, 3% and 4% respectively, stamp duty @ 0.25% of cost of contract.

Following offices of the Labour & Manpower Departments, GoB made procurements of Rs. 137.773 million during the financial years 2019-24 without deducting due government taxes / duties on prescribed rates, which resulted in revenue loss of Rs. 19.675 million.

(Rs. in Million)				
S. No.	Year	Name of Office	Detail of taxes/duties	Less/non deducted
1	1, 2019-23	Director Weights and Measures, Balochistan.	Income tax	3.138
2	3, 7, 2022-23	Director B-TEVTA, Quetta	Income Tax	15.906
3	6, 2022-23		Stamp duty	0.631
Total				19.675

The irregularity occurred due to weak internal controls.

Non-deduction of due taxes resulted in revenue loss to government.

The matter was reported to the department on June 21, 2024, but no reply was received.

In the DAC meeting held on October 16, 2024, the DAC directed the management to provide evidence of tax deduction. The office at S.No.2 did not attend the DAC meeting.

No further progress was intimated till finalization of this report.

Audit recommends recovery of due government taxes.

12.2.3 Non-imposition of liquidated damages - Rs. 13.353 million and non-obtaining of performance security - Rs. 4.637 million

According to Rule 53 of BPPR, 2014, “In the event a contractor fails to deliver any or all of the goods, works or services within the period agreed in the contract, the procuring agency either shall allow an extension in the contract

period pursuant to a written request by the contractor with justifications or deduct the amount, as liquidated damages, a sum equivalent to the percentage specified in the contract for each week or part thereof of delay” Further, according to Rule 44 of BPPR, 2014, “Procuring Agency shall, in all procurement of goods and works of value more than twenty-five (25) million, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee or insurance bond by AA ranking insurance company, an amount sufficient to protect the Procuring Agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than ten percent (10%) of contract price.”

Following offices of the Labour & Manpower Departments, GoB, incurred an expenditure of Rs. 179.990 million on account of various purchases of goods during the financial years 2019-24 without obtaining performance security, and recovering liquidated damages, which resulted in revenue loss of Rs. 17.99 million.

(Rs. in Million)						
Name of formation	AIR# F.Y	Contract price	Stipulated date of completion	Actual date of completion	Delay in days	Penalty
PD Skill Development Quetta (TTC, Pishin) (, Kohlu)	1, 2023-24	66.942	10.01.2022	In progress	870	6.694
		66.588	20.05.2022	In progress	570	6.659
Total		133.53				13.353
Directorate of Weight and Measures		46.370	Performance Security			4.637

The irregularity occurred due to weak internal controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department on June 21, 2024, but no reply was received.

In the DAC meeting held on October 16, 2024, the DAC directed the department to provide original record for verification.

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

Audit recommends implementation of DAC directives.

12.2.4 Non-realization of targeted receipt – Rs. 8.848 million

According to Book of Receipt Volume-II, Target set by FD, GoB for Director Weight Measurement is Rs.31.00 during financial years 2019-20 to 2022-23 and for DG, Labour and Manpower it was Rs.1.848 for the financial year 2023-24. Further, according to Rule 26 of GFR, Vol-I, “It is the duty of the departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized, and duly credited in the government account.” Furthermore, as per Rule 28 ibid, “No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.”

Following offices of the Labour & Manpower Department, GoB, during the financial years 2021-24, failed to achieve the receipt targets leaving a revenue deficit amounting to Rs. 8.848 million:

(Rs.in Million)					
S. No.	Name of Office	AIR# FY	Target	Achieved	Outstanding
1	DG, Labour and Manpower	1, 2023-24	1.848	0	1.848
2	Director Weight and Measures	1, 2019-23	31	24	7
Total					8.848

The irregularity occurred due to weak internal controls.

Non-achievement of the revenue target resulted in revenue loss to the government.

The matter was reported to the department during June to November 2024, but no reply was received.

In the DAC meeting held on October 16, 2024, it was decided that department would coordinate with FD, GoB for rationalizing of the revenue targets besides making efforts to achieve the yearly set receipt targets.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives besides realization of government revenue.

12.2.5 Payment of NSR items without rate analysis - Rs. 6.442 million

According to Para 296 CPWA Code, “the rate entered in estimates should generally be 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 of estimates. Further, according to Balochistan CSR 1998, the rates for items other than those given in the schedule are treated as non-schedule rates (NSR). The analysis of NSR is required to be prepared by the Executive Engineer and approved by the competent authority.”

The PD, Skill Development Program through BTEVTA, Quetta awarded various works to GCs and made payments of various items on NSR amounting to Rs. 6.442 million without preparation of approved rate analysis, as detailed below:

(Rs. in Million)

S. No.	Name of work	Description	Amount
1	Construction of Technical Training Center at Pishin	P/L Gypsum roof tiles with aluminum	1.500
			0.977
2		P/F Gaddab stone on external wall surface with cement mortar ratio1:3 etc.	0.740
			0.740
			0.247
3		P/F best quality stain less spiral steel stair railing with bluster etc.	0.075

S. No.	Name of work	Description	Amount
		P/F best quality stain less steel stair railing with bluster etc.	0.043
			0.048
		P/F best quality stain less steel terrace railing with bluster etc.	0.074
4	Construction of Technical Training Center at Kohlu	P/L Gypsum roof tiles with aluminum t-section and channel putty etc.	1.125
			0.750
5		P/F best quality stain less steel stair railing with bluster etc.	0.079
			0.044
Total			6.442

The irregularity occurred due to weak internal controls.

Allowing non-scheduled rates without approval of the competent authority deprived the government of comparative rates and quality.

The matter was reported to the department on September 3, 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in September 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends provision of approved rate analysis duly supported by quotations and market survey reports.

[AIR 2]

Chapter 13

13.1 Livestock and Dairy Development Department

13.1.1 Introduction

Livestock is considered one of the most important sectors in Balochistan. Most of the rural population is engaged in raising 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.

13.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 6,404.482 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 6,329.382 million was incurred, as summarized below:

Type of grant	(Rs. in Million)			
	2023-24			
	Final grant	Actual Expenditure	Excess/ (Saving)	%
Non-Development Grant No.BC21028	5,376.969	5,307.283	(-)69.686	1.30
Development Grant No. BC12228 Function No.042106	1,027.513	1,022.099	(-)5.414	0.53
Grand Total Non-Development & Development	6,404.482	6,329.382	(-)75.100	1.17

13.1.3 Audit profile of Livestock and Dairy Development Department, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	107	15	1,032.608	234.494
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 observations related to Livestock and Dairy Development department show continued systemic weaknesses in internal controls. These weaknesses translated into lack of research due to non-functional research institutes, missing animals and non-achievement of revenue targets.

Audit observations amounting to Rs. 203.373 million were raised in this report during the current Audit. Summary of the audit observations classified by nature is as under:

(Rs. in Million)

S. No.	Classification	Amount
1.	Irregular expenditure	203.373

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.	2004-2005	2	-	2	0
2.	2005-2006	5	-	5	0
3.	2007-2008	8	-	8	0
4.	2009-2010	1	-	1	0
5.	2012-2013	8	-	8	0
6.	2013-2014	16	-	16	0
7.	2017-2018	5	1	4	20
8.	2018-2019	6	3	3	50
9.	2019-2020	4	-	4	0
10.	2020-2021	2	-	2	0
11.	2021-2022	7	-	7	0
12.	2022-2023	12	-	12	0
13.	2023-2024	9	-	9	0
Total		85	4	81	4.7

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

13.2 AUDIT PARAS

13.2.1 Non-functionality of Veterinary Research Institute and deviation from core mandate – Rs. 93.890 million

As per Balochistan Rules of Business, 2012, “the Role of Livestock and Dairy Development includes research on various disciplines of livestock production and health.”

The audit of the Bacteriologist and Virologist Veterinary Research Institutes in Quetta, for the financial year 2023-24, revealed that these institutions, despite an annual expenditure of Rs. 93.890 million and a staff of specialized personnel, had been non-functional since 2005. Further, instead of conducting research and producing vaccines as intended, they had become mere distributors of vaccines procured from CASVAB.

Non-functional VRIs was caused due to weak internal controls.

The lapse resulted in under-utilization of resources.

The matter was reported to the department on August 28, 2024, to which the management responded that the Veterinary Research Institute (VRI) had been handed over to the University of Balochistan's College of Agriculture, Veterinary and Basic Sciences (CASVAB), Quetta. The management further stated that all provinces have their own VRIs, and the department aimed to establish VRI Balochistan during 2020-2021. Consequently, the PSDP approved Scheme No. QA Z2019.2112 with a budget of Rs. 298.05 million. The grey structure is nearly complete, with finishing work still going on. However, audit did not accept this explanation, stating that the department failed to provide any evidence of research activities as mandated by the Rules of Business.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends to take corrective measures.

13.2.2 Irregular purchases without testing and inspection - Rs. 58.148 million

As per Section 4(a) of DRAP Act, 2012, "Director Pharmaceutical Evaluations and Registration shall be in charge of the Division of Pharmaceutical Evaluations and Registration which shall be responsible for the evaluation, assessment and registration of pharmaceuticals drugs for human beings, animals and to perform other functions connected therewith and assigned by the Board." Further, according to Rule 55 of BPPR, "Procuring Agency is required to carry out any inspection of goods, works or services related thereto, as provided in the contract agreement." As specified in Special Conditions of Contract Agreement, "After delivery of drugs and medicines at

the Purchaser's premises, the Area Drug Inspector shall send the samples from all batches of each consignment of the supplied store to the DTL for testing."

The following offices of the Livestock and Dairy Development Department, GoB, during the financial years 2021-24, incurred an expenditure amounting to Rs. 58.148 million on procurement of different items, equipment and livestock medicines without testing, evaluation, and inspection by the procurement/inspection committee.

(Rs. in Million)

S. No.	Name of office	Particulars	Financial Year	AIR Para No.	Amount
1	Divisional Director, Livestock, Kalat Division, Deputy, Director Livestock, Lasbella. Manager, Dairy farm, Lasbella.	Purchase of different items and equipment	2021-23	1	17.762
2	Superintendent, Karakul Sheep Farm in Maslakh, Quetta.	Purchase of feed	2023-24	3	6.886
3	DG, Research and Supplies Balochistan, Quetta.	Purchase of medicines	2023-24	5	33.500
Total:					58.148

Payment without inspection was due to weak internal controls.

The lapse may have resulted in inferior quality of the procurement of goods and medicines.

The matter was reported to the department during March and September 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and October 2024, but no meeting was held till the finalization of this report.

Audit recommends provision of justification along with the inspection and drug testing reports.

13.2.3 Non/less realization of targeted revenue - Rs. 34.516 million

As per Budget Book for the years 2021-24, “the revised budget estimate under Receipts for Livestock and Dairy Development Department was fixed at Rs. 44.586 million for the financial years 2021-24.”

The following offices of Livestock and Dairy Development Department, GoB realized receipt amounting to Rs. 10.070 million against the targeted amount of Rs. 44.586 million during the financial years 2021-24, which resulted in less realization of targeted amount of Rs. 34.516 million.

(Rs. in Million)

S. No.	Name of offices	AIR	F.Ys	Revised Estimates	Actual Receipt	Difference
1	Superintendent, Karakul Sheep Farm Maslakh.	1	2022-23	6.500	1.500	5.00
2	Manager Dairy farm Lasbella.	2		2.065	0	2.065
3	Additional Principal Veterinary Officer, Red Cattle Sindhi Farm.	3	2023-24	14.657	5.024	9.633
4	DG, Farm and Feed Quetta.	4		0.191	0	0.191
5	Additional Principal	3		10	1.5	8.5

S. No.	Name of offices	AIR	F.Ys	Revised Estimates	Actual Receipt	Difference
	Veterinary Officer Beef Research Centre, Sibi.					
6	Superintendent, Karakul Sheep Farm Maslakh, Quetta.	1		11.173	2.046	9.127
Total				44.586	10.07	34.516

The irregularity occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department during March to September 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends making serious efforts for achievement of revenue target.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 14.2.4 having financial impact of Rs. 54.363 million. Recurrence of same irregularity is a matter of serious concern.

13.2.4 Unjustified shortage of 19 Animals

According to Para 23 of GFR, Vol.-1 “Every public officer should realize fully and clearly that he will be held personally responsible for any loss sustained by the government through fraud or negligence on his part.”

Audit of the office of BPRC, Sibi, during the financial year 2022-23, revealed a significant decrease in number of Animals. Animals register showed 174 animals in the month of April 2023, whereas the number was reduced to 155 in the month of May 2023 with a difference of 19 animals. When asked during audit, it was informed that the animals were sold out but Audit found no supporting evidence. Neither documentation of auction was available nor any corresponding revenue against the said auction was deposited into government account. Subsequently, the cost of animals could not be calculated by audit due to lack of evidence.

This issue also relates to the suspected misappropriation of Rs. 13.989 million wherein the new animal purchases lacked proper record keeping. Audit believed that animals were removed from the record without generating revenue or proper justification. The removed animals might be later recorded as New Animals. Despite the decrease in number of animals the issuance of feed remained constant for the whole period.

The irregularity occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department in April 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June 2024, but no meeting was held till the finalization of this report.

Audit recommends strengthening internal control mechanism and fixing responsibility on the persons at fault.

13.2.5 Irregular procurement without inviting open tenders - Rs. 16.729 million

According to Rule 15(2) of BPPRs, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these Rules.”

The following offices of Livestock and Dairy Development Department, GoB, during the financial years 2021-24, incurred an expenditure amounting to Rs. 16.729 million on account of procurement of different items without calling open tenders.

(Rs. in Million)

S. No.	Name of Office	AIR Para	Period	Amount
1	DD, Livestock, Quetta.	1	2021-23	0.870
2	Superintendent, Karakul Sheep Farm Maslakh, Quetta.	3	2022-23	2.264
3	Additional Principal Veterinary Officer, Red Cattle Sindhi Farm, Hub.	1	2022-24	11.319
4	Superintendent Karakul Sheep Farm Maslakh, Quetta.	4	2023-24	2.276
Total				16.729

The irregularity occurred due to weak internal and financial controls.

Expenditure without calling open tender resulted in mis-procurement.

The matter was reported to the department during April to December, 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter and regularization of expenditure.

Chapter 14

14.1 Planning and Development Department

14.1.1 Introduction

Planning and Development (P&D) Department, GoB, is a premier planning body in the province. It formulates all development, planning policy matters and plans to execute the policy. Provincial Five Years Plans (FYP) contain development policy while annual Public Sector Development Programmes (PSDPs) are planned to implement FYP policies concerning social, infrastructure and productive sectors. Small and medium range projects are accommodated in PSDP.

14.1.2 Comments on Budget and Accounts (Variance Analysis)

Non-development funds amounting to Rs. 3,196.463 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 2,944.106 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21058	2,895.924	2,646.898	(-)249.026	8.60
Development Grant No.BC12258 Function No.015201	300.539	297.209	(-)3.330	1.11
Grand Total Non-Development & Development	3,196.463	2,944.106	(-)252.357	7.89

14.1.3 Audit profile of P&D Department, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2021-2022	Revenue/ receipts audited: financial year 2021-2022
1.	Formations	10	4	6,036.084	144
2.	Assignment Accounts	3	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	4	4	1431.804	

14.1.4 Classified Summary of Audit Observations

Audit observations related to Planning and Development Department show continued systemic weaknesses in internal controls. These weaknesses translated into failure in planning, funding, monitoring and completion of important development schemes causing huge losses to government in addition to mis-procurements. The department also failed to operationalize the automation lab established by GPP.

Audit observations amounting to Rs. 141.796 million were raised in this report during the current audit of Planning & Development department. This amount also includes recoveries of Rs. 2.214 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.	Recoverable	2.214
2.	Irregular expenditure	136.301
3.	Overpayment	3.281

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.	2021-2022	7	-	7	0
2.	2022-2023	6	-	6	0
Total		13	0	13	0

Audit Report had not been discussed by the PAC.

14.2 AUDIT PARAS

14.2.1 Delay in completion of development schemes due to weak strategic planning - Rs. 30,445.843 million

According to BPFM Act 2020, Para 16, (2) “No development project shall be considered for inclusion in demands for grants unless it is provided with a budget allocation of at-least 30% of its total cost for the coming year.”

The PSDP for the financial years 2022-24 revealed that many development projects initiated between 2002 and 2013 remained incomplete. Despite a budget allocation of Rs. 49,892.513 million, only Rs. 30,445.843 million had been spent by June 2024, leading to underutilization of funds, which will ultimately result in time and cost overruns.

(Rs. in Million)

S. No.	Name of office	Financial year	AIR No.	Amount
1	The ACS, P&D Department, GoB,	2022-23	18	3360.11
2		2023-24	2	27,085.733
Total				30,445.843

Non-completion of PSDP schemes was due to a lack of strategic planning and weak financial management.

The lapse resulted in time and cost overrun.

The matter was reported to the department on September 10, 2024, to which management replied that government had amended Para 16 (2-b) of the BPFM Act, 2020, stipulating that development projects must have a budget allocation of at least 20% of their total cost for the upcoming year to be included in grant demands. The P&D department allocated substantial funds to projects during the said period. However, execution agencies failed to achieve desired results, leading to non-utilization of funds. Audit disagreed with this explanation. Numerous projects initiated during 2002 remained incomplete, and even the delegated 20% allocation was not released in some cases.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends provision of justification supported by evidence.

14.2.2 Non-allocation of funds for new PSDP schemes - Rs. 28,688 million

According to Section 16(2) of BPFM Act 2020, “No development project shall be considered for inclusion in demands for grants unless it is provided with a budget allocation of at least 30% of its total cost for the coming year.”

PSDPs for the financial years 2022-24 revealed that an amount of Rs. 28,688 million was allocated for 45 different projects, however, these allocated funds were not released.

(Rs. in Million)				
S. No.	Name of office	Financial year	AIR No.	Amount
1	The ACS, P&D Department, GoB,	2022-23	14	6,489.494
2		2022-23	15	14,124.230
3		2022-23	16	4,409.969
4		2023-24	4	3,664.339
Total				28,688.032

Non-allocation of funds to approved schemes was due to improper budgeting and weak financial controls.

The lapse resulted in delays / cost-overrun and negatively impacted the progress of these project.

The matter was reported to the department on September 10, 2024, to which department replied that ban was imposed by the Election Commission of Pakistan for new development project and majority of the funds were allocated to the ongoing projects for earlier completion. Audit did not agree with this explanation, as the department had abandoned 198 development schemes for which no funds were allocated. While prioritizing some ongoing projects may be justified, it does not warrant the exclusion of new schemes without allocated funds, which violates the provisions of the BPFM Act, 2020.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends adherence to the provisions of BPFM Act, 2020.

14.2.3 Non-conduct of physical inspection of completed projects - Rs. 22,205.335 million

According to Para 5.02 of Manual for Development Projects, 2021, “The monitoring of the development projects or programmes should be done internally by the PD and sponsoring/executing agency. The sponsoring/executing agency may also hire third-party consultants for monitoring of the project. Planning Commission’s Monitoring Wing will do monitoring of selective projects. The PC-III Proforma along with PW-002 and PW-003 proformas is used for monitoring implementation progress.” Further, according to Para 6.13 and 6.16 *ibid*, “Evaluation can be applied for different purposes as well as to a specific activity, project, or Programme. It is not restricted to the completion stage only, but involves periodic investigations at many stages. Four

different types of project evaluations are: ex-ante evaluation, ongoing evaluation, final evaluation, and ex-post evaluation.”

The P&D Department, during the financial years 2022-24, failed to conduct physical inspections of 48 completed PSDP schemes costing Rs. 22,205.335 million.

(Rs. in Million)

S. No.	Name of office	Financial year	AIR No.	Amount
1	The ACS, P&D	2022-23	20	16,431
2	Department, GoB,	2023-24	5	5,774.335
Total				22,205.335

Non-conduct of physical inspection occurred due to weak internal controls.

This lapse resulted in uncertainty regarding the effective use of funds and the successful completion of the projects.

The matter was reported to the department on September 10, 2024, to which department replied that monitoring every PSDP project from inception to completion was physically and practically impossible. Audit disagreed, emphasizing that the department already had a Monitoring Wing that needs strengthening to conduct physical inspections and monitoring of the schemes in line with the Manual for Development Projects.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends adherence to the provisions of Manual for Development Projects.

14.2.4 Non-allocation of funds for abandoned PSDP schemes costing - Rs. 17,207 million

According to Para 1.35 (b) Manual for Development Projects, “preference is accorded to ongoing projects for their early completion.” Further, according to Section 16(2) of BPFM Act 2020, “No development project shall be considered for inclusion in demands for grants unless it is provided with a budget allocation of at-least thirty-three percent of its total cost for the coming year.”

During the audit of PSDP schemes for the financial year 2022-23, it was observed that the Additional Chief Secretary, Planning and Development, Balochistan, had allocated "Nil" funds to 198 different projects. These projects were categorized under the title "Schemes to be reassessed for socio-economic viability" (Annexure I, II, and III) in the PSDP. The executing department had incurred an expenditure of Rs. 17,207 million on these projects up to the financial year 2022-23. Audit was informed that the department had uncapped many schemes; however, details of the uncapped schemes and approval from the competent authority were not provided to the Audit.

Abandoning schemes without completion was caused due to weak financial controls.

The lapse may have resulted in cost and time overrun besides wastage of public funds.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends strict adherence to the rules governing BPFM Act 2020, besides provision of record of uncapped schemes along-with approval of the competent authority.

[AIR 22]

14.2.5 Inclusion of PSDP schemes without risk assessment - Rs. 3,604.793 million

According to Para 7.11 of the Manual for Development Projects, “Risk assessment is an important part of the project planning and management cycle. It is a condition which can affect project objectives when occurs. Risk assessment involves understanding potential problems that might occur in the project and how they might impede project success. Risks that are not identified cannot be managed, therefore, risk identification is imperative.”

The PSDP for the financial year 2022-23 revealed that development schemes costing Rs. 3,604.793 million were included in the annual development program without conducting risk assessment.

Inclusion of PSDP schemes without conducting risk assessment was due to weak internal controls.

The lapse may have resulted in wastage of public money.

The matter was reported to the department on September 10, 2024, to which no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends justification in the matter besides provision of Risk Assessment of the projects.

[AIR 3]

14.2.6 Irregular payment in the name of DDO - Rs. 40.229 million

According to Para 4.2.9.9 of APPM, “Cheques payment should be released to the payee or personally collected by the payee or his authorized agent.”

The ACS, P&D Department, GoB, during the financial year 2022-23, incurred an expenditure amounting to Rs. 40.229 million by drawing cheques in the name of DDO instead of making payments directly to vendors.

(Rs. in Million)

S. No.	AIR	Name of Offices	Description	Amount
1	2	Planning and Development Department	Honoraria, Diet Charges, Cash award	31.854
2		Bureau of Statistics		8.375
Total				40.229

Payment through DDOs instead of vendors occurred due to weak financial controls.

The lapse resulted in irregular payment.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends justification in the matter besides provision of acknowledgment receipts along with detail of tax deductions.

[AIR 2]

14.2.7 Non-functional automation lab - Rs. 80 million and unjustified expenditure on POL – Rs. 1.672 million

According to GPP PC-I Sub-component 3.2, “Technology, efficiency and accountability in public services, “The project will finance the provision of technical assistance for: (i) connectivity solutions for government operations and service delivery; (i) automating functions to reduce physical exchanges of information and decisions; (iii) digitization across functions of government; (PSDP Automation) (iv) establishment of information cell in DG Public Relations (DGPR); (v) carrying out measures to improve transparency and accountability in government processes; and (vi) organizing economic and budget reporting training for journalists.”

In the office of the ACS, P&D Department, GoB, a dashboard lab was established at a cost of Rs. 80 million with the assistance of GPP. The lab is designed to computerize the project management cycle for PSDP schemes. The functions of the dashboard software are as follows:

- Entering scheme authorization amount.
- Normal concept paper creation process.
- Umbrella concept paper creation process.
- Uploading PC-I, PC-II minutes of PSDP schemes.
- Viewing / downloading different reports in PSDP.
- SAP dashboard reports.
- Downloading and usage of citizen complaint app.
- Use for monitoring and evolution.

Audit noted that the automation lab remained non-functional, despite the lab being ready for operation since its completion in September 2022. Additionally, an expenditure of Rs. 1.672 million was incurred on POL during the financial year 2023-24 for the generator used to maintain required temperature of server room of lab.

Expenditure on POL on non-functional lab was due to weak financial controls.

The lapse resulted in wasteful utilization of public money.

The matter was reported to the department on September 10, 2024, to which the department replied that the concerned lab had not been handed over by the GPP to P&D. Audit did not agree, as the project was closed in June 2023.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders but no meeting was held till the finalization of this report.

Audit recommends to functionalize the lab without further delay.

[AIR 1]

PD, Development Packages, Quetta

14.2.8 Payment beyond the PC-I provision - Rs. 3.282 million

The revised PC I (clearing aligning and extension of Sabzal road) approved in May 2024, allowed to establish item No. 703b equip and furnish material testing project laboratory. PSDP 2454 with an estimated cost of Rs. 105.236 million. Further, according to Paras 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 PD, Development Packages, Quetta, during the financial year 2023-24, paid an amount of Rs. 3.282 million to the contractors for items of work without provision in PC-I and BoQ, as detailed below:

(Rs. in Million)

S. No.	Name of Work and Contractor	Item No.	Amount payable	Amount paid	Overpaid amount
1	Clearing/Aligning and Extension of Sabzal Road, M/s National Logistic Corporation.	703 b	6.239	7.352	1.113

S. No.	Name of Work and Contractor	Item No.	Amount payable	Amount paid	Overpaid amount
2	Clearing Aligning and Reconstruction of Sariab Road, M/s NPI construction and engineering Pvt. Ltd.	401 f Lean Concrete	0	1.457	1.457
3	Face lifting and	27-1/i	0	0.447	0.447
4	Beautification of Quetta	27-2/g	0	0.086	0.086
5	City (Phase-II), M/s Khan	27-3/g	0	0.086	0.086
6	and Co.,	27-4/e	0	0.093	0.093
Total			6.239	9.521	3.282

Allowing item of works beyond provisions of BOQ and PC-I was due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department in August 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends effecting recovery from the contractors.

[AIR4, 5]

14.2.9 Non-obtaining of performance security - Rs. 68.874 million

According to Rule 44 of BPPR, “(1) Procuring Agency shall, in all procurement of goods and works of value more than twenty-five (25) million, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee or insurance bond by AA ranking insurance company, an amount sufficient to protect the Procuring Agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than ten percent (10%) of contract price.”

The PD, Development Packages, Quetta, during the financial year 2023-24, awarded contracts amounting to Rs. 688.745 million to the GCs without obtaining performance security @ 10% amounting to Rs. 68.874 million, as detailed below:

(Rs. in Million)			
S. No.	Name of Scheme/ Contractor	Estimated Cost	Performance Security
1	Construction of Irrigation Building at Sariab Road Quetta, M/s Yousaf & Sons, GC	196.195	19.619
2	Construction of Nalah from Sariab Road to Qambrani Road along Jungle Bagh, M/s Shah Builders, GC	492.550	49.255
Total		688.745	68.874

Non-obtaining of performance security occurred due to weak internal controls.

The lapse may have resulted in compromised quality of work.

The matter was reported to the department in August 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, but no meeting was held till the finalization of this report.

Audit recommends obtaining of performance securities from the concerned.

[AIR 7]

14.2.10 Non-recovery of mobilization advance - Rs. 20.754 million

According to clause 67 of the special stipulations in contract agreement, “Mobilization Advance shall be allowed @ 10% of Contract price stated in the Letter of Acceptance against a Mobilization Advance Guarantee for the full

amount of the Advance in the specified from a Scheduled Bank in Pakistan or an Insurance Company having at-least AA rating.

The PD, Development Packages, Quetta awarded “Additional works of Dualization of Badini Link Road Quetta” to GCs at an estimated cost of Rs. 230.607 million on May 23, 2023, and paid an amount of Rs. 34.591 million mobilization Advance. However, only Rs. 13.836 million had been recovered, leaving an outstanding balance of Rs. 20.754 million, even after the expiry of bank guarantee on May 18, 2024, as detailed below:

(Rs. in Million)			
Name of Contractor	Mobilization Advance	Amount Recovered	Recoverable amount
M/s Shah Builders, GC	34.591	13.836	20.754

Non-deduction of mobilization advance was due to poor financial management.

The lapse resulted in loss to the government.

The matter was reported to the department in August 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, but no meeting was held till the finalization of this report.

Audit recommends recovery of mobilization advance and renewal of Bank guarantees.

[AIR 9]

Balochistan Development Authority (BDA)

14.3.1 Non-realization of Sales Tax - Rs. 11,337.987 million

As Per Para 2(g) of Minutes Approved by the President of Pakistan vide No. 57/1/CMLA dated 21.10.2078, “The Government will spend 50% of revenue i.e. other duties and Sales Tax, thus collected on development of

Gadani.” According to Para 58 H(4) of SRO dated 06.07.2007¹, “Ship breakers shall pay sales tax at the rate of thirty five hundred rupees per metric ton of re-rollable scrap supplied by them. The quantity of re-rollable scrap shall constitute 70.5% of the total LDT of the ship imported for breaking.”

The BDA Chairman, during the financial years 2014-24, facilitated the dismantling of numerous vessels at the Gadani seashore, yielding 6,478,849.89 MT of re-rollable scrap. However, sales tax on these sales were not realized, resulting in an estimated revenue loss of Rs. 11,337.987 million, as detailed below

(Rs. in Million)						
S. No.	Period	Quantity LDT (MT)	Quantity re-rollable scrap 70.5% of total LDT (MT)	Rate Per MT (Rs.)	50% of ST Rate Per MT (Rs.)	Amount
1	2014-15	1,645,595	1,160,144	3,500	1,750	2,030.253
2	2015-16	1,394,720	983,278	3,500	1,750	1,720.736
3	2016-17	1,390,553	980,340	3,500	1,750	1,715.595
4	2017-18	1,646,644	1,160,884	3,500	1,750	2,031.547
5	2018-19	352,174	248,283	3,500	1,750	434.495
6	2019-20	203,682	143,596	3,500	1,750	251.293
7	2020-21	1,254,150	884,176	3,500	1,750	1,547.308
8	2021-22	941,931	664,061	3,500	1,750	1,162.107
9	2022-23	126,478	89,167	3,500	1,750	156.042
10	2023-24	233,931	164,921	3,500	1,750	288.612
Total		9,189,858	6,478,849.89			11,337.987

Non-realization of revenue was caused due to prevalence of weak internal and financial controls.

The lapse resulted in loss to the Government.

¹ No. 678(I)/2007

The matter was reported to the department in December 2024, to which the department replied that the Authority initiated a summary for the Honorable Chief Minister in 2014, seeking a share of the federal tax collected on shipbreaking. However, the FD, GoB initially rejected the submission without proper review, leading to a delay in the matter.

In the DAC meeting held on January 22, 2025, the DAC directed that the matter may be expedited enabling BDA to get its due tax share.

No further progress was intimated till finalization of this report.

Audit recommends that the matter may be rigorously perused with the concerned quarters through the Administrative Department.

14.3.2 Overpayment due to allowing inadmissible secured advance and non-recovery of mobilization advance - Rs. 178.913 million

According to the Para 228 of CPWA Code, “Advances to contractors are as a rule prohibited, and every endeavor should be made to maintain a system under which no payments are made except for work actually done. Divisional officers may sanction advances upto an amount not exceeding 75 percent of the value against the non-perishable materials brought at site. The recovery of the secured advance shall be affected from the monthly payments on actual consumption basis.” According to clause 67 of the special stipulations in contract agreement, “Mobilization Advance shall be allowed @ 10% of Contract price stated in the Letter of Acceptance against a Mobilization Advance Guarantee for the full amount of the Advance in the specified from a Scheduled Bank in Pakistan or an Insurance Company having at-least AA rating

The Chairman, BDA, Quetta paid secured advances and mobilization advance amounting to Rs. 178.759 million to the Government contractors during June, 2020 and June, 2024, as detailed below:

(Rs. in Million)

S. No.	AIR Para No.	Financial Year	Date of payment	Amount
1	6	2023-24	June, 2024	45.154
2	9	2023-24	June, 2020	133.759
Total				178.913

Audit noticed the following irregularities:

- BDA paid secured advances of Rs. 45.154 million to the contractors during June, 2024 against the material i.e., aggregate base course brought at the site of work but record of subsequent deductions were not provided to audit.
- BDA paid mobilization advance of Rs. 316.877 million to the contractor during June, 2020. The said advance was required to be deducted @ 15% of the running payments. Upto seventh running bill, a gross amount of Rs. 1,487.165 million was paid upto June, 2024 but only Rs. 48.828 million was recovered which was 15.41% of the advance, which resulted in less recovery of mobilization advance of Rs. 133.759 million.

Less recovery of mobilization advance was caused due to prevalence of weak internal and financial controls.

The lapse resulted in loss to the Government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on January 22, 2025, the DAC verified the recovery of Rs. 17.451 million against secured advance and directed the management to recover the remaining amount of Rs. 27.703 million. Further, the DAC directed the management to recover the mobilization advance from the contractor at the earliest.

No further progress was intimated till finalization of this report.

Audit recommends recovery of secured and mobilization advances at the earliest.

14.3.3 Irregular expenditure without obtaining NOC and beyond jurisdiction - Rs. 38.663 million

As Per Rule 9 of GFR Vol; “As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders and the expenditure has been provided for in the authorized grants and appropriations for the year.”

The Chairman, BDA, Quetta awarded the following works to GCs during June and July, 2023 and incurred expenditure of Rs. 38.663 million upto June, 2024, as detailed below:

(Rs. in Million)

S. No.	AIR Para No.	Financial Year	Name of work	Name of contractor	Amount
1	13	2023-24	Construction of BT Roads in Quetta City	M/s Hajani Moor Enterprises -No. BDA/HQs/T-Cell/2496-2500 dated June 1, 2023	15.377

The expenditure was irregular due to the following reasons:

- The authority executed construction of various BT Roads in Quetta city without obtaining NOCs from Project Division Quetta and Municipal Corporation, Quetta, since project with the same descriptions were also taken by the latter.

Execution of development work without fulfilling the required formalities was caused due to prevalence of weak internal controls.

Payment without obtaining NOC from the concerned quarters may result in duplication and loss to the government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on January 22, 2025, the DAC directed the management to provide the NOC at the earliest for verification and a certificate from the Chairman BDA regarding non-duplication of the schemes to audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends provision of the required NOC/certificate.

14.3.4 Overpayment due to allowing excess quantities beyond PC-I provisions - Rs. 26.587 million

According to Paras 16 and 221 of CPWA Code, “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, during the financial year 2023-24, paid Government Contractors for different items of work by allowing excess quantities than provided in approved PC-Is/BOQs, resulting in overpayments of Rs. 26.587 million, as detailed below:

(Rs. in Million)			
S. No.	AIR Para No.	Financial Year	Amount
1	2	2023-24	15.537
2	3	2023-24	5.432
3	4	2023-24	4.296
4	11	2023-24	1.322
Total			26.587

Payment by allowing excess quantities occurred due to weak internal and financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on January 22, 2025, the DAC directed the department to justify its stance by providing the necessary documentary evidence i.e., PC I, tender documents, topographic survey, etc. to Audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends adherence to the provisions of PC-Is besides implementation of DAC directives.

14.3.5 Overpayment due to non-deduction of structure work - Rs. 10.544 million

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

The Chairman BDA, Quetta awarded the work “Construction of Remaining work of Mir Ali Khail Khajuri Kach Road, District Zhob Phase-II (70+000 to 90+000 Km)” to a GC during March, 2012.

The record / PC-I revealed that structure work of bridges was required to be deducted from sub-base, base course and asphaltic wearing course but no deduction of structure work was made, which resulted in overpayment of Rs. 10.544 million to the contractor, as detailed below:

(Rs. in Million)				
Item of Work	I. No	Quantity Cum	Rate Per Cum (Rs.)	Amount (Rs.)
Granular sub base	201	1,383.901	1,134	1.569
Aggregate base	202	1,252.492	1,701	2.130
Aggregate base shoulder	202	596.665	1,701	1.015
Cut-back asphalt for prime coat	302/a	6,015.406	68.040	0.409
Asphaltic wearing course (Class-B)	305/b	298.739	18,144.000	5.420
Total				10.544

Non-deduction of structure work was caused due to prevalence of weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on January 22, 2025, the DAC directed the management to justify their stance by providing MB/measurement sheets and PC-I to Audit for verification, otherwise, recovery be effected.

No further progress was intimated till finalization of this report.

Audit recommends strict adherence to the provisions of PC-I besides implementation of DAC directives.

14.3.6 Overpayment due to allowing incorrect higher rate, inadmissible items and non-deduction of premium - Rs. 6.550 million

According to Paras 16 and 221 of CPWA Code, “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, during the financial year 2023-24, overpaid an amount of Rs. 6.550 million to GCs by allowing incorrect higher rates/ inadmissible items and non-deduction of quoted premium, as detailed below:

(Rs. in Million)			
S. No.	AIR Para No.	Financial Year	Amount
1	7	2023-24	6.379
2	12	2023-24	0.171
Total			6.550

Overpayments occurred due to weak internal and financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on January 22, 2025, the DAC directed the management to justify their stance by providing X - Section / cross-sectional diagrams of relevant RDs along with MB/measurement sheets to Audit for verification, otherwise, recovery be effected. For the work at S.No.2, the management was directed to expedite the recovery and provide the relevant documentary evidence of recovery to Audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends strict adherence to the provisions of PC-I besides implementation of DAC directives.

Gwadar Development Authority (GDA)

14.4.1 Irregular expenditure on NSR without rate analysis - Rs. 1,036.985 million

According to BCSR, 2018, “the rates for items other than those given in the schedule are treated as non-schedule rates (NSRs). The analysis of NSR is required to be prepared by the Executive Engineer and approved by the competent authority.” Further, according to Para 296 of CPWA Code, “The rates entered in estimates 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 of the estimates.”

The DG, GDA, Gwadar awarded the work “Construction of Groin Wall/Break water and Allied works at East Bay (Demi Zer), Gwadar” to M/s Zaimal Builders, GC on December 03, 2020 at cost of Rs. 1,045.788 million. The management incurred an expenditure of Rs. 1,036.985 million on NSR without observing the BCSR, 2018. Further, no rate analysis was prepared and got approved from the competent authority, as detailed below:

(Rs. in Million)			
Item of Work	Quantity (Cum)	Rate	Amount
Supply and hand packing in a compact and into locking manner bedding/filling layers using stones from 1-50 kg	29,245.897	4,600	134.531
-----10-100 kg	85,729.052	3,800	325.770
-----200-700 kg	45,418.566	4,450	202.112
Supply and hand packing in a compact and into locking manner rock fill using stone armor from 2000 to 3000 kg stone	79,696.27	4,700	374.572
Total			1036.985

Payment without approved rate analysis occurred due to weak internal controls.

The lapse resulted in irregular expenditure.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on January 16, 2025, the DAC directed the department to provide rate analysis along with market survey report, comparative statement and quotations to Audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 6/2021-22]

14.4.2 Non-verification of employees from SAP system - Rs. 562.900 million

According to Rule 23 of GFR, “Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.” Further, according to Rule 16 of Government Servants (Conduct) Rules, 1964, “No government servant shall, except with the previous sanction of the government, engage in any trade or undertake any employment or work, other than his official duties.”

DG, GDA, Gwadar incurred an expenditure of Rs. 562.900 million on accounts of pay and allowances during the financial year 2023-24, however, neither was any ERP system established by the authority nor was the data of employee got verified from the AG Balochistan to rule out dual jobs. In absence of verification audit could not verify the employees’ related expenditure.

Non-verification of employees from SAP System was caused due to weak internal, financial and administrative controls.

The lapse may have resulted in financial mismanagement.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on January 16, 2025, the DAC directed the management to get the employees data verified from SAP and progress be shared with Audit.

Audit recommends implementation of DAC directives.

[AIR 15/2023-24]

14.4.3 Non-realization of outstanding dues - Rs. 259.735 million

According to Building Control Regulations, 2004 framed by GDA, different fees were required to be charged on scrutiny, processing, advertisement of a scheme etc., for Commercial/Residential/Industrial/Recreational/Ware house & Logistics/Amenities dues.”

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

The DG, GDA, Gwadar during the financial year 2023-24, failed to realize fees/charges from the concerned commercial/residential investors which resulted in a less realization of revenue amounting to Rs. 259.735 million.

Less realization of revenue occurred due to weak internal controls.

The lapse resulted in loss to the Authority.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on January 16, 2025, the DAC directed the management to issue final notices to the defaulters and, in case of non-compliance, refer their cases to the Securities and Exchange Commission of Pakistan for the cancellation of their NOCs. Furthermore, the DAC instructed the management to ensure complete recovery and inform the Audit accordingly.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives besides realization of government revenue.

[AIR 1/2023-24]

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2022-23 and 2023-24 vide para numbers 4.8.1 and 21.8.1 having financial impact of Rs. 87.816 million and Rs. 268.574 million respectively. Recurrence of same irregularity is a matter of serious concern.

14.4.4 Non/less deduction of government taxes - Rs. 169.589 million

According to BSTS Act, 2015¹ and General Sales Tax Act, 1990², the government levied sales tax on services @ 6% and 15% on contract and other services respectively; and GST @ 17%.

The DG, GDA, during the financial years 2021-23, made payments to various contractors/consultants for execution of different works without/less deduction of government taxes amounting to Rs. 169.589 million, as detailed below:

¹ Section 3 of BSTS Act, 2015

² General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

(Rs. in Million)

S. No.	GST	BST	Grand Total
1	150.164	19.589	169.589

Non/less realization of government revenue occurred due to weak financial controls.

The lapse resulted in loss to the Government.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on January 16, 2025, the DAC directed the management to provide the tax returns of the respective contractors along-with their sales tax invoices and effect recovery of BSTS at the earliest.

No further progress was intimated till finalization of this report.

Audit recommends recovery of due government taxes.

[AIR Para 2,4,8,10,12 and 13/2021-22]

14.4.5 Overpayment due to non-deduction of cost of tack coat - Rs. 7.213 million

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

The DG, GDA, Gwadar, awarded different road works to various GCs during the financial year 2023-24. The contractors were paid an item of work “Providing and laying hot-mix bituminous concrete in road pavement laid with mechanical paver and mixed in central mixing plant in required thickness etc.” under SI. No. 21-32(c)-21-24, instead of deducting the actual cost of tack coat

from the unit rate of premix carpeting, resulting in an overpayment of Rs. 7.213 million, as detailed below:

(Rs. in Million)

Name of work	Quantity paid (Sqm)	Rate paid (Rs.)	Rate payable (Rs.)	Difference	Amount
Construction of main road from Nigori Ward to Dhoria along Eastbay Expressway for Rehabilitation of Old Town Gwadar.	16,668	1,236.95	1,072.90	164.05	2.734
	25,742.832	1,236.95	1,033.5	100.203	2.580
Add 60% above					1.548
Subtotal					4.128
Add 8.5% above on CSR, 2018					0.351
Subtotal					4.479
Grand Total					7.213

Non-deduction of cost of tack coat from premix carpeting was due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department in November 2024, but no reply was received.

In the DAC meeting held on January 5, 2025, the DAC directed the management to provide proper justification along-with technical evidence otherwise recover the overpayment.

No further progress was intimated till finalization of this report.

Audit recommends effecting recovery of the overpaid amount.

[AIR Para 10 & 11/2023-24]

14.5 Foreign Aided Projects

14.5.1 Non-achievement of annual targets by project – Rs. 2,245.5 million³

As per the decision taken in PSC meeting held on October 23, 2023 regarding the annual work plan of the project, in component 2, “27 business support facilities will be established and 1500 Specialized Training Institute based will be conducted under component 2.”

The PD, BLEP, during the financial year 2023-24 failed to achieve the targets as set in the annual working plan duly approved by the Project Steering Committee (PSC) dated on October 23, 2023. For the purpose, an amount of Rs. 2,245.5 million was allocated for training of CIs, Implementation of enterprise development activity, business development facilities and specialized training institute base. However, only Rs. 352.202 million, which was 15 % of allocated budget, was utilized.

Non-achievement of targets occurred due to improper planning and inadequate monitoring.

Lack of effective measures not only resulted in time-overrun but also slowed down the project activities which were aimed to facilitate achievement of SDG 8 regarding decent work and economic growth.

The matter was reported to the department on October 16, 2024 but no reply was received.

In the DAC meeting held on November 14, 2024, the management replied that due to transfer/ posting of PD, the activities were adversely affected and could not be started well in time. However, the project is trying to achieve all the targets before the close of June, 2025. The DAC directed the management that the targets achieved in all components be shared with Audit.

³ FAP “BLEP” Sponsoring Agency World Bank, MDTF Grant No. TFB-2123-PK, IDA Grant No. D-5650-PK, IDA Loan Credit No. 6544-PK, P&D Department, GoB

It may also be ensured that project is completed by due date without any cost overrun.

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

Audit recommends that all the works be carried out according to annual plan and progress be shared with Audit.

14.5.2 Doubtful selection of beneficiaries for planned activities⁴

According to the Project Development Objective, “the project was to create employment opportunities for rural communities and achieve sustainability of enterprises in selected districts of Balochistan.”

Audit of the PD, BLEP, for the financial year 2023-24, revealed that beneficiaries were selected using a self-developed computer program for various activities. Audit observed the following discrepancies in the beneficiaries’ selection process:

- The selection process raised concerns due to lack of availability of essential records, such as a list of applicants and information on whether beneficiaries had received similar grants from other organizations.
- The project had only maintained data on selected beneficiaries.
- No third-party observer was included in the selection team to verify the process.
- The computer program used for selection was not validated by any programmers, and no documentation was provided for audit review.
- Survey reports indicated that 40% of respondents from Killa Abdullah and Noshki had received similar grants from other organizations, highlighting potential duplication of efforts and investments.

⁴ FAP “BLEP” Sponsoring Agency World Bank, MDTF Grant No. TFB-2123-PK, IDA Grant No. D-5650-PK, IDA Loan Credit No. 6544-PK, P&D Department, GoB

The irregularities occurred due to weak internal control which resulted in doubtful selection of beneficiaries.

The matter was reported to the department on October 16, 2024 but no reply was received.

In the DAC meeting held on November 14, 2024, the department replied that computerized balloting had been carried out to ensure transparency. A software asp.net owned by Microsoft was used for balloting of candidates. Audit did not agree with contention of department due to following reasons: -

- The software includes features that allow users to make changes (e.g., choosing candidates, filtering, or sorting results), these changes are intentional and part of the application's functionality.
- In an HR system built with asp.net, users might select candidates based on pre-defined criteria.

The DAC directed the department to conduct third party validation from expert regarding authenticity of the selection of candidates and the report be shared with Audit.

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

Audit recommends implementation of DAC directives.

Chapter 15

15 Police

15.1.1 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.

15.1.2 Comments on Budget and Accounts (Variance Analysis)

Non-Development funds amounting to Rs. 29,204.423 million were allocated to Police during 2023-24. Against the said allocation, an expenditure of Rs. 29,036.602 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21008	29,204.423	29,036.602	(-)167.821	0.57
Total Non-Development	29,204.423	29,036.602	(-)167.821	0.57

15.1.3 Audit profile of Police, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	66	16	24,624.296	6.322
2.	Assignment Accounts	-	-	-	-
3.	Special Drawing Accounts	-	-	-	-

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	-	-	-

15.1.4 Classified Summary of Audit Observations

Audit observations related to Police Department show continued systemic weaknesses in internal controls. These weaknesses translated into mis-procurements and non-realization of service charges from various agencies/individuals availing security.

Audit observations amounting to Rs. 532.472 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 512.281 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.	Recoverable	512.281
2.	Irregular expenditure	20.191

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.	2005-2006	2	2	0	100
2.	2006-2007	1	0	1	0
3.	2007-2008	3	2	1	75
4.	2008-2009	6	3	3	50

S. No.	Audit Report Year	Total paras	Compliance received	Compliance not received	Percentage of compliance
5.	2011-2012	5	-	5	0
6.	2013-2014	14	-	14	0
7.	2014-2015	4	-	4	0
8.	2015-2016	6	-	6	0
9.	2016-2017	2	1	1	50
10.	2017-2018	5	2	3	40
11.	2018-2019	6	4	2	66.66
12.	2019-2020	2	-	2	0
13.	2020-2021	2	-	2	0
14.	2021-2022	3	-	2	0
15.	2022-2023	8	-	8	0
16.	2023-2024	8	-	8	0
Total		77	14	62	22.95

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

15.2 AUDIT PARAS

15.2.1 Non/ less recovery of service charges from borrowing agencies - Rs. 503.43 million

As per Rule 2-11 of Police Rules, “The Police personnel for private persons, Corporate Bodies or Commercial Companies shall be deployed on payment.”

The following offices of Police Department, GoB, during the financial years 2021-24, provided police personnel to various governmental / non-governmental offices in different districts for security purpose. However, an amount of Rs. 503.433 million was outstanding against borrowing agencies.

(Rs. in Million)

S. No.	AIR Para No.	Period	Name of formation	Amount
1	3	2022-23	DIG Police, Quetta	98.169
2	6	2022-23	DPO, Turbat	69.595
3	1	2022-23	SP, Pishin, Zhob and Killa Abdullah	230.884
4	2	2023-24	DPO, Sibi	9.200
5	1	2021-24	DPO, Loralai	27.880
6	1	2021-24	DPO, Panjgur	5.937
7	2	2021-24	DPO, Jaffarabad	28.970
8	1	2023-24	DPO, Zhob	32.798
Total				503.433

Non-realization of government dues was due to weak internal controls.

The lapse resulted in loss to the public exchequer.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meeting held on December 26, 2024, the department replied that the concerned authorities had failed to pay the cost of police guards since long. They are reminded from time to time but no payment had been made yet. Audit expressed its concern, highlighting that this issue had been repeatedly raised every year, yet no meaningful progress or satisfactory response had been demonstrated to address the matter. The DAC decided that an internal fact finding committee be formed to inquire the matter under intimation to Audit.

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

Audit recommends that efforts be made for recovery of outstanding dues from the borrowing departments besides implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 16.2.1, 19.2.1 and 16.2.1 having financial impact of Rs. 441.750 million, Rs. 495.477 million and Rs. 357.040 million respectively. Recurrence of same irregularity is a matter of serious concern.

15.2.2 Non-recovery of outstanding government dues - Rs. 8.851 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.”

SSP, Traffic, GoB, Quetta failed to realize outstanding government dues amounting to Rs. 8.851 million on account of fines and challans of different vehicles.

(Rs. in Million)		
S. No.	Category	Total
1	Total amount of Challans	72.880
2	Amount realized	64.030
Outstanding		8.850

Non-recovery of dues was due to weak internal controls

The lapse resulted in loss to the government.

The matter was reported to the department in February 2024, but no reply was received.

In the DAC meeting held on December 26, 2024, the management replied that the office had published in newspapers for payment of necessary

finest at the earliest. The DAC directed the department to provide details of vehicles besides ensuring recovery of fines from concerned at the earliest.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 16.2.5 having financial impact of Rs. 22.133 million. Recurrence of same irregularity is a matter of serious concern.

15.2.3 Non-rendering of vouched accounts - Rs. 7.200 million

As per Rule 308 of Treasury Rules, “Advance drawl on abstract contingent bill may be made subject to presentation of detailed vouched adjustment account duly countersigned by the head of the department on submission to the AG Balochistan.”

The following office of Police Department, during the financial year 2023-24, withdrew an amount of Rs. 7.200 million on abstract contingent bills, without presenting vouched adjustment accounts duly countersigned by the head of the department.

(Rs. in Million)				
S. No.	AIR Para No.	Period	Name of formation	Amount
1	1	2023-24	DPO, Sibi	3.200
2	1	2023-24	DPO, Khuzdar	4
Total				7.200

Non-submission of vouched account occurred due to weak financial management.

The lapse rendered the expenditure unaudited.

The matter was reported to the department in August 2024, but no reply was received.

In the DAC meeting held on December 26, 2024, the management replied that the amount was drawn on abstract bills to meet out expenses of General Election 2024. The DAC directed the department to provide details of vouched accounts.

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

Audit recommends provision of vouched account to audit.

[AIR 1]

Note: The issue was reported earlier also in the Audit Report for Audit Years 2021-22 and 2023-24 vide para number 16.2.2 and 16.2.4 having financial impact of Rs. 57.776 million and Rs. 121.059 respectively. Recurrence of same irregularity is a matter of serious concern.

15.2.4 Irregular expenditure without inviting open tenders - Rs. 12.991 million

According to Rule 15 (1) of BPPR, 2014, “Procurements over two hundred thousand rupees and up to two 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 prescribed in these rules.”

Following offices of Police Department, GoB, during the financial years 2021-24, incurred an expenditure amounting to Rs. 12.991 million, without inviting open tenders.

(Rs. in Million)

S. No.	AIR Para No.	Period	Name of formation	Amount
1	1	2022-23	RPO, Mekran i.e., DPO, Gwadar	3.400
2	5	2022-23	DIGP, Zhob	0.894
3	3	2022-23	RPO, Rakhan	1
4	2	2022-23	DPO, Kalat	3.370
5	1	2022-23	DIG i.e., SPs Coastal Highway N-10 Zone I and Zone II, Gwadar	3.130
6	3	2021-24	DPO, Panjgur	0.600

S. No.	AIR Para No.	Period	Name of formation	Amount
7	2	2023-24	SSP, Gwadar	0.597
Total				12.991

Procurement without inviting open tenders occurred due to weak financial controls.

The lapse resulted in mis-procurement.

The matter was reported to the department during February to November 2024, but no reply was received.

In the DAC meeting held on December 26, 2024, the management replied that the procurement was made on emergent basis. Audit expressed its concern, highlighting that this issue had been repeatedly raised every year, yet no meaningful progress or satisfactory response had been demonstrated to address the matter. The DAC decided that an internal fact-finding committee be formed to inquire the matter under intimation to Audit.

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

Audit recommends that concerned office should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure apart from implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2020-21, 2022-23 and 2023-24 vide para numbers 13.2.1, 19.2.3 and 16.2.2 having financial impact of Rs. 23.680 million, Rs. 458.800 million Rs. 241.909 respectively. Recurrence of same irregularity is a matter of serious concern.

Chapter 16

16.1 Public Health Engineering (PHE) Department

16.1.1 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.

16.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-development funds amounting to Rs. 20,746.203 million were allocated to the department during 2023-24. Against the said allocation, an expenditure of Rs. 20,241.569 million was incurred, as summarized below:

(Rs. in Million)

	2021-22			
Type of grant	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21014	7,491.982	6,885.411	(-)606.570	8.10
Development Grant No. BC12214 Function No.052102	13,254.221	13,356.158	(+)101.937	0.77
Grand Total Non-Development & Development	20,746.203	20,241.569	(-)504.633	2.43

There is a significant saving of Rs. 1,016.379 million against non-development and development expenditure, which indicated improper budgeting and inefficient utilization of funds.

16.1.3 Audit profile of PHE Department, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/receipts audited: financial year 2023-24
1.	Formations	86	36	14,771.451	
2.	Assignment Accounts	7	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	-	-	-

16.1.4 Classified Summary of Audit Observations

Audit observations related to PHED show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, overpayments, mis-procurements and non-realization of water tariff and taxes.

Audit observations amounting to Rs. 9,216.467 million were raised in this report during the current Audit. This amount also includes recoveries of Rs. 2,890.293 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.	Recoverable	2,890.293
2.	Irregular expenditure	6,072.304

S. No.	Classification	Amount
3.	Overpayment	253.87

16.1.5 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	6	3	50
8.	2017-2018	8	7	1	88
9.	2018-2019	7	-	7	0
10.	2019-2020	4	-	4	0
11.	2020-2021	7	-	7	0
12.	2021-2022	8	-	8	0
13.	2022-2023	8	-	8	0
14.	2023-2024	13	-	13	0
Total		111	13	98	11.71

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

16.2 AUDIT PARAS

16.2.1 Non- Production of record

Article 170(2) of the Constitution of Islamic Republic of Pakistan states “The audit of the accounts of the Federal and of the Provincial Governments and the accounts of any Authority or Body established by, or under the control

of, the Federal or a Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit.”

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

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

The Ministry of Law and Justice, vide its office memorandum dated 04.09.2024¹, while examining the stance taken by a refusing entity, clarified that in terms of Article 169 of the Constitution of Islamic Republic of Pakistan, 1973, the Auditor-General of Pakistan has been mandated to perform Audit of the accounts of any Authority or Body established by the Federation and or a Province. The Auditor-General has all kind of powers to inspect and enquire into the accounts, office, books and papers of any office under the control of Federation and Provinces.

During the Audit of Executive Engineer, PHE, Naseerabad, it was requested to provide the auditable record for 2023-24 vide requisition dated 12.08.2024². However, the department refused to provide the relevant record to

¹ No. F.No.467/2024-Law- I

² No. FAT/ATP/Requisition/2023-24/1141

Audit despite reminders as well as meetings with the concerned officers of the department by the FAT. Subsequently, the matter was intimated to DG Audit on October 30, 2024, who took up the matter with PAO on November 14 followed by reminder on November 21, 2024. However, the issue of non-production remained unresolved.

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

The DAC, in its January 2025 meeting, also directed the department to provide complete record to Audit at the earliest, but no further progress was made by the department till the time this report was finalized.

The Audit recommends that the responsibility be fixed on those responsible for non-production of record for the last year and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light of Constitutional mandate of AGP.

16.2.2 Non-recovery of government revenues - Rs. 2,782.626 million

According to QWASA's Notification dated March 22, 2019³, "the Board of Directors in its meeting held on January 04, 2019, and with the prior approval of Provincial Government, the MD, QWASA fixed the following monthly fees/rates on supply of water through tube wells in Quetta District with effect from March 01, 2019:

S. No.	Description	Category	Rate
1	Government installed	Govt.	5,000
2	Private/ Domestic bore 1'	Private	1,000

³ No. WASA/26/Gen/Admin/6625-42

3	Scheme/ Community	Private	2,000
4	Private/Domestic bore 4'	Private	5,000
5	Water Supply	Tanker	15,000
6	Plaza/Hotel/Hospital	Private	30,000
7	Service Station/Dairy/Marriage Hall/ Ice Factory	Commercial	15,000
8	Agriculture	Agriculture	2,000

The MD, QWASA, Quetta failed to recover an amount of Rs. 2,782.626 million till financial year 2022-23 on account of water consumer fees from the domestic/ commercial consumers, government departments and private tube well owners/operators along with arrears of previous years. Further, during the financial year 2022-23, water charges amounting to Rs. 122.314 million were realized against dues of Rs. 519.358 million for the year, resulting in less recovery of Rs. 397.048 million.

Less realization of outstanding dues occurred due to weak internal controls.

The lapse resulted in loss to authority.

The matter was reported to the authority on April 03, 2024, to which the authority replied that it had taken several measures to expedite recoveries and assist consumers in paying their dues, resulting in a recovery of Rs. 12 million.

In the DAC meeting held on July 09, 2024, the DAC directed the management to take up the matter with administration for deputing a Magistrate with Q-WASA's recovery team to expedite recovery. Further, the forum directed that record of connections disconnected during the recovery drive, along with details of recoveries made so far be shared with Audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 1, 2/2022-23]

16.2.3 Non-reconciliation of electricity charges with QESCO - Rs. 2,509.596 million

As per FD, GoB's notification dated December 12, 2013⁴, "all administrative departments/ autonomous bodies/ Local bodies are hereby strictly directed to ensure timely and regular payment of monthly reconciled electricity dues through their concerned DDOs/Offices."

The MD, QWASA, Quetta, during the financial year 2022-23, paid an amount of Rs. 2,509.596 million to QESCO on account of electricity charges of different water supply schemes including liabilities of previous years without reconciliation with company, as detailed below:

(Rs. in Million)

S. No.	Head	Details	Amount
1	A05213-102	Electricity charges of Tubewells	507.616
2	A03370-005	Electricity charges of Tubewells	2,001.980
Total			2,509.596

Non-reconciliation of electricity charges was due to weak internal controls.

The lapse may have resulted in loss to the Government.

The matter was reported to the authority on April 03, 2024, to which the authority replied that reconciliation was carried out with the QESCO. However, no reconciliation statements were provided.

In the DAC meeting held on July 09, 2024, the DAC directed the authority to provide the reconciled statement including the surcharges paid to QESCO.

⁴ No.F.D(SO-VIII)(I)/2013-14/1139-85

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 3/2022-23]

16.2.4 Non-establishment of QWASA fund and irregular expenditure - Rs. 1,511.530 million

According to Section 22 of QWASA Act, 2004 amended in 2010, “There shall be formed a fund to be known as the “Quetta Water and Sanitation Authority Fund” which shall be utilized by the authority in connection with its functions under this Act including the payment of salaries and other remunerations to the duly appointed members, officers, servants, experts and consultants of the Authority.”

The MD, QWASA, Quetta, during the financial year, did not establish QWASA fund to fulfill future financial needs of the authority. As a result, establishment charges of Rs. 1,511.530 million were met from Grant-in-aid during the financial year 2023-24.

Non-establishment of QWASA funds depicted weak internal controls.

Inefficient management resulted in increased financial burden on the government exchequer.

The matter was reported to the authority on April 03, 2024, to which the authority replied that a summary had been put up to the CM for the seed money for WASA fund.

In the DAC meeting held on July 09, 2024, the DAC directed the department to provide relevant record to audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 13/2022-23]

16.2.5 Non-renewal of mobilization advance guarantee and performance security - Rs. 186.943 million

According to Rule 44 of BPPR, 2014, “Procuring Agency shall, in all procurement of goods and works of value more than twenty-five (25) million, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee or insurance bond by AA ranking insurance company, an amount sufficient to protect the Procuring Agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than ten percent (10%) of contract price. The performance guarantee shall be released within sixty days of completion of the contract subject to clearance of everything else.”

PD, QWSEIP, Quetta awarded various contracts during the financial year 2022-23. Record revealed that mobilization advance was allowed to the contractor and guarantees were obtained against mobilization advance and performance security. However, these guarantees amounting to Rs. 186.943 million were not renewed.

The irregularity occurred due to weak internal controls

The lapse resulted in violation of BPPRs.

The matter was reported to the management on April 03, 2024 but no reply was received.

In the DAC meeting held on July 09, 2024, the management replied that the guarantees were renewed, however only guarantee for mobilization advance was provided. The DAC directed the management to provide renewed guarantee for the performance security as well.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 22/2022-23]

16.2.6 Non-conduct of laboratory tests of HDPE pipe - Rs. 55.504 million

According to SI No. 32-28 of CSR, 2018, “following tests for PVC/HDPE pipes will be conducted from PCSIR or other laboratories owned by Government/Semi Government Institutions.

- i. Weight per running meter
- ii. Diameter of pipe and
- iii. Wall thickness of pipe”

The MD, QWASA, Quetta, during the financial year 2022-23, awarded the work “Procurement of Polyethylene Pipe (90 mm to 250 mm dia) regarding road widening of National Highway Authority Packaged Western by-Pass from Badyzai Town to IQRA Floor Mills (Mountain side) Brewery and Sabzal Road” to M/s Fateh Mohammad and Sons, Government Contractor. Record revealed that PP pipes of 90 mm to 250 mm diameter amounting to Rs. 55.504 million were procured from the suppliers on CSR, 2018 basis. The expenditure was held irregular as the payment was made without conducting laboratory tests. It was also observed that no quality assurance certificate was provided by the site engineer.

Non-conduct of laboratory tests was caused due to weak internal controls.

The lapse may have resulted in procurement of inferior quality pipes.

The matter was reported to the authority on April 03, 2024, but no reply was received.

In the DAC meeting held on July 09, 2024, the authority replied that lab tests were obtained from the company. Audit, however, pointed that on-field tests were required to be conducted and reports be provided. The DAC directed the department to provide on-site lab tests to audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends that lab test of HDPE Pipe be got conducted from the government approved labs besides implementation of DAC directives.

[AIR 16/2022-23]

16.2.7 Non/less deduction of government taxes - Rs. 44.651 million

According to BSTS Act, 2015⁵, Income Tax Ordinance, 2001⁶, General Sales Tax Act, 1990⁷ and Stamp Act, 1899⁸, the government levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively, GST @ 17% and stamp duty @ 0.25% of cost of contract.

The MD, QWASA, Quetta, during the financial year 2022-23, made payments to various contractors/consultants/suppliers for various works and supplies without/less deduction of government taxes/duties, which resulted in loss of Rs. 44.651 million, as detailed below:

(Rs. in Million)

S. No.	Particulars	AIR Para No	Financial year	BSTS	Income Tax	Stamp duty	GST
1	Less deduction of BSTS	05	2022-23	0.427	-	-	-
2	Non-deduction of GST	07	2022-23	-	-	-	8.061
3	Non-realization of stamp duty	17	2022-23	-	-	1.757	-
4	Non-deduction of income tax and BSTS	19	2022-23	6.730	7.852	-	-

⁵ Section 3 of BSTS Act, 2015

⁶ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

⁷ General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

⁸ S. No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1994

S. No.	Particulars	AIR Para No	Financial year	BSTS	Income Tax	Stamp duty	GST
5	Award of contract at higher rates due to allowing Income Tax	21	2022-23	-	20.251	-	-
Total				6.730	28.103	1.757	8.061
Grand total				44.651			

Non/less deduction of government taxes occurred due to weak financial management.

The lapse resulted in revenue loss to the government.

The matter was reported to the authority on April 03, 2024 but no reply was received.

In the DAC meeting held on July 09, 2024, the authority replied that it deducted the correct rate of 1/5th of 15% for repair works, contrary to Audit's assertion of 6%. Audit insisted that the correct rate was 6%. Regarding GST, the authority replied that it had already been paid by the company. Audit, however, reiterated that as a withholding agent the authority needed to deduct 1/5th of the 17% GST. Regarding stamp duty, the authority claimed that it was obtained, but no record was provided to the forum. They also mentioned that the tax was included by the contractor in their bid price as overhead costs, which Audit countered, noting that direct taxes cannot be included in the contract price. The DAC directed the management to effect recovery of due government taxes and duties.

No further progress was intimated till finalization of this report.

Audit recommends recovery of due government taxes and duties.

[AIR 5,7,17,19,21/2022-23]

16.2.8 Drilling and Development of tube well bores without approval and NOC - Rs. 16.897 million

As per minutes of PDWP meeting held on August 20, 2021 under the chairmanship of Additional Chief Secretary (Development), P&D Department the scheme “Completion of Quetta Water Supply and Environment Project (QWESIP) PSDP No. 2403” was approved at a cost of Rs. 249.195 million. The forum decided that:

- The PHE Department must obtain the NOC for drilling and Development of Bores/WSSs from competent authority before executing the work.
- Premium shall not be allowed as it is not properly notified by the Government.
- No revision of the PC-I of this particular project will be allowed in future.
- The PHE Department will ensure that the project will be completed in stipulated period as mentioned in PC-I/Estimates.
- The Project should be implemented through a well reputed and recognized firm and for any failure in the project, the PHE Department will be held responsible.

PD, QWSEIP awarded the work “Drilling and Development of tube well bores at Chaman Housing Scheme, Custom Colony and Samungli Housing Scheme at Quetta” to a contractor for an estimated cost of Rs. 16.897 million without approval from the competent authority and NOC as per directions of PDWP, as detailed below:

(Rs. in Million)

S. No.	Name of work	Name of contractor	Amount
1	Tube well bores at Chaman Housing Scheme, Quetta	M/s Balochistan Drilling and Company	5.649
2	Tube well bores at Custom Colony Quetta		5.628
3	Tube well bores at Samungli Housing Scheme Quetta		5.620
Total			16.897

The irregularity occurred due to weak internal controls and resulted in irregular award of contracts.

The matter was reported to the management on April 03, 2024 but no reply was received.

In the DAC meeting held on July 09, 2024, the management replied that the NOCs were obtained from WASA and no work was carried out without the approval of WASA. The DAC directed the management to provide the NOCs to audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 18/2022-23]

16.2.9 Irregular expenditure on repair works - Rs. 14.238 million

According to Rule 51(b)(f) of BPPR, “Procurement of additional quantities of the items from the original contractor or supplier, where after the items originally envisaged for the project or scheme have been procured through open competitive bidding, and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme.” As per Para 2.82 of B&R Code, “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 MD, QWASA, Quetta, during the financial year 2022-23, incurred an expenditure of Rs. 14.238 million on repair of pipes, transformers, spindles and pumping machinery through different contractors.

The expenditure was held irregular due to following reasons:

- Written requisitions or complaints from tube well operators or Sub-Division in-charge were not on record.
- Contractors issued items directly to concerned sub-divisions in bulk without proper stocktaking by the main store or technical verification of parts by the purchase committee's technical members.
- Scheme-wise record of replacement of parts and technical reports were not prepared.

Payment without fulfilling codal formalities occurred due to weak administrative controls.

The lapse resulted in irregular expenditure.

The matter was reported to the authority on April 03, 2024, to which the authority replied that the repair works were carried out after completion of all codal formalities, but only provided the completion certificates and detail of repair works carried out.

In the DAC meeting held on July 09, 2024, the DAC directed the department to provide the repair requisitions, stock register for the items issued to SDOs for repair works, scheme-wise details of repairs and technical reports to Audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives.

[AIR 9/2022-23]

16.2.10 Non-installation of ERP system and non-verification of employee from SAP system – Rs. 1,271.330 million

As per Para 4.3 (1) of the Balochistan Digital Policy, 2021, “A minimum of 5% of the total budget shall be allocated for IT services, e-Governance support, infrastructure development, and conducting training at all levels in a phased manner.”

MD, QWASA, Quetta incurred an expenditure of Rs. 1,271.330 million on pay and allowances during the financial year 2022-23. However, the authority had not allocated any budget for e-governance including development of ERP System and had been using manual system for pay distribution and revenue collection. Further, the authority failed to verify the data of employees from SAP to identify dual job holders.

Non-implementation of ERP in Authority and non-verification of employees from SAP System was due to weak internal controls.

The lapse resulted in mismanagement of resources of the authority.

The matter was reported to the management on April 03, 2024. The management replied that MIS and a billing system were being implemented, adding that verification of employees was carried out and 45 employees with dual job had been identified.

In the DAC meeting held on July 09, 2024, the DAC directed the authority to provide the progress of implementation of MIS and the action taken against the identified employees having dual jobs.

No further progress was intimated till finalization of this report.

Audit recommends implementation of DAC directives besides immediate initiation of installation process of ERP and prompt action against the dual job-holders.

[AIR 12, 14/2022-23]

Public Health Engineering Department

16.2.11 Overpayment of premium - Rs. 15.30 million

As per P&D Department, GoB Notification dated 17-06-2022⁹, “The Chief Minister Balochistan accorded approval to extend BCSR, 2018 with following increase as mentioned against each item for all the 34 districts of Balochistan:

S. No.	Description	Percentage Increase
1	Steel work/Structural Steel	99%
2	Concrete/Cement Works	65%
3	Bitumen/All Asphalt Works	60%

Following Divisions/offices of PHED, GoB, during the financial years 2022-23 and 2023-24, made overpayments of Rs. 15.30 million by allowing inadmissible premium.

(Rs. in Million)					
S. No.	Name of Office	Year	Premium paid	Premium payable	Difference
1	Sohbatpur	2, 2022-23	1.073	0	1.073
2	Chaghi	3, 2022-23	0.915	1.710	0.795
3	Surab	2, 2022-23	1.458	0	1.458
4	Nushki	7, 2023-24	0.315	0	0.315
5	Pishin	1, 2023-24	11.491	0	11.491
6	Loralai	2, 2023-24	0.480	0.312	0.168
Total			15.732	2.022	15.300

Non-deduction and allowing inadmissible premium occurred due to weak financial controls.

The lapse resulted in loss to the government.

The matter was reported to the department during January to October

⁹ No. P&DD/CSR-Cell/2022/3009

2024, but no reply was received.

In the DAC meeting held on August 20, 2024 and January 09, 2025, the office at S.No.1 accepted the stance of audit and stated that PC-I had been revised. The DAC directed the management to provide the revised PC-I and MB to audit for verification of excluded items. The DAC directed the offices at S.No.2 to 5 to seek clarification on the referenced notification from the P&D Department, in consultation with the Audit, otherwise, the overpaid amount be recovered. The office at S.No.6 did not attend the DAC meeting.

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

Audit recommends implementation of DAC directives.

16.2.12 Non/less realization of taxes/duties - Rs. 63.016 million

According to BSTS Act, 2015¹⁰, Income Tax Ordinance, 2001¹¹, General Sales Tax Act, 1990¹² and Stamp Act, 1899¹³, the government levied sales tax on services @ 6% on contract amended to 4%; income tax @ 7%, 10% and 4% on contract, services and supply of goods amended to 8%, 3% and 5.5% respectively, GST @ 18% and stamp duty @ 0.25% of cost of contract.

Various Divisions/offices of PHED, GoB, during the financial years 2022-23 and 2023-24, made payments to the contractors/consultants for execution of civil works without/less deduction of government taxes/duties amounting to Rs. 63.016 million, as detailed below:

(Rs. in Million)							
S. No.	Name of Office	Year	BSTS	I Tax	GST	Stamp Duty	Amount
1	Sohbatpur	4&5, 2022-23	0.026	0.072	0.00	0.164	0.262
2	Khuzdar	5, 2022-23	0.00	0.00	19.671	0.00	19.671

¹⁰ Section 3 of BSTS Act, 2015

¹¹ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

¹² General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

¹³ S. No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1994

S. No.	Name of Office	Year	BSTS	I Tax	GST	Stamp Duty	Amount
3	PD, Solarization of Existing WSSs	3, 2022-23	34.921	0.00	0.00	0.00	34.921
4	Chaman	5, 2022-23	0.00	0.00	0.00	0.631	0.631
5	Kachhi Plain WSS), Naseerabad	4, 2022-23	0.00	0.00	0.081	0.00	0.081
6	Panjgur	6, 2023-24	0.00	0.00	0.00	0.563	0.563
7	Ziarat	6, 2023-24	0.00	0.00	0.00	0.448	0.448
8	Musakhail	2, 2023-24	0.651	0.00	0.00	0.00	0.651
9	Pishin	7, 2023-24	0.00	3.147	0.00	0.00	3.147
10	Loralai	1, 2023-24	0.857	0.00	0.00	0.00	0.857
11	Zhob	4, 2023-24	0.00	0.00	1.667	0.00	1.667
12	Lasbela	6, 2023-24	0.039	0.078	0.00	0.00	0.117
Total							63.016

Non/less realization of government taxes/duties occurred due to weak financial controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meetings held on August 20, 2024, and January 9, 2025, the DAC directed the offices at S.No.1, 4, 6, and 7 to provide original scheme-wise stamp papers, treasury challans, and work orders, office at S.No.12 to recover taxes, office at S.No.2 to obtain an NOC from the Alternate Energy Board or recover the GST amount, office at S.No.3 to provide a detailed breakup of payments and deductions and offices at S.No.5, 8, 9, and 11, to submit BSTS deduction records and GST invoices or to effect recovery, while the office at S.No.10 did not attend DAC meeting.

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

Audit recommends recovery of due government taxes and duties.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 18.2.4, 21.2.5 and 17.2.2 having financial impact of Rs. 43.676 million, Rs. 107.793 million and Rs. 749.180 million respectively. Recurrence of same irregularity is a matter of serious concern.

16.2.13 Less realization of water tariff - Rs. 167.022 million

According to Code 177 of CPWD, “The Divisional Office is responsible to keep proper record in respect of all items of revenue and to take effective steps for prompt realization of revenue. The recovery of all debts due to Government should receive the special attention of Divisional Officer.” Further, as per Government of Balochistan, PHED Notification’s dated March 10, 2010¹⁴, rate of water charges for domestic and commercial users are Rs. 75/- and Rs.700/- respectively.”

Various offices of PHED, GoB, during the financial years 2022-23 and 2023-24, failed to devise mechanism for watching progress of due recoveries of water charges, due to which an amount of Rs. 167.022 million remained outstanding on account of water tariff against various residential and commercial units, as detailed in Annexure 16.1.

Less realization of water charges occurred due to weak financial controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

In the DAC meeting held on August 20, 2024 and January 09, 2025, the DAC directed the management of offices at S No. 1 to 3, 7, 10, 11 and 16 to provide detail of all WSSs being operated by the department and of those handed over to communities along with the number of consumers on each WSS, billing mechanism, recovery status and detail of outstanding dues. The office at

¹⁴ No SOT(3-4)/PHED/2009-2010/973-1053

S.No.9 did not attend DAC meeting whereas, the remaining offices were directed to affect full recovery of revenue target assigned to them by FD, GoB.

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

Audit recommends implementation of DAC directives besides realization of government revenue.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 18.2.5, 21.2.4 and 17.2.8 having financial impact of Rs. 19.511 million, Rs. 156.983 million and Rs. 222.046 million respectively. Recurrence of same irregularity is a matter of serious concern.

16.2.14 Overpayment due to excess watts - Rs. 161.412 million

According to technical unit calculations/specification and best practices used worldwide, “Single HP (Horsepower) is equal to 745.7 watts of energy [1 HP (E) =745.700 W].”

The following offices of PHED, GoB, during the financial years 2022-23 and 2023-24, carried out the work of solarization of WSSs and overpaid an amount of Rs. 161.412 million to the GCs due to allowing excess quantities of power settings for solar systems.

(Rs. in Million)

S. No.	Name of Office	AIR Para No.	Amount paid	Amount payable	Overpaid
Financial year 2022-23					
1	Panjgur	2	4.038	1.917	2.121
2	Kachi at Bolan	3	23.715	17.460	6.255
3	Khuzdar	2	42.016	24.736	17.28
4	PD, Solarization of Existing WSSs	1	152.897	103.616	49.281
5	Dera Bugti	4	1.629	1.215	0.414
6	Ziarat	4	2.798	1.683	1.115
7	Washuk	2	10.666	7.954	2.712
8	Chaghi	1	34.478	23.333	11.145
9	Musakhail	3	3.446	2.284	1.162

S. No.	Name of Office	AIR Para No.	Amount paid	Amount payable	Overpaid
10	Chaman	3	9.204	6.157	3.047
11	Surab	4	14.799	10.786	4.013
Financial year 2023-24					
12	Kech	3	1.708	1.106	0.602
13	Kalat	2	28.061	18.485	9.576
14	Nushki	4	10.326	6.633	3.693
15	Ziarat	2	3.128	1.873	1.255
16	Pishin	2	82.508	52.542	29.966
17	Lasbela	2	16.056	11.810	4.246
18	Killa Abdullah	1	26.245	13.878	12.367
Total			470.774	309.362	161.412

Allowing excess watts of solar was due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department during February to November 2024, but no reply was received.

In the DAC meeting held on August 20, 2024 and January 09, 2025, the para was discussed at length and audit was of the view that excess quantities of solar panels than required electricity load had been allowed by the department. The forum was told that in particular districts, variation in quantity of solar panels had been observed for the same power of submersibles and water discharge diameter. Audit further highlighted that inverters and Maximum Power Point Tracking (MPPT), which only function to convert DC to AC current, should have been in line with power requirements of submersibles instead of solar panels installed. The DAC instructed the department to examine all technical aspects of solar panels, inverters, MPPT controllers, and submersible pumps. It was directed to develop a comprehensive policy considering factors such as weather conditions, bore depth, pipe diameter, wire length, and solar system durability, taking into account district-wise variations. The DAC recommended forming a multidisciplinary team comprising

engineers, solar installation experts, suppliers, representatives from the P&D Department, and audit personnel. This team would consider all relevant aspects and prepare a comprehensive report to resolve the matter conclusively.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 and 2023-24 vide para number 21.2.2 and 17.2.4 having financial impact of Rs. 64.131 million and Rs. 116.695 million respectively. Recurrence of same irregularity is a matter of serious concern.

16.2.15 Overpayment due to incorrect/higher rates - Rs. 67.507 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.”

Various offices of PHED, GoB, during the financial years 2022-23 and 2023-24, overpaid an amount of Rs. 67.507 million to the GCs due to allowing incorrect higher rates and miscalculations, as detailed below:

(Rs. in Million)					
S. No.	Name of Office	AIR# F.Y	Amount paid	Amount payable	Over-paid
1	Kachi at Bolan	2, 2022-23	31.693	15.359	16.334
2	(Kachi Plain WSS), Naseerabad	3, 2022-23	0.168	0.045	0.123
3	Ziarat	1, 2023-24	1.032	0.213	0.819
4	Quetta	1,3,4, 2023-24	5.559	2.803	2.756
5	Killa Saifullah	1, 2023-24	2.730	0.837	1.893
6	Pishin	5, 2023-24	35.511	10.783	24.728
7	Loralai	3, 2023-24	3.904	2.736	1.168
8	Gwadar	4, 2023-24	35.252	19.725	15.527
9	Lasbela	7, 2023-24	6.329	3.563	2.766
10	Khuzdar	5, 2023-24	5.165	3.772	1.393
Total			127.343	59.836	67.507

Allowing incorrect higher rates/miscalculations occurred due to weak financial management.

This resulted in loss to the government.

The matter was reported to the department during January to December 2024, but no reply was received.

In the DAC meeting held on August 20, 2024 and January 09, 2025, the DAC directed the office at S.No.4 (Para 3) to effect recovery, offices at S.No.1,2,4,5,6, 8 and 9 to provide PC-I, MB, invoices, rate analysis, market survey report, quotations and lab test reports to justify their stance otherwise affect recovery, and the offices at S.No.3 and 10 to provide certificate from the concerned SE and visit report of CMIT/P&D Department, while the office at S.No.7 did not attend meeting.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 and 2023-24 vide para number 21.2.3 and 17.2.5 having financial impact of Rs. 20.478 million and Rs. 40.704 million respectively. Recurrence of same irregularity is a matter of serious concern.

16.2.15 Irregular expenditure on WSSs - Rs. 35.152 million

According to Rule 15(2) of BPPR, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.” Further, as per Para 4.35 of B&R Code, “When the unserviceable stores are destroyed the fact should be certified in the survey report as well as in the relevant registers by the sanctioning authority in whose presence the material will be actually destroyed.”

Various divisions of PHED, GoB, during the financial years 2022-23 and 2023-24, incurred an expenditure of Rs. 35.152 million on purchase of POL and repair of machinery of different WSSs, as detailed below:

(Rs. in Million)

S. No.	Name of Office	AIR Para No.	Year	Amount	Remarks
1	Khuzdar	4	2022-23	7.729	POL of WSS
2	Kohlu	1	2022-23	1.39	Repair of WSS
3	Ziarat	1 & 2	2022-23	6.249	POL & Repair of WSS
4	Sherani	4	2022-23	0.900	POL of WSS
5	Surab	6	2022-23	2.041	POL of WSS
6	(Kachi Plain WSS), Naseerabad	1 & 2	2022-23	8.801	POL & Repair of WSS
7	Zhob	6	2023-24	4.61	POL & Repair of WSS
8	Lasbela	5	2023-24	3.432	POL & Repair of WSS
Total				35.152	

The following irregularities were observed:

- Expenditure on repair and maintenance of WSSs was split-up to avoid open tenders and sanction of the competent authority.
- Payment of POL was made for WSSs having electricity connections.
- Logbooks for procurement and consumption of POL had not been maintained.
- The defect reports of machinery, MBs and dismantled parts registers was not maintained.

Expenditure on repair without observance of codal formalities occurred due to weak internal controls.

This resulted in irregular payments.

The matter was reported to the department during February to November 2024, but no reply was received.

In the DAC meeting held on August 20, 2024, and January 09, 2025, the DAC directed the office at S No. 2 to prepare a fact finding report under the supervision of PAO, the office at S.No.3 to get the expenditure regularized from

the FD, GoB, and the remaining offices to provide stock registers and log books complete in all respects, while the office at S No. 4 did not attend DAC meeting.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 17.2.7 having financial impact of Rs. 178.301 million. Recurrence of same irregularity is a matter of serious concern.

16.2.17 Irregular expenditure on NSR - Rs. 304.096 million

According to Balochistan CSR, 2018, “The rates for items other than those given in the schedule are treated as non-schedule rates (NSRs). The analysis of NSR is required to be prepared by the Executive Engineer and approved by the competent authority.” Further, according to Para 296 of CPWA Code, “The rates entered in estimates should generally agree with the scheduled rates but where, from any cause, the latter are not considered sufficient, the deviation should be explained in detailed in the report of the estimates.”

Following divisions of PHED, GoB, during the financial years 2022-23 and 2023-24, procured various items amounting to Rs. 304.096 million on NSR without preparing detailed rate analysis and obtaining approval from the competent authority.

(Rs. in Million)

S. No.	Name of Office	AIR Para No.	Year	Amount
1	PHE, Dera Bugti	3	2022-23	247.024
2	PHE, Washuk	3	2022-23	4.34
3	PHE, Awaran	6	2022-23	6.867
4	PHE, Chaman	2	2022-23	2.584
5	PHE, Quetta	5	2023-24	5.237
6	PHE, Pishin	4	2023-24	30.898
7	PHE, Harnai	3	2023-24	0.727
8	PHE, Jaffarabad	5	2023-24	1.743
9	PHE, Killa Abdullah	4	2023-24	4.676
Total				304.096

Non-scheduled rates without approved rate analysis were paid due to weak internal controls.

This resulted in irregular expenditure.

The matter was reported to the department during March to December 2024, but no reply was received.

In the DAC meeting held on August 20, 2024, and January 09, 2025, the DAC directed the management to provide market survey reports, quotations along with approved rate analysis otherwise effect recovery. The office at S No. 3 did not attend the meeting.

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

Audit recommends provision of approved rate analysis alongwith market survey reports and quotations.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 17.2.9 having financial impact of Rs. 34.470 million. Recurrence of same irregularity is a matter of serious concern.

16.2.18 Overpayment due to excess/inadmissible quantities - Rs. 9.651 million

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

Following divisions of PHED, GoB, during the financial years 2022-23 and 2023-24, made payments to the contractors for different items of work by allowing excess/inadmissible quantities, resulting in overpayment of Rs. 9.651 million.

(Rs. in Million)

S. No.	Name of Office	AIR# F.Y	Amount paid	Amount payable	Overpaid
1	Barkhan	3, 2022-23	0.313	0	0.313
2	Chaman	4, 2022-23	1.595	0	1.595
3	Nushki	6, 2023-24	1.160	0.870	0.29

S. No.	Name of Office	AIR# F.Y	Amount paid	Amount payable	Overpaid
4	Panjgur	1,2, 2023-24	17.221	11.835	5.386
5	Quetta	2, 2023-24	0.219	0	0.219
6	Loralai	4, 2023-24	1.160	1.056	0.104
7	Gwadar	5, 2023-24	1.296	0	1.296
8	Lasbela	8, 2023-24	2.301	2.067	0.234
9	Jaffarabad	1, 2023-24	0	0.214	0.214
Total			25.265	16.042	9.651

Payment by allowing excess/inadmissible quantities occurred due to weak internal controls.

This resulted in loss to the government.

The matter was reported to the department during March to December 2024, but no reply was received.

In the DAC meeting held on August 20, 2024, and January 09, 2025, the DAC directed the offices at S.No.1,7 and 9 to effect recovery, the offices at S. No.2 to 5 to provide PC-I, MB and technical justification in support of their stance otherwise effect recovery, and the office at S. No. 7 to get the store of the office physically inspected by the SE certifying availability of remaining pipes in store otherwise effect recovery. The office at S.No.6 did not attend the meeting.

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

Audit recommends implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 and 2023-24 vide para number 18.2.6 and 17.2.3 having financial impact of Rs. 2.774 million and Rs. 353.783 million respectively. Recurrence of same irregularity is a matter of serious concern.

Chapter 17

17.1 Services and General Administration Department (S&GAD)

17.1.1 Introduction

The S&GAD holds a key position among the provincial organizations. It deals with all the postings/transfer, appointments, promotions and allied matters of Balochistan Government. It also manages VIP Flats, Bachelor Hostel, Quetta, Balochistan House, Islamabad and other government annexes and buildings in different cities under the administrative control. Besides, it is responsible for overall administration of the Provincial Government Departments and the Balochistan Civil Secretariat.

17.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 4,062.630 million were allocated to the department during 2022-23. Against the said allocation, an expenditure of Rs. 3,882.955 million was incurred, as summarized below:

(Rs. in Million)

Type of grant	2022-23			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21001	5,586.881	5,375.525	(-)211.356	3.78
Development Grant No. BC12201 Function No.015101	1,634.451	1,625.714	(-)8.737	0.53
Grand Total Non-Development & Development	5,586.881	5,375.525	(-)211.356	3.78

17.1.3 Audit profile of S&GAD, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2023-24	Revenue/ Receipts audited financial year 2023-24
1.	Formations	23	3	6,280.765	5.8
2.	Assignment Accounts	-	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	-	-	-

17.1.4 Classified Summary of Audit Observations

Audit observations related to S&GAD show continued systemic weaknesses in internal controls. These weaknesses translated into ineffective utilization of government assets including vehicles and immovable properties, less realization of rent and mis-procurements.

Audit observations amounting to Rs. 338.781 million were raised in this report during the Audit. This amount also includes recoveries of Rs. 136.176 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.	Recoverable	133.106
2.	Irregular expenditure	205.772

17.1.5 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
4.	2013-2014	7	-	7	0
5.	2014-2015	6	-	6	0
6.	2016-2017	5	-	0	100
7.	2017-2018	19	19	0	100
8.	2018-2019	4	4	0	100
9.	2019-2020	10	-	11	0
10.	2020-2021	5	-	5	0
11.	2021-2022	7	-	7	0
12.	2022-2023	5	-	5	0
13.	2023-2024	5	-	5	0
Total		93	23	66	24.73

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

17.2 AUDIT PARAS**17.2.1 Non-production of record**

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

The Honorable Supreme Court of Pakistan in Para - 27(b) of its judgment dated 08.07.2013 decided that the Auditor-General, in order for him to fulfill his duties under Articles 169 and 170 of the Constitution, is not only authorized but also obligated to access all records maintained by Federal and

Provincial Governments, and any entities under their control regardless of any designation as 'secret' or otherwise.

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

The Ministry of Law and Justice, vide its office memorandum dated 04.09.2024¹, while examining the stance taken by a refusing entity, clarified that in terms of Article 169 of the Constitution of Islamic Republic of Pakistan, 1973, the Auditor-General of Pakistan has been mandated to perform Audit of the accounts of any Authority or Body established by the Federation and or a Province. The Auditor-General has all kind of powers to inspect and enquire into the accounts, office, books and papers of any office under the control of Federation and Provinces.

During the Audit of Cessna Flight, Quetta, it was requested to provide the auditable record vide requisition dated 18.09.2024². The record was requisitioned for 2023-24. However, the department refused to provide the relevant record to Audit despite reminders as well as meetings with the concerned officers of the department by the FAT. Subsequently, the matter was escalated, vide letter dated 25.10.2024,³ to the level of PAO by the DG Audit who reported the matter to PAO vide letter dated November, 11 followed by reminder dated December 24, 2024. However, the issue of non-production remained unresolved.

¹ No. F.No.467/2024-Law- I

² No. 25-FAT/Audit/2023-24/Misc

³ No. 38-FAT/Audit/2023-24/Misc

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

The DAC, in its December 23, 2024 meeting, also directed the department to submit a comprehensive response, but no further progress was made by the department till the time this report was finalized.

The Audit recommends that the responsibility be fixed on those responsible for non-production of record for the last year and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light of Constitutional mandate of AGP.

17.2.2 Non-recovery of rent from commercial properties – Rs. 133.109 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, during the financial year 2023-24, failed to recover government receipts of Rs. 133.109 million in Juniper House, VIP Flats, and Balochistan Shopping Plaza, on account of Room/Flats rent which were outstanding against the tenants. Additionally, rent agreements

for the Balochistan Plaza, Islamabad, were not renewed in accordance with the prevailing market rates.

Non-recovery of dues occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on December 23, 2024, the Chair settled the para without any justification. However, audit did not agree with decision and stressed on immediate recovery of outstanding dues from the defaulters.

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

Audit recommends recovery of the outstanding amount from the defaulters.

17.2.3 Revenue loss due to non-auction/utilization of provincial assets - Rs. 80 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 fraud or negligence on his part. The controlling officer must take immediate action for enforcement of such responsibility.” Further, according to Item No. 4 Proposal for auction of various assets of scheme, Minutes of the meeting of Board of Management for Benevolent Fund Housing Society Saryab Road, Quetta held on 4th June, 2024, “a) The Board decided to carry out auction of three plots of category C (1300 Sq ft) attached to main building through competitive bidding after duly advertised in newspaper b) The Board decided to lease out remaining land of shops (192 sq ft each) on Sui Gas Road through competitive bidding after duly advertised in newspaper for 30 years.”

During audit of the Secretary, S&GAD, GoB, for the financial year 2023-24, it was observed that NAB Balochistan had surrendered the provincial

assets located in Karachi to the office concerned vide letter dated September 22, 2023⁴. Despite having worth of millions of rupees the office failed to make efforts to utilize the assets either by auctioning them or bringing them in use to generate revenues for the provincial government.

Further, the department decided to auction/lease out government land (B.H Housing Society, Saryab Road, Quetta) in Board of Management for Benevolent Fund Housing Society's meeting dated 4th June, 2024. The Board constituted a committee and directed to the committee on April 13, 2021 to visit B.F Housing Society Sariab Road, Quetta and submit report in this regard for auction of available land through advertisement in Newspaper as per rules. However, despite considerable period of time, the report of committee regarding auction of land is awaited which resulted in non-auction of government land amounting to Rs. 80 million.

Non-utilization of provincial assets occurred due to weak internal controls.

The lapse resulted in loss to the government assets.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on December 23, 2024, the Chair settled the para without any justification. However, audit did not agree with decision and advised auction/utilization of the government assets.

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

Audit recommends provision of justification in the matter besides utilization of the government assets without further delay.

[AIR 1.14, 1.10]

⁴ No. 8788/w-2/(ref:011/2017) NAB(B)2017/1129

17.2.4 Irregular payment without inviting open tenders - Rs. 66.799 million

According to Rule 15(2) of BPPRs, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.”

The following offices of Secretary, S&GAD, GoB, during the financial year 2023-24, incurred expenditure of Rs. 66.799 million without calling open tenders:

(Rs. in Million)				
S. No.	Name of office	Financial Year	AIR Para No.	Amount
1	Secretary, S&GAD, GoB, Quetta	2023-24	1.1	32.629
2	Balochistan Civil Service Academy, Quetta	2023-24	8.1, 8.2	26.302
3	CM Helicopter, Quetta	2023-24	5.5	3.983
4	Balochistan House, Islamabad	2023-24	2	3.885
Total				66.799

The irregularity occurred due to weak internal controls

The lapse resulted in mis-procurement.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on December 23, 2024, the Chair settled the para without any justification. However, audit did not agree with decision and advised for provision of justification and getting the expenditure regularized from the competent forum.

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

Audit recommends that concerned offices should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure.

17.2.5 Irregular payments in the name of DDO - Rs. 29.091 million

According to Para 4.2.2.9 of APPM, “Cheque payments should be released to the payee or personally collected by the payee or his authorized agent.”

Secretary, S&GAD, Balochistan, during the financial year 2022-23, made payments amounting to Rs. 29.091 million in the name of DDO instead of vendors in different budget heads.

Payments in the name of DDO occurred due to weak financial controls.

The lapse may have resulted in misuse of public funds.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on December 23, 2024, the Chair settled the para without any justification. However, audit did not agree with decision and advised justification, provision of acknowledgment receipts and getting the expenditure regularized from the competent forum.

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

Audit recommends justification, provision of acknowledgment receipts and getting the expenditure regularized from competent forum.

17.2.6 Irregular allotment of vehicles to non-entitled officers/officials - Rs. 15.972 million

According to Staff Car Rule, 2000, “Every government officer who has allotted a government vehicle should maintain a bind register on prescribed form as log book”. Further the rules enlisted all the entitled officers.

The Secretary, S&GAD, GoB, during the financial year 2023-24, allotted several vehicles to non-entitled officers/officials, including cashiers, union members and supervisors, of the office, incurring expenditure amounting to Rs. 15.972 million on account of POL and repair.

The irregularity occurred due to weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on December 23, 2024, the Chair settled the para without any justification. However, audit did not agree with decision and advised to retrieve the vehicles from untitled officers/ officials.

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

Audit recommends retrieval of vehicles from non-entitled officers/ officials.

[AIR 1.13, 6]

17.2.7 Unauthorized retention of public money - Rs. 6.983 million

According to Rule 26 of GFR, Vol.-I “The head of office should ascertain that all the sums due to Government are regularly received and paid into the Treasury and the figures should be checked and compared with the figures in the statements supplied by the Comptroller or the AG as the case may

be.” Further, as per FD, GoB’s Notification August 23, 2008⁵, “no account in the Commercial Bank can be opened for public money, without the prior permission of the FD.”

The following offices of Secretary, S&GAD, GoB, during the financial year 2023-24, collected receipts amounting to Rs. 6.983 million on account of room charges, without depositing the same into government account:

(Rs. in Million)

S. No.	Name of offices	Financial Year	AIR Para No.	Amount
1.	Balochistan House, Islamabad	2023-24	12	5.90
2.	Balochistan House, Karachi	2023-24	4,2	1.083
Total				6.983

Irregular retention of public money occurred due to weak financial controls.

The lapse resulted in blockage of funds.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on December 23, 2024, the Chair settled the para without any justification. However, audit did not agree with decision and advised to deposit the receipts into government account.

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

Audit recommends deposit of government receipts into government account.

⁵ No. SO (B&A)1-1/Misc./S&GAD/2008-09/520-52

17.2.8 Irregular expenditure on boarding and lodging - Rs. 6.827 million

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

The Secretary, S&GAD, GoB, during the financial year 2023-24, paid an amount of Rs. 6.827 million on hotel and meal charges for VVIP visits through vendors without supporting documentation such as hotel receipts, purpose of journey, tour program, and certificates of non-drawl from concerned department. Besides, the amounts in bills were deliberately kept less than Rs. 0.200 million to avoid tender process.

The irregularities occurred due to weak internal controls.

The lapse resulted in mis-procurement and loss of government.

The matter was reported to the department in December 2024, but no reply was received.

In the DAC meeting held on December 23, 2024, the Chair settled the para without any justification. However, audit did not agree with decision and stressed on provision of required documents for verification.

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

Audit recommends inquiry in the matter besides taking remedial measures.

[AIR 1.3]

Chapter 18

18.1 Sports Department

18.1.1 Introduction

The Sports Department takes care of the promotion of sports and games. It also monitors the functioning of the District and Sub-Divisional Sports.

18.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development Funds amounting to Rs. 3,092.051 million were allocated to the Department during 2023-24. Against the said allocation, an expenditure of Rs.2,867.541 million was incurred, as summarized below: -

(Rs. in Million)				
Type of grant	2023-24			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No.BC21021	1,354.103	1,321.520	(-)32.584	2.41
Development Grant No. BC12221 Function No.081120	1,737.948	1,546.022	(-)191.926	11.04
Grand Total Non-Development & Development	3,092.051	2,867.541	(-)224.510	7.26

18.1.3 Audit profile of Sports & Youth Affairs Department, Balochistan
(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	59	2	1,257.284	-
2.	Assignment Accounts	-	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	-	-	-	-
5.	Foreign Aided Project (FAP)	-	-	-	-

18.1.4 Classified Summary of Audit Observations

Audit observations related to Sports Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, mis-utilization of Grant-in-aid and irregular allotment of government properties.

Audit observations amounting to Rs. 2,433.805 million were raised in this report during the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in Million)

S. No.	Classification	Amount
1.	Irregular expenditure	2,433.805

18.1.5 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.	2016-2017	5	-	5	0
2.	2017-2018	2	-	2	0

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
3.	2019-2020	1	-	1	0
4.	2023-2024	5	-	5	0
Total		13	-	13	0

18.2 AUDIT PARAS

18.2.1 Irregular expenditure on account of PSDPs – Rs. 2,274.179 million

According to Para 5.02 of Project Manual for Development Projects, 2021, “The monitoring of the development projects or programmes should be done internally by the PD and sponsoring/executing agency. The sponsoring/executing agency may also hire third-party consultants for monitoring of the project. Planning Commission’s Monitoring Wing will do monitoring of selective projects. The PC-III proforma along with PW-002 and PW-003 proformas is used for monitoring implementation progress.” Further, according to Para 6.13 and 6.16 *ibid*, “Evaluation can be applied for different purposes as well as to a specific activity, project, or programme. It is not restricted to the completion stage only, but involves periodic investigations at many stages. Four different types of project evaluations are: ex-ante evaluation, ongoing evaluation, final evaluation, and ex-post evaluation.

During the audit of 15 different PSDP schemes under the Secretary, Sports and Youth Affairs, GoB, involving a total expenditure of Rs. 2,274.179 million for the financial years 2021-23, numerous irregularities were identified. These irregularities, which were also highlighted in monitoring reports by the P&D Department, are summarized below and detailed in Annexure 18.1.

(Rs. in Million)

S. No.	Project ID No.	Name of scheme	Amount	Observation of P&D department
1	Z2019.2114	Establishment of Sports Complex	1054.340	Inferior quality of steel was used in

S. No.	Project ID No.	Name of scheme	Amount	Observation of P&D department
		At Quetta		construction
2	Z2020.0881	Construction Of Squash Academy Complex QCC Quetta	250.00	Poor selection of site near the city drainage channel (nala)
3	Z2020.1277	Up Gradation/Laying Of Artificial Grass At Qayyum Papa Football Ground Quetta	114.339	One project doesn't physically exist but payments have already been disbursed.
4	Z2021.0888	Establishment Of Football Academy At Ayyub Sports Complex Quetta	100.000	The scheme was included in the PSDP without conducting any ground survey. Further detail attached in statement.
5	Z2021.0898	Go Kart Track & Drag Race Track For Quetta	200.00	100% project design failure, where concept turned into nightmare.
Total			1,718.679	

The irregularity occurred due to weak internal controls.

The lapse resulted in financial losses to the government.

The matter was reported to the department in January 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in January 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter.

18.2.2 Irregular payments in the name of DDO - Rs. 143.907 million

According to Para 4.2.2.9 of APPM, “Cheque payments should be released to the payee or personally collected by the payee or his authorized agent.”

The DG, Sports, GoB, during the financial year 2022-23, made payments amounting to Rs. 143.907 million in the name of DDO instead of vendors account in different budget heads, as detailed in Annexure 18.2.

The irregularity occurred due to weak financial controls.

The lapse resulted in irregular payment.

The matter was reported to the department in January 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in January 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends provision of justification and acknowledgement receipts along with tax deduction details.

[AIR 2]

18.2.3 Irregular payments of Grant-in-aid – Rs. 15.719 million

As per Rule 6(1) of GoB’s Grant in Aid Rules, 2022, “The Administrative Department concerned shall designate the responsibility of the Monitoring and Evaluation function within the department to a dedicated wing/section or attached office of the department or request the FD, GoB to undertake a qualitative and quantitative evaluation of grant expenditure to

assess that the grants are utilized for the primary purpose and the objectives achieved. Further, as per Section 6 of Balochistan Sports Board Act 2009, “Powers and Functions of the Board (m), to approve the annual budget of grants-in-aid to registered Association clubs and other sports organizations in the Province.”

The DG, Sports, GoB, during the financial year 2022-23, incurred an expenditure amounting to Rs. 15.719 million out of Grants-in-aid. The following irregularities were observed.

- There was a failure to form a proper supervisory mechanism and ensure that the funds were effectively utilized for their designated purposes.
- Expenditure was incurred without approval from Balochistan Sports Board and disbursed among associations and individuals without fulfilling codal formalities.
- Audited financial statements and vouchers were neither submitted to the AGB nor provided to the audit team.

The irregularities occurred due to weak internal controls.

The lapse resulted in irregular payments.

The matter was reported to the department in January 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in January 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter.

[AIR 8,9,12]

18.2.4 Irregular allotment of land and loss of revenue thereon

As per Rule 31 of GFR, “The detailed rules and procedure regarding the demand and recovery of rent of Government buildings and lands are contained in the departmental regulations of the departments in charge of those buildings. When the maintenance of any rent able building is entrusted to a civil department other than the Public Works Department the head of the department concerned will be responsible for the due recovery of the rents thereof. The procedure for the assessment and recovery of the rents of such buildings will be regulated generally by the rules applicable to residences under the direct charge of the Public Works Department.”

The DG, Sports, GoB, during the financial year 2022-23, possessed 65 acres of land in Ayub Stadium, Quetta, which included several sports grounds, offices, shops, youth hostels, and houses. Scrutiny of the records revealed the following discrepancies:

- No tender documents or agreements were provided to the audit for examination.
- A youth hostel with 21 rooms was being operated by a private individual or NGO without generating any revenue.
- The stadium, which includes a main canteen and 20 shops, was also being run by private individuals without any revenue collection for the government.
- Four houses near the Pakistan Sports Board within the stadium premises were occupied by unidentified individuals, and the office failed to provide legal documentation for their occupation.
- The main children’s park/playground was being used by WASA for water supply to nearby areas without any revenue generation or formal agreements between the departments involved.

The irregularities occurred due to weak internal controls.

The lapse resulted in misuse of public property and loss to the government.

The matter was reported to the department in January 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in January 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends conducting inquiry in the matter.

Chapter 19

19 Urban Planning and Development Department (UP&D)

19.1 Introduction

The Department is entrusted the task to oversee all urban and housing facilities for the people of Balochistan. It has initiated planning for all major cities of the province so that the civic needs could be catered properly. It is also endeavoring numerous development schemes in urban areas of Balochistan.

19.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs.1,649.130 million were allocated to the Department during 2023-24. Against the said allocation, an expenditure of Rs.1,547.277 million was incurred, as summarized below:

Type of grant	2023-23			
	Final grant	Actual expenditure	Excess/ (Saving)	%
Non-Development Grant No.BC21057	454.598	416.770	(-)37.828	8.32
Development Grant No. BC12253 Function No.015201	1,194.532	1,130.507	(-)64.025	5.36
Grand Total Non-Development & Development	1,649.130	1,547.277	(-)101.853	6.18

(Rs. in Million)

19.1.3 Audit profile of Urban Planning and Development Department, Balochistan

(Rs. in Million)

S. No.	Description	Total number	Audited	Expenditure audited: financial year 2023-24	Revenue/ Receipts audited: financial year 2023-24
1.	Formations	11	9	3,578.710	-
2.	Assignment Accounts	-	-	-	-
3.	Special Drawing Accounts	-	-	-	-
4.	Authorities/ Autonomous Bodies etc., under the PAO	1	1	4,653.800	1
5.	Foreign Aided Project (FAP)	-	-	-	-

19.1.4 Classified Summary of Audit Observations

Audit observations related to UP&D Department show continued systemic weaknesses in internal controls. These weaknesses translated into irregular payments, overpayments, mis-procurements, non-deduction of taxes, time and cost overrun and losses due to encroachment of state land and non-implementation of TORs of renewed leases.

Audit observations amounting to Rs. 2,698.183 million were raised in this report during the Audit. This amount also includes recoveries of Rs. 781.949 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.	Recoverable	781.949
2.	Irregular expenditure	353.363
3.	Overpayment	116.169
4.	Loss	1,446.73

19.1.5 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.	2011-2012	2	-	2	0
2.	2013-2014	4	-	4	0
3.	2021-2022	4	-	4	0
4.	2022-2023	4	-	4	0
5.	2023-2024	9	-	9	0
Total		23	-	23	0

Audit Reports have not been discussed.

19.2 AUDIT PARAS**19.2.1 Overpayment due to allowing excess quantities/inadmissible items of work and enhancement of work - Rs. 111.904 million**

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

The following offices of UP&D Department, GoB, during the financial years 2022-24, paid Government Contractors for different items of work by allowing excess quantities/inadmissible items than provided in approved PC-Is/BOQs and enhancement of ongoing contract to the same contractor in excess of 15% of the original contract value, resulting in overpayments of Rs. 111.904 million, as detailed below:

(Rs. in Million)

S. No.	Name of division	Financial year	AIR Para No.	Amount
1	UP&D Division, Quetta	2022-23	2 & 6	1.030
2	UP&D Division, Turbat	2022-23	3,9 and 10	14.398
3	UP&D Division, Turbat	2022-23	1 & 5	92.924

S. No.	Name of division	Financial year	AIR Para No.	Amount
4	UP&D Naseerabad	2023-24	3	0.194
5	UP&D Loralai	2023-24	1	0.096
6	UP&D Kech at Turbat	2023-24	4	3.262
Total				111.904

Payment of excess quantities/inadmissible items of work occurred due to weak financial controls.

Overpayments resulted in loss to the government.

The matter was reported to the department during February to October 2024, but no reply was received.

The PAO was requested in May and December 2024, followed by reminders, to convene a DAC meeting but no meeting was held till the finalization of this report.

Audit recommends effecting recoveries of the overpaid amount under intimation to Audit.

[AIR 2, 6, 3, 9, 10, 1 & 5/2022-23 & 3, 1, 4/2023-24]

19.2.2 Irregular award of contract to single bidder - Rs. 108.352 million

According Rule 31(a) of BPPR, “The Procuring Agency may extend the deadline for submission of bids only, if one or all of the following conditions exist: - (a) fewer than three bids have been submitted and Procurement Committee is unanimous in its view that wider competition can be ensured by extending the deadline. In such case, the bids submitted shall be returned to the Bidders un-opened.”

The following offices of UP&D Department, GoB, Quetta, during the financial years 2022-24, incurred an expenditure of Rs. 108.352 million on

account of development works by awarding contracts to single bidders, without obtaining the market rates, as detailed below:

(Rs. in Million)				
S. No.	Name of division	Financial year	AIR Para No.	Amount
1	Executive Engineer, UP&D Quetta	2022-23	1	48.733
2	Executive Engineer, UP&D Kalat at Khuzdar	2023-24	4	197.896
Total				108.352

Award of work to single bidders occurred due to prevalence of weak internal controls.

The lapse resulted in mis-procurement.

The matter was reported to the department during April and October 2024, but no reply was received.

The PAO was requested in May and December 2024, followed by reminders, to convene a DAC meeting but no meeting was held till the finalization of this report.

Audit recommends strict adherence to the provisions of BPPR.

[AIR 1/2022-23 & 4/2023-24]

19.2.3 Irregular expenditure in violation of PDWP directives - Rs. 31.204 million

According to additional note, Para -III of PDWP meeting held on August 20, 2021¹, “The forum decided that the projects are approved with the direction that the execution of the project should be prioritized and initiated keeping in

¹ No. P&D. RO(Sports)/2021/7895 dated September 07, 2021

view the available resources/allocation instead of initiating the work on all sites simultaneously.”

The Executive Engineer, UP&D department, Rakhshan Division, during the financial year 2022-23, awarded various works costing Rs. 393.122 million. Scrutiny of record revealed that an amount of Rs. 31.204 million (8%) was released to the department during the financial year 2022-23, which was paid as mobilization advance to the contractors for six various schemes instead of prioritizing and completing one scheme, due to which none of the schemes could be completed.

Non-prioritization of schemes was caused due to weak internal controls.

The lapse resulted in violation of PDWP directives leading to non-completion of schemes.

The matter was reported to the department in March 2024, but no reply was received.

The PAO was requested in December 2024, followed by reminders to convene a DAC meeting but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter with a view to fix responsibility.

[AIR Para No. 1/2022-23]

19.2.4 Time-overrun due to non-completion of projects and non-recovery of liquidated damages – Rs. 10.388 million

As per PC-I of the Project, “The completion date is June, 2023 and 2024 with following project objectives / benefits: (i) The proposed construction of Futsal stadium is aimed to provide optimum opportunities to youth players of Balochistan. (ii) The aims and objectives of the project links with the sports sector as at present there was no such facility available in the area due to which the youngsters are suffering, therefore, it was very keen need for construction

of futsal stadium at the proposed area. After completion of the project, the sports persons and youngsters will get benefitted.” Further, according to clause 2 of the general conditions of contract, if a contractor fails to complete the work within stipulated time, he shall be liable to pay compensation @ 1% per day upto maximum of 10% of the estimated cost of the work.

The following Divisions of UP&D Department, during the financial year 2022-23 awarded the work “Construction of Futsal Stadiums” at a total cost of Rs. 103.884 million. These projects were scheduled for completion by June 2023 and June 2024, respectively. However, significant delays have left construction ongoing as of June 2024, resulting in a loss of Rs. 10.388 million due to the failure to enforce timely completion and recover liquidated damages from the contractors.

(Rs. in Million)

Name of Project/ contractor	Stipulated date of completion as per PC-I	Actual date of completion	Total delays in days	Cost	Liquated damages
UP&D Naseerabad AIR Para No. 4/2023-24					
Futsal Stadium at village Mir BK Buledi	30.06.2024	In progress	-	29.752	2.975
UP&D Zhob AIR Para No. 3/2023-24					
Futsal Stadium at Old town Sherani	30.06.2023	In progress	365	24.714	2.471
Futsal Stadium at Drug, Musakhail	30.06.2023	In progress	365	24.729	2.472
Futsal Stadium at Rakhni	30.06.2023	In progress	365	24.689	2.468
Total				74.132	7.411

Non-completion of the project was due to weak administrative/financial controls.

The delays resulted in time-overrun and loss to the government.

The matter was reported to the department in September 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders but no meeting was held till the finalization of this report.

Audit recommends immediate remedial action to complete the project, besides imposition of liquidated damages.

[AIR Para No. 4 & 3/2023-24]

19.2.5 Non/less deduction of government taxes/duties - Rs. 9.236 million

According to BSTS Act, 2015² and Stamp Act, 1899³, the government levied sales tax on services @ 6% and 15% on contract and other services respectively and stamp duty @ 0.25% of cost of contract.

The following Divisions of UP&D Department, GoB made payments during the financial years 2022-23 and 2023-24 to the contractors without/less deduction of government taxes and duties amounting to Rs. 9.236 million, resulting in a revenue loss to the government.

(Rs. in Million)				
S. No.	Division	AIR Para No.	Financial Year	Amount
Stamp Duty				
1	UP&D, Quetta	4	2022-23	0.339
2	UP&D, Kech	7	2022-23	3.437

² Section 3 of BSTS Act, 2015

³ S. No.4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1994

S. No.	Division	AIR Para No.	Financial Year	Amount
3	UP&D, Rakhshan	2	2022-23	1.217
4	UP&D, Kech	6	2023-24	3.254
5	UP&D, Kalat	5	2023-24	0.717
6	UP&D, Loralai	4	2023-24	0.074
BSTS				
7	UP&D, Kalat	3	2023-24	0.198
Total				9.236

Non/less deduction of taxes/duties was caused due to weak internal and financial controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during February to December 2024, but no reply was received.

The PAO was requested in May and December 2024, followed by reminders, to convene a DAC meeting but no meeting was held till the finalization of this report.

Audit recommends effecting recoveries of government dues.

Note: The issue was also reported in the Audit Reports for Audit Years 2020-21, 2021-22 and 2022-23 vide Paras 10.2.6, 13.2.2 and 15.2.4 with the financial impact of Rs. 629.672 million. Recurrence of same irregularity is a matter of serious concern.

19.2.6 Loss due to missing vehicle from the transport fleet – Rs. 6.279 million

As per Rule 4 of Staff Car Rules, 2000, “Each Division/office having a staff car shall detail an officer to be called ‘Officer-in-Charge’ who shall be responsible for the proper utilization and upkeep of the car and the maintenance of records of the staff car.”

The Secretary, UP&D Department, GoB, Quetta incurred an expenditure of Rs. 6.279 million on account of purchase of one unit Toyota Hilux REVO(V) from M/s Toyota Zarghoon Motors, Quetta during the financial year 2019-20. Audit revealed that said vehicle was not available in the transport fleet of the department. On inquiring, the management replied that said vehicle had been handed over to former Parliamentary Secretary of the department, despite the fact that S&GAD provides official vehicles to all Ministers for official purpose. However, no serious efforts were made to retrieve the same.

Utilization of department's vehicle by unauthorized person was due to prevalence of weak internal controls.

The lapse resulted in mis-management and loss of the department's assets.

The matter was reported to the department during March 2024, to which it was replied that the matter would be taken up with S&GAD and vehicle would be retrieved. Audit reiterated that the vehicle be acquired back from unauthorized users and receiving note be provided to Audit for verification.

The PAO was requested in May and December 2024, followed by reminders, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends provision of justification and retrieval of government vehicle at the earliest.

[AIR Para No. 2/2022-23]

19.2.7 Overpayment due to allowing less deduction of cost of tack coat - Rs. 4.220 million

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

The Executive Engineer, UP&D Department, Turbat, during the financial years 2022-24, awarded different road works to various GCs and paid an item of work “Providing and laying hot-mix bituminous concrete in road pavement laid with mechanical paver and mixed in central mixing plant in required thickness etc.” @ Rs. 1,297.99 Per Sqm instead of Rs. 1,236.95 Per Sqm under SI.No.21-32(c)-21-24. Thus, due to less deduction of cost of tack coat from the unit rate of premix carpeting, overpayment of Rs. 4.220 million was made to the contractors, as detailed below:

(Rs. in Million)

S. No.	Name of work	Quantity (Sqm)	Rate paid (Per Sqm)	Rate payable (Per Sqm)	Diff.	Amount
1	BT Road Overseas Colony 1.	14,686	1297.660	1,236.95	60.71	0.892
2	BT Road Overseas Colony 2.	14,686	1297.660	1,236.95	60.71	0.892
3	BT Road to Airport to Khalilabad, Turbat.	6,368	1298.150	1236.95	61.20	0.389
4	Construction of Road from City Graveyard to Kech Bridge via Chogan-e-Kund Road.	7,173	1,506	1,423.75	82.25	0.590
Total						2.763
Add premium 60% above						1.657
Grand total						4.420

Less-deduction of cost of tack coat from premix carpeting was due to weak financial management.

The lapse resulted in loss to the government.

The matter was reported to the department during April to October 2024, but no reply was received.

The PAO was requested in May and December 2024, followed by reminders, to convene a DAC meeting but no meeting was held till the finalization of this report.

Audit recommends effecting recovery from the concerned contractors.

[AIR Para No. 4/2022-23 & 3/2023-24]

19.2.8 Non-recovery of dues and surcharge from the allottees - Rs. 509.289 million

As per Rule 26 of GFR, Vol. I, “It is the duty of the departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited to Government Accounts”. Further, according to allotment orders of Allottees “In case the installments are not paid on due date a surcharge @5% on unpaid installment will be payable”. Further, as per Notification dated February 20, 2023⁴ “Surcharges on residential plots was revised @ 30% and on commercial plots @ 35%”.

The DG, QDA, Quetta, during the financial year 2022-23, failed to recover an amount of Rs. 382.321 million against the allottees of commercial and residential plots in lieu of government dues and Rs. 126.968 million as surcharges, which resulted in loss of Rs. 509.289 million to the Authority, as detailed below:

(Rs. in Million)		
S. No.	Nature of Dues	Amount
1	Installments	382.321
2	Surcharges	126.968
Total		509.289

⁴ No. 1-606/82(153) QDA/Admn:5221-33

Non-recovery of outstanding dues occurred due to weak internal and financial controls.

The lapse resulted in loss to the authority.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and December 2024, but no meeting was held till the finalization of this report.

Audit recommends effecting complete recovery without further delay.

19.2.9 Non-establishment of sinking fund and non-payment of loan - Rs. 100 million

According to Chapter III (22), of QDA Ordinance, 1978 amended up to date, “The authority may if it so decides and shall, if the Provincial Government so requires, establish a sinking fund for the repayment of any loan borrowed by the Authority and shall pay into that fund such sums as well, with accumulations of interest be sufficient after the payment of all expenses to pay off the loan”

The DG, QDA, Quetta obtained a soft loan of Rs. 100 million from GoB for development of Karachi Bus Terminal at Hazarganji in 2015. After laps of years the authority failed to pay back the loan, neither was any sinking fund for repayment of such loan established.

Non-establishment of sinking fund and non-payment of loan depicted weak internal controls.

The lapse resulted in loss to the government.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and December 2024, but no meeting was held till the finalization of this report.

Audit recommends repayment of government loan.

19.2.10 Irregular withdrawal of investment without approval from Governing Body - Rs. 98.392 million

According to Rule 13 of GFR, Vol.-I, “It is the responsibility for the administration of an appropriation or part of an appropriation placed at his disposal every Controlling officer must satisfy himself not only that adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings.”

The DG, QDA, Quetta, during the financial year 2022-23, withdrew an amount of Rs. 98.392 million from investment and utilized for payment of salaries for the month of July 2023, without approval from the Governing Body.

Withdrawal of investment funds without approval of GB was caused due to weak financial controls.

The lapse resulted in mis-utilization of funds.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and December 2024, but no meeting was held till the finalization of this report.

Audit recommends justification in the matter.

19.2.11 Loss due to encroachment of 1440.45 Acre of QDA Land

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

The DG, QDA, Quetta launched housing and commercial projects in Quetta city covering 3,147.50 Acre of land. Out of which 1,440.45 Acre (46%) land was encroached by unauthorized persons up to financial year 2022-23, which could not be released despite presence of Anti-Encroachment Cell consisting of twenty-five employees within the Authority.

Land encroachment was caused due to weak administrative controls.

The lapse resulted in loss to the authority.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and December 2024, but no meeting was held till the finalization of this report.

Audit recommends effective measures to evacuate the encroached land without further delay.

19.2.12 Non-realization of lease charges - Rs. 263.424 million

According to Governing Body of QDA meeting held on 09th June, 2023 held under the chairmanship of Chief Minister/Chairman, QDA “The house unanimously approved extension of lease period @ Rs. 60 per sft per month and 10% rent will be enhanced after every three years of Beacon House School, Quetta and the arrear amounts will be paid in one go.”

The DG, QDA, Quetta had leased land measuring 2.10 acres to the Beacon House School, Quetta @ Rupee 1 Per Sft per annum for the period of 30 years from June 20, 1989. The lease agreement was expired on June 20, 2019, but the authority did not renew lease agreement after lapse of four years. Besides, the decision taken by the Governing Body regarding extension of lease was not implemented, which resulted in non-realization of Rs. 263.424 million, as detailed below:

(Rs. in Million)					
S No.	Area in Sq.ft	Rate per Sq.ft. (Rs.)	Lease amount Per month	No. of months	Total lease amount recoverable
1.	91,476 (2.1*43,560)	60	5.488	48	263.424

Retention of Public property, and non-recovery of arrears were caused due to lack of planning, mismanagement and inefficiency of the management.

The lapse resulted in revenue loss to the authority.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June 2024, but no meeting was held till the finalization of this report.

Audit recommends renewal of lease agreement and recovery of lease charges arrear.

19.2.13 Irregular payment of auction tax - Rs. 5 million

According to Rule 13 of GFR, Vol.-I, "It is the responsibility for the administration of an appropriation or part of an appropriation placed at his disposal every Controlling officer must satisfy himself not only that adequate provisions exist within the departmental organization for systematic internal

checks calculated to prevent and detect errors and irregularities in the financial proceedings.”

The DG, QDA, Quetta, paid Rs. 5 million to the FBR on May 15, 2023, vide cheque No. 3012663, as auction tax. This payment was made in response to an FBR notice dated June 9, 2022, demanding Rs. 54.608 million in overdue tax payable from 2019-20. However, the QDA has not yet recovered this amount from the respective allottees.

Payment of tax on behalf of allottees was caused due to poor financial management of the authority.

Non-collection of tax from allottees resulted in less recovery of government revenue and resulted in financial burden on the authority.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in June and December 2024, but no meeting was held till the finalization of this report.

Audit recommends recovery of auction tax paid on behalf of allottees.

Chapter 20

20 Miscellaneous Departments

20.1 Forest and Wildlife

20.1.1 Irregular appointment of temporary staff - Rs. 5.460 million

According to Rule 17 of Balochistan Civil Servants (Appointment, Promotion and Transfer) Rules 2009, “where an Administrative Department considers it to be in the public interest to fill in a post falling within the purview of the Commission urgently, it may, pending nomination of a candidate by the Commission, with approval of the Competent Authority, proceed to fill such post on Ad-hoc basis for a period not exceeding six months by advertising the same in accordance with the procedure as laid down for initial appointment in part III with the approval of the Competent Authority.” Further, Rule 18 *ibid* allows for the temporary filling of short-term vacancies or vacancies resulting from the creation of temporary posts for a period not exceeding six months. The appointing authority, other than the Commission, can fill such vacancies on a purely temporary basis after advertising the vacancy.

The DCF, Zhob, during financial year 2022-23, paid an amount of Rs. 5.460 million on salaries of various employees appointed under TBTTP and establishment of Chilgoza Forest without following the initial appointment procedures.

The following shortcomings were observed in this regard:

- Candidate assessment and Selection Committee Minutes were missing.
- Incomplete evaluation of adhoc appointments was observed.
- Extensions granted for more than 6 months without any justification.

Appointments on adhoc basis without following the laid down procedures were caused due to weak internal controls.

The lapse resulted in irregular expenditure.

The matter was reported to the department in October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter.

20.1.2 Non-Maintenance of GPS record of plantation – Rs. 17.855 million

According to Para 6.3.12 of PC-I of the TBTTP, Phase-I, Balochistan, “Six Zonal/Divisional GIS Nodes and one Node at TBTTP Office, along with necessary equipment will be established. This will help develop linkages with the provincial forest management information system GIS/MIS lab and consolidate project and departmental data. Staff training will also be provided on equipment usage and data collection.”

The DCF, Zhob, during the financial year 2022-23, incurred an expenditure amounting to Rs. 17.855 million on raising of cluster plantation using water harvesting structures and wood lot at Zhob, without recording coordinates of the sites through GPS, due to which audit could not ascertain the location.

Non-maintenance of GPS record occurred due to weak internal controls.

The lapse resulted in lack of authenticity of expenditure.

The matter was reported to the department in October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in October 2024, but no meeting was held till the finalization of this report.

Audit recommends provision of GPS data of plantation.

20.1.3 Loss due to non-achievement of targets in development of nursery infrastructure - Rs. 55.420 million¹

According to Para 6.3.7 of PC-I of TBTP, “Nursery infrastructure establishment has become the most important activity of the project. There was limited capacity of existing nurseries in the province. Absence of nursery structure / limited capacity may limit any effort to meet targets fixed in the project. Further, 70 nurseries’ sites were to established / developed / up scaled.”

During the Special Audit of PD, TBTP (Forestry Component) Balochistan for the financial years 2019-22, while reviewing the M&E reports, it revealed that the project sustained a loss of Rs. 55.420 million due to non-establishment of nursery infrastructure in different PIUs. The same was also witnessed by the field audit team during the site inspection of DFO, Killa Abdulla.

Non-achievement of targets in development of nursery infrastructure was caused due to weak internal controls.

The lapse resulted in loss to the project.

The matter was reported to the department on February 06, 2023, but no reply was received.

The PAO was requested to convene a DAC meeting on May 02, 2023 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that due professional care be taken for developing nurseries so as to ensure proper utilization of public money. Moreover, a fact-finding inquiry be initiated in the matter.

¹ Printed in Special Audit Report, on the account of PD, TBTP (Forestry and Wildlife Component) FY 2019-22.

20.1.4 Failure to conduct an environmental impact assessment resulting in non-achievement of desired survival rate - Rs. 182.180 million

As per para 5.2.1 of the PC-I for TBTTP, Balochistan, “The overarching goal of the project is sustainable management of the natural resources, enhancement of tree cover and adoption of response to combat climate change to improve the living conditions of poor rural communities in Balochistan who depend on these resources for survival while conserving the ecosystems and associated biodiversity.” Further, the capital cost of project was worked out and per plant capital cost was Rs. 165 per plant.

Special Audit of the Forestry Component of the Ten Billion Tree Tsunami Programme in Balochistan for the financial years 2019-22 revealed that no environmental impact assessment was conducted to determine the suitability of plants in different areas. During a visit by the National Strategic Support Unit from September 4th to September 30th, 2021, it was found that out of the 2.066 million plants that were planted, only 0.962 million were verified to have survived. This verification was further confirmed during the Audit field visit. Additionally, the project incurred a loss of Rs. 182.180 million due to local divisions achieving an average survival rate of 46.55%. The details are given below:

Forest Divisions	Total No. of Plants	Survival of plants	Deficiencies	%age
As per Annexure 1.8	2,065,820	961,696	1,104,124	46.55
Capital cost per plant as per PC-I			165/-	
Rs. in Million			182.180	

The lapse occurred due to poor planning and non-adherence of instructions as laid down in PC-I.

Non-attaining of desired survival rate was a serious lapse on the part of local office and led to non-achievement of set target of PC-I, hence causing loss to the government.

The matter was reported to the department on February 06, 2023, but no reply was received.

The PAO was requested to convene a DAC meeting on May 02, 2023 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that before plantation environmental impact analysis be carried out to ensure the survival of plants and avoid losses.

20.1.5 Doubtful expenditure on establishment of Mega Nursery - Rs. 20 million

As per Para 56, 228 and 209 of CPWA Code, “Advances to contractors are as a Rule prohibited and every endeavor should be made to maintain a system under which no payments are made except for work actually done.”

Special Audit of PD, TBTTP (Forestry Component), Balochistan for the financial years 2019-22, revealed that the DCF Jaffarabad expended an amount of Rs. 20 million for development of new nursery infrastructure at Usta Muhammad. While reviewing the Monitoring and Evaluation Report, it was observed that the entire activity of new nursery infrastructure at Usta Muhammad was incomplete. It was further highlighted that substandard material was used and 100% payment was made to the contractor while the work was still incomplete after the lapse of considerable time. The discrepancies mentioned was also witnessed by the field audit team during physical verification of the work. Audit further observed that the project management did not take any corrective measures despite the lapse of considerable time.

Doubtful expenditure occurred due to mismanagement and weak internal controls.

Expenditure on incomplete work and payments by recording superficial measurement in MB made the expenditure doubtful.

The matter was reported to the department on February 06, 2023, but no reply was received.

The PAO was requested to convene a DAC meeting on May 02, 2023 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that payments of public works be made after completion of works and security @ 10%, thereof be retained till satisfactory maturity. Moreover, investigation in the light of M&E report be carried out so as to fix the responsibility.

20.1.6 Award of diversified contracts to a single vendor - Rs. 26.688 million

As per rule 41(1) (a) of Balochistan Public Procurement Rules, 2014, “the procedures prescribed in sub-rules shall be permissible for open competitive bidding Notice Inviting Tenders and bidding documents of all methods shall contain the eligibility criteria of relevant experience”.

Special Audit of the PD, TBTTP (wild life component) Balochistan for the financial year 2021-22 revealed that PIUs made payments for an amount of Rs. 26.688 million to M/s Khan and Sons, Muslim Bagh on account of various contracts. Audit noted that typically, a single firm specializes in specific areas of service provision. However, the mentioned firm was involved in a wide array of activities ranging from conducting trainings to constructing tourist resorts, vaccinating wildlife to distributing solar panels, arranging exposure trips, providing feed for animals, and constructing ponds for wild animals. This broad scope of work was practically unfeasible, suggesting undue favoritism towards a single vendor. Moreover, the tender documents were also not provided to audit for scrutiny.

Award of diversified contracts to a single vendor occurred due to weak internal controls.

The award of diversified contracts to a single vendor was irregular and undue benefit was extended at the cost of project.

The matter was reported to the department on February 06, 2023, but no reply was received.

The PAO was requested to convene a DAC meeting on May 02, 2023 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that contracts should only be awarded to firms that meet the eligibility criteria as defined in PC-I and in accordance with the prescribed procedures. This approach would ensure effective service delivery and enhance transparency in the contracting process.

20.1.7 Irregular expenditure on account of civil works – Rs. 89.141 million

According to para 96 of GFR Vol-I, “It is contrary to the interest of the State that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilized should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items expenditure, which might wait till next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.

Special Audit of the PD, TBTTP (wild life component) Balochistan for the financial year 2021-22 revealed that the PIUs awarded different construction works to various contractors. The firms were paid for Rs. 89.141 million. The payment was made in advance before the completion of the work. Upon reviewing the work orders alongside the final payments, it became apparent that a substantial amount of work was finished within a month from the date of work order issuance. However, considering the diverse factors involved in the remote areas across various districts of Balochistan Province, such rapid completion was not practically feasible on the ground. This suggested that payments were made without the corresponding completion of work.

The irregularity occurred due to weak internal controls and poor financial management.

Payment without completion of work was risk and loss to the project.

The matter was reported to the department on February 06, 2023, but no reply was received.

The PAO was requested to convene a DAC meeting on May 02, 2023 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends to avoid advance payments to safeguard the interest of government and public money. Further, the present status of the schemes be intimated to Audit.

20.1.8 Payment on fake completion reports - Rs. 9.530 million

As per rule 2(i), (i) of Balochistan Public Procurement Rules, 2014 “where a contractor, supplier or consultant provides, or could provide, or could be perceived as providing biased professional advice to a Procuring Agency to obtain an undue benefit for himself or those affiliated with him.” Further, as per Para 56, 228 and 209 of CPWA Code, “Advances to contractors are as a Rule prohibited and every endeavor should be made to maintain a system under which no payments are made except for work actually done.”

Special Audit of the PD, TBTP (wild life component) Balochistan for the financial year 2021-22 revealed that the DCF, Killa Saifullah awarded different works and made payment of Rs. 9.530 million to M/s Khan and Sons Enterprises Muslim Bagh, Government Contractor, as detailed below:

(Rs. in Million)

Cheque No.	Date	Particular	Work Order No./Date	Amount
1667809	28.06.22	Earth work excavation underdressed lead dressing harming of excavated soil around the 40 number pound.	Work order No 325-29 dated 29.4.22	3.970
1667810	28.06.22	Construction of tourists resort house under the establishment and improvement of wetlands protected areas	Work order No 320-24 dated 28.4.22	1.980
1667811	28.06.22	Six small scale community projects. (Two for providing seeds of wheat for sowing) (Two for vaccination of livestock) (One for cleaning of community water bore to hand in hand village conversation society) and (One vaccination for livestock at Naseer Aghbargai conservation society).	Work order No 286-91 dated 25.4.22	3.580
Total				9.530

During the on-site inspection, Audit discovered that the firm had not completed the works as mentioned in the expenditure records. Payments were made based on the measurement book and completion reports issued by the Range Forest Officer; however, these reports did not include any date of completion for the works. It was further learned that the RFO in charge of site, had been issued explanation for making payment on fake measurement book and completion reports.

Payment on fake completion reports occurred due to poor financial management and weak internal controls.

Incurrence of expenditure based on fake completion certificates without any actual work being done constituted embezzlement of public funds and a misuse of delegated authority which resulted in loss to the government.

The matter was reported to the department on February 06, 2023, but no reply was received.

The PAO was requested to convene a DAC meeting on May 02, 2023 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that public funds should be expended with utmost care and responsibility, adhering to the principles of financial management. Additionally, a fact-finding inquiry should be conducted based on the letter of DCF to determine and hold individuals accountable for any discrepancies.

20.2 Culture and Archive Department

20.2.1 Irregular payments to organizations / individuals - Rs. 40.614 million

As per Rule 6(1) of Grant-in-aid Rules, 2022, “The Administrative Department concerned shall designate the responsibility of the Monitoring and Evaluation function within the department to a dedicated wing/section or attached office of the department or request the FD, GoB to undertake a qualitative and quantitative evaluation of grant expenditure to assess that the grants are utilized for the primary purpose and the objectives achieved.” Further, as per Rule 23 of GFR 23, “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

The Director Culture Balochistan, Quetta, during the financial year 2023-24, made payments amounting to Rs. 40.614 million to various organizations/individuals for organizing cultural and literature events/activities.

Audit observed the following irregularities:

- The management failed to carry out verification processes to confirm the authenticity of beneficiaries.
- No procedures were in place to verify the identifications of individuals as Musicians, Artists, Instrumentalists, Singers, Folk Singers, or Artisans.
- Acknowledgement receipts of the beneficiaries along with essential details were not available in the office record.
- The administrative office did not deploy any supervisory teams to assess and oversee the activities conducted by the recipient organizations, due to which proper utilization of funds for their intended purposes could not be assured.

Non-verification occurred due to weak internal controls.

The lapse resulted in mis-utilization of funds.

The matter was reported to the department in September 2024, but no reply was received.

In the DAC meeting held on October 09, 2024, the DAC directed the department to constitute a proper team for monitoring and evaluation of grant expenditure at the earliest and conduct verification of the organizations and individuals to whom payments were made to ensure transparency and authenticity of expenditure.

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

Audit recommends adherence to rules governing Grant-in-aid besides implementation of DAC directives.

20.2.2 Irregular award of contract without inviting open tenders - Rs. 31.495 million

According to Rule 15(2) of BPPRs, “All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority’s website as well as in the newspapers as prescribed in these rules.”

The Director Archives, Balochistan, Quetta, during the financial year 2023-24, incurred an expenditure amounting to Rs. 31.495 million, without calling open tenders, as detailed in Annexure 20.1.

Expenditure without inviting open tenders occurred due to weak internal controls.

The lapse resulted in mis-procurement.

The matter was reported to the department in October 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2022, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends justification in the matter and regularization of expenditure.

20.2.3 Nominal rental income from auditorium despite huge expenditure - Rs. 9.198 million

According to Rule 4.7(1) of the FTR, Vol-I, “it is the primarily responsibility of the departmental authorities to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to Government account.”

Director Culture Balochistan, Quetta, during the financial year 2023-24, managed to collect nominal amount of Rs. 0.395 million per annum (Rs. 33,000 per month) as rental revenue from Noori Naseer Khan Cultural Auditorium, Quetta despite incurring huge expenditure of Rs. 9.198 million on account of establishment and operating charges.

Deficit of receipt occurred due to weak internal controls.

The lapse resulted in loss to the Government.

The matter was reported to the department in September 2024, but no reply was received.

In the DAC meeting held on October 09, 2024, the DAC agreed with the stance of Audit and expressed that mere Rs. 0.395 million per annum was not justifiable and there was lack of transparency in revenue collection and reporting by the management. The DAC directed that an inquiry be conducted into the matter.

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

Audit recommends provision of inquiry report to audit.

20.3 Chief Minister Secretariat

20.3.1 Irregular higher expenditure on Entertainment and Gifts without tender - Rs. 118.159 million

According to Rule 15(1) of BPPRs, as amended vide order dated 20th March, 2019¹, “Procurements over Two 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

¹ No. F.D. SO (Procurement) 1-31/BPPRA/2019/235-330

the Procuring Agency”. Further, according to Para-35 of Delegation of Powers, “power to incur expenditure entertainment against budget provisions under detailed Object ‘Entertainment & Gifts’ on official entertainment in connection with official meetings. (i) For light refreshment not exceeding Rs. 200/- per head at meeting convened for official business; (ii) For servicing lunch boxes not exceeding Rs. 800/- per head in meeting which are prolonged beyond office hours without break in the interest of Government work.”

The Principal Secretary, Chief Minister Secretariat, GoB, Quetta, during the financial year 2023-24, incurred an expenditure amounting to Rs. 118.159 million on procurement of different items by split-up to avoid open tenders, as detailed below:

(Rs. in million)		
S. No.	Description	Amount
1	Entertainment and Gifts	83.407
2	Conferences and Symposia	15.755
3	Uniform & Protective Cloths	1.391
4	Stationery	4.633
5	Purchase of Hardware	2.093
6	Purchase of Software	2.141
7	Purchase of IT Equipment	4.943
8	Plant & Machinery	1.223
9	Furniture & Fixtures	2.573
Total		118.159

Audit observed the following irregularities:

- There were sufficient numbers of Head Cook/Cook and Waiters on pay roll of CM Secretariat/House for cooking purpose and drawing handsome salary of Rs. 49.320 million annually. However, department failed to utilize their services and outsourced the meal from market at high rates.
- The department paid higher rates of Lunch @ Rs. 3,026 per head, mineral water 330 ml @ Rs. 614, eggs @ Rs. 1,344 per dozen.
- Details of functions, and list of participants were not available on record. The irregularity occurred due to weak internal and financial controls.

The lapse resulted in mis-procurement and loss to the government.

The matter was reported to the department during December 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends that concerned office should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure.

[AIR 3, 4, 6]

20.3.2 Non/less deduction of government taxes - Rs. 14.637 million

According to BSTS Act, 2015², Income Tax Ordinance, 2001³ and General Sales Tax Act, 1990⁴, the government levied sales tax on services @ 6% and 15% on contract and other services respectively; income tax @ 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively, GST @ 18% and stamp duty @ 0.25% of cost of contract.

The Principal Secretary, Chief Minister Secretariat, GoB, Quetta during the financial year 2023-24, incurred expenditure amounting to Rs. 118.148 million on account of procurement of different items, but taxes amounting Rs. 14.637 million were less deducted, as detailed below:

(Rs. in Million)					
S. No.	Description	Amount	Tax Recoverable	Tax Recovered	Tax Outstanding
1	Uniform and Protective Cloths	1.391	0.25	0.05	0.20
2	Stationery	4.633	0.83	0.17	0.67

² Section 3 of BSTS Act, 2015

³ Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

⁴ General Sales Tax (GST) Act, 1990 as amended vide Finance Act, 2014-15

S. No.	Description	Amount	Tax Recoverable	Tax Recovered	Tax Outstanding
3	Purchase of Hardware	2.093	0.38	0.08	0.30
4	Purchase of Software	2.141	0.39	0.08	0.31
5	I.T Equipment	4.943	0.89	0.18	0.71
6	Plant and Machinery	1.223	0.22	0.04	0.18
7	Furniture and Fixtures	2.573	0.46	0.09	0.37
8	Entertainment & Gift (BST)	83.407	12.511	2.502	10.008
9	Conference and Seminar (BST)	15.744	2.362	0.472	1.889
Total		118.148	18.293	3.664	14.637

Non deduction of government taxes occurred due to weak financial management.

The lapse resulted in loss to the Government.

The matter was reported to the department in December 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in December 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends recovery of government taxes.

[AIR 2]

20.4 Transport Department

20.4 AUDIT PARAS

20.4.1 Less realization of tax receipts - Rs. 1,026.400 million

The FD, GoB fixed revenue target of Rs. 235.200 million for Secretary, Transport Department, GoB under Receipt Head of Account B02812- Other receipt on a/c of vehicles route permit fee and Rs. 904.575 million on account of Motor Vehicle Fitness Certificates for the “Motor Vehicle Examiner” under Receipt Head of Account B02811-Other Receipts for the financial year 2023-24.

The following offices of Transport Department, GoB, during the financial year 2023-24, realized less revenue amounting to Rs. 1,026.400 million than the given target:

(Rs. in Million)				
S. No.	Name of office	Target	Receipt realized	Outstanding
1	Secretary, PTA	235.200	60.342	121.825
2	Secretary, RTA		53.033	
3	Motor Vehicle Examiner Office	904.575	0	904.575
Total		1,139.775	113.375	1,026.400

Less realization of revenue receipts occurred due to weak financial controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department in September 2024, but no reply was received.

The PAO was requested in September 2024, to convene a DAC meeting, followed by reminders, but no meeting was held until the finalization of this report.

Audit recommends justification besides taking corrective measures for achievement of revenue target.

[AIR 1,2]

20.4.2 Non-realization of route permit and registration fees - Rs. 31.397 million

As per Section 69 of Motor Vehicle Ordinance 1965, “the GoB, Transport Department has fixed tax rates for getting route permit. The applicant is required to request for renewal of route permit one month before the expiry of route permit, in case of delay a penalty of Rs. 100 and Rs. 300 per month for stage carriage and Rs. 200 and Rs. 300 per month for contract carriage shall be charged.” As per Rule 253(A) of Motor Vehicle Rules, 1969, “License fee for the one year in the city districts shall be Rs. 50,000 and fee for the renewal of such a license for one year in the City Districts or the Tehsil Municipal Administrations shall be Rs. 35,000.”

The following offices of Transport Department, GoB, during the financial year 2023-24, failed to collect route permit fees, along with penalties for delayed renewal of route permits, from the owners of buses, mini-buses, trucks, trailers, taxis, pickups, and rickshaws. Additionally, license and registration fees from private bus terminal owners were not collected, resulting in a revenue loss of Rs. 31.397 million.

(Rs. in Million)

S. No.	Name of office	Renewal Route Permit & Terminal license fees	Penalty	Outstanding
1	Secretary, PTA	0.286	4.636	4.922
2	Secretary, RTA	0.618	14.207	14.825
3		11.650	0	11.650
Total				31.397

Non-realization of route permit fees occurred due to weak internal controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department in September 2024, but no reply was received.

The PAO was requested in September 2024, to convene a DAC meeting, followed by reminders, but no meeting was held until the finalization of this report.

Audit recommends justification besides effecting recovery of outstanding dues.

[AIR 9, 10]

20.4.3 Non/less deduction of government tax/duty - Rs. 6.470 million

According to Article 4 (22)(A) Schedule I to Stamp duty Act, 1899, as amended vide Balochistan Act 1994, “Stamp duty @ 0.25% should be recovered/obtained in 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.” Further, as per Section 153 (1) (b),(2) read with 1st Schedule of Income Tax Ordinance, 2001, amended vide Finance Act, 2023, “rates for withholding Income Tax year 2024, applicable from July 01,2023 to June 30, 2024, 4% income tax on “Transport Services” from filer and 8% non-filer.”

The Secretary, Transport Department, GoB, during the financial year 2023-24, awarded contract and made payment of Rs. 152.240 million to a GC on account of providing services for launching 08 Green Buses in Quetta without realizing 0.25% stamp duty and less-deducting income tax, which resulted in revenue loss of Rs. 6.470 million.

Non/less deduction of tax/duty occurred due to weak internal controls.

The lapse resulted in revenue loss to the government.

The matter was reported to the department in September 2024, but no reply was received.

The PAO was requested in September 2024, to convene a DAC meeting, followed by reminders, but no meeting was held until the finalization of this report.

Audit recommends effecting recovery of government dues from the concerned.

[AIR 3]

20.5 Social Welfare Department

20.5.1 Non-monitoring of grant expenditure - Rs. 100 million and irregular retention - Rs. 27.112 million

As per Government Grant-in-aid Rules, 2022, Chapter IV- 5(F) 6(1), “The Administrative Department concerned shall designate the responsibility of the Monitoring and Evaluation function within the department to a dedicated wing/section or attached office of the department or request the FD, GoB to undertake a qualitative and quantitative evaluation of grant expenditure to assess that the grants are utilized for the primary purpose and the objectives achieved.” Furthermore, according to Para 5 (f) of Balochistan Government Grant-in Aid Rules, 2022, “Any portion of amount which was not required for expenditure on the specified object and purpose was duly surrendered to the Government.”

The DG, Balochistan Charities and Regulation Authority, Quetta office, received a grant of Rs. 100 million during the financial years 2022-24 and disbursed Rs. 72.888 million for social welfare activities. The administrative office did not deploy supervisory teams to verify whether the funds were utilized in accordance with Grant-in-aid regulations. Further, the unexpended grant balance of Rs. 27.112 million was not surrendered to the government.

Non-monitoring / non-surrender of saving occurred due to weak internal controls.

The lapse may have resulted in mis-utilization and blockage of funds.

The matter was reported to department during June to November 2024, but no reply was received from department.

The PAO was requested in December 2024, followed by repeated reminders, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends observance of rules in true spirit.

20.5.2 Irregular expenditure due to split-up - Rs. 11.209 million

According to Rule 12 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 Para 146 of GFR, Vol.-I, “Purchase order should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.”

The following offices of Social Welfare Department, Quetta during the financial years 2022-24 incurred an expenditure of Rs. 11.209 million. Expenditure was incurred in piece meals to avoid the necessity of open tender and approval of the competent authority.

(Rs. in Million)				
S. No.	Name of Department	Financial year	AIR Para No.	Amount
1	Secretary, Social Welfare Department.	2022-23	4	0.511
		2023-24	1	7.775
2	Principal / Director, Balochistan Disable Persons Complex for Special Education, Quetta.	2022-23	1	2.923
Total				11.209

The irregularity occurred due to weak internal controls.

The lapse resulted in irregular payment and deprived the government of comparative rates and competitive quality.

The matter was reported to department during June to November 2024, but no reply was received from department.

The PAO was requested in December 2024, followed by reminder, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends that concerned offices should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure.

[AIR 4,1,1]

20.5.3 Irregular Payment through DDO- Rs. 5.947 million

According to Para 4.2.2.9 of APPM, “Cheque payments should be released to the payee or personally collected by the payee or his authorized agent.”

The following offices of Social Welfare Department, Quetta, during the financial year 2022-24, incurred an expenditure of Rs. 5.947 million by making payment in the name of DDO instead of the respective vendors:

(Rs. in Million)				
S. No.	Name of Department	Financial year	AIR Para No.	Amount
1	Principal/Director, Balochistan Disabled Persons, Complex for Special Education, Quetta	2022-23	2	1.997
2	DG, Social Welfare Department	2023-24	5	3.950
Total				5.947

The irregularity occurred due to weak internal controls.

The lapse resulted in irregular expenditure.

The matter was reported to the department in August and October 2024. The department replied that the students did not have separate accounts, due to which the amount was drawn in the name of the DDO. Audit requested provision of complete details of the disbursement, i.e., acknowledgment receipts, names of beneficiaries.

The PAO was requested in December 2024, followed by reminder, to convene a DAC meeting, but no meeting was held till the finalization of this report.

Audit recommends provision of payees' acknowledgment receipts.

[AIR 2]

Industries & Commerce Department

20.6 AUDIT PARAS

20.6.1 Irregular payment without calling open tenders - Rs. 3.197 million

According to Rule 12 and 15(2) of BPPRAs, "All procurements opportunities over two hundred thousand and up to one million rupees shall be advertised timely on the Authority's website as well as in the newspapers as prescribed in these rules. The Procuring Agencies shall not split or package a procurement plan with the intention to shorten or facilitate the procurement process and approval mechanism."

Secretary, Industries and Commerce Department, GoB, during the financial years 2021-23, incurred an expenditure amounting to Rs. 3.197 million, by split-up to avoid open tenders, as detailed in Annexure 20.2.

Expenditure without calling open tender occurred due to weak financial controls.

The lapse resulted in irregular payment.

The matter was reported to the department in June 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in November 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends that concerned office should develop comprehensive plans based on analysis of purchases made in previous years for consolidated procurement and thereby avoid splitting-up expenditure.

[AIR 5]

20.6.2 Non-realization of rent - Rs. 114.531 million

According to Industries and Commerce Department's Notification⁵ dated September 13, 2021, "The ground rent shall be realized from the allottees of industrial estate @ Rs. 6 Per Sqm per annum." Further, according to Industries and Commerce Department's Notification dated September 13, 2021⁶, "The cost of different categories of plots was fixed @ Rs. 1,400 Per Sqm with 10% increase per annum on new allotment. After payment of down payment, the remaining amount should be paid in easy quarterly installments."

The DG Industries and Commerce Department, Quetta, during the financial years 2022-24, failed to realize annual ground rent/installments of industrial plots amounting to Rs. 114.531 million from the allottees of industrial plots.

(Rs. in Million)			
S. No.	Description	AIR#	Amount
1	Ground Rent Industrial Estate	1,8	45.131
2	Industrial plots	1,9	69.400
Total			114.531

Non-realization of rent occurred due to weak internal controls.

⁵ No. SOI, (IND)41/2021/1507-18

⁶ No. SOI, (IND)4-1/2021/1507-18

The lapse resulted in revenue loss to the government.

The matter was reported to the department in February and November 2024, to which the management replied that the lessees had been intimated regarding their outstanding dues and outcome would be shared with Audit. Audit argued that efforts should be made for early realization of dues.

The PAO was requested to convene a DAC meeting in November 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends effecting recovery from the concerned at the earliest.

20.6.3 Less realization of targeted income - Rs. 75.694 million

The FD, GoB, in consultation with Director General, industries and commerce Department, Balochistan had fixed receipt target of Rs. 141.375 million for the financial year 2022-23 under different Receipt Head of Accounts.”

The DG, industries and commerce department, Quetta, during the financial years 2022-24, realized revenue amounting to Rs. 100.133 million against the target revenue of Rs. 203.875 million, which resulted in revenue loss amounting to Rs. 75.694 million, as detailed below:

(Rs. in Million)

S. No.	Detailed Head	Revenue Target	Progressive	Difference
1	Cost of Land and Ground Rent	55	25.918	29.082
2	Boiler Inspection Fee	6	5.876	0.124
3	Others, Fee	1.500	1.335	0.165
		63.500	35.287	0.165
5	Cost of Land and Ground Rent	63	20.505	42.495
6	Boiler Inspection Fee	8.100	5.587	2.513
7	Others, Fee i/c Partnership	6.775	5.625	1.150
Total		203.875	100.133	75.694

Less achievement of revenue target was due to weak administration.

The lapse resulted in revenue loss to the government.

The matter was reported to the department during February and November 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in November 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends making serious efforts to achieve the yearly set targets.

[AIR 6, 11]

**20.6.4 Slow progress of the project and non-imposition of penalty thereon
– Rs. 215.253 million**

According to Para 6.3 of Manual for Development Projects, “the Planning Commission proforma I (PC-I) is the primary project document, and its preparation is a key step in project preparation and processing. The sponsoring agency is expected to spend adequate time and resources in preparing this document to avoid complications during project implementation resulting in delays in project completion and cost overruns”. As per Clause-2 of the general conditions of contract, “The time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor and shall be reckoned from the date on which the order to commence work is given to the contractor. In the event of the contractor fails to complete the work within a stipulated time, he shall be liable to pay compensation @ 1% per day on the amount of estimated cost of the whole work or maximum 10% of the estimated cost”.

The Executive Engineer, Industries and Commerce Department, Quetta during the financial years 2022-24, awarded various works to GCs at an estimated cost of Rs. 2,152.358 million. However, these projects were not completed within the stipulated time, leading to significant delays and cost

overruns. Despite these delays, the department failed to impose a penalty of Rs. 215.253 million on the contractors and no time extension was applied. As detailed below:

(Rs. in Million)

S. No.	Name of work	Estimated cost (Rs. in Million)	Stipulated date of Completion	Actual date of completion	Delays in Days	10% penalty
1	Remaining Components of Infrastructure Facilities Mini Industrial Estate at Chaman, Turbat and Khuzdar	675.030	June 2021	In progress	1,095	67.503
2	Provision of Infrastructure Facilities at Industrial Estate Dera Murad Jamali	292.980	June 2021	In progress	1,277	29.298
3	Construction of Wood Boat Building Industry at District Lasbella, Gaddani & Gwadar	199.654	June 2022	In progress	910	19.965
4	Construction of Divisional Office Building at Turbat	38.980	June 2013	In progress	4,015	3.898
5	Construction of Inquibition	46.374	June 2024	In progress	-	4.637

S. No.	Name of work	Estimated cost (Rs. in Million)	Stipulated date of Completion	Actual date of completion	Delays in Days	10% penalty
	Centre Maribabad					
6	Establishment of Mini Industrial Estate at Zhob	402	June 2023	In progress	365	40.2
7	Establishment of Mini Industrial Estate at Muslim Bagh	185.420	June 2017	In progress	2555	18.542
8	Development of Quetta Industrial Estate QITE Phase 1	250	June 2023	In progress	365	25
9	Construction of Technical VTC Small Industry at Mano Jan Road, Quetta	61.920	June 2024	In progress	-	6.192
Total		2,152.358				215.235

The irregularity occurred due to improper planning and monitoring.

The lapse resulted in non-achievement of the desired objectives.

The matter was reported to the department in February and November 2024. The management replied that the scheme's slow progress was due to delayed fund availability therefore, no penalty was imposed. Audit pointed out that delays in the completion of work led to a time overrun. The physical progress report indicated that the scheme's progress was significantly below par, reflecting poor performance in the execution of the project which may

eventually cause cost over-run. The management's failure to impose a penalty suggested undue favor towards the contractors.

The PAO was requested to convene a DAC meeting in November 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends that efforts be made for timely completion of the project to avoid time and cost overrun besides, the amount of penalty be recovered from the contractors.

[AIR 1,2, 2,6]

20.6.5 Irregular expenditure without Technical Sanction - Rs. 2,949.314 million

According to Para 2.86 of B&R Code, “The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved.”

The Executive Engineer, Industries and Commerce Department, Quetta, during the financial years 2022-24, incurred an expenditure amounting to Rs. 2,949.314 million, without obtaining Technical Sanction from the competent authority.

Non-obtaining of technical sanction/administrative approval occurred due to weak internal controls.

The lapse resulted in irregular expenditure.

The matter was reported to the department in February and November 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in November 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends obtaining technical sanction/administrative approval from the competent authority.

[AIR 3, 5]

20.6.6 Non-blacklisting of contractors upon refusal of work - Rs. 166.443 million

As per Rule 23 of BPPRs, 2014, “the following shall result in black listing of suppliers, contractors or consultants (d) willful failure to perform in accordance with the terms of one or more than one contract; and (e) failure to remedy underperforming contracts, as identified by the Procuring Agency, where underperforming is due to the fault of the contractor, supplier or consultant.”

The Executive Engineer Industries and Commerce Department, Quetta entered into contracts with M/s Abdullah Jan Muhammad Jan and Co., and M/s Nehing Construction Co., GCs for various civil works. The total value of the contracts was Rs. 224.382 million, of which Rs. 166.443 million had been paid to date. According to the terms of the contracts, the projects were scheduled for completion by June 30, 2013, and June 30, 2017, respectively. However, work on both projects was suspended for an extended period without any apparent reason. Despite these delays, the Executive Engineer, Industries had not taken any action, such as blacklisting or penalizing the contractors, as detailed below:

(Rs. in Million)

S. No.	Scheme	Estimated Cost
1	Construction of Divisional Office Building at Turbat	38.980
2	Establishment of Mini Industrial Estate at Muslim Bagh	185.402
Total		224.382

Lack of action against the contractors was caused due to weak monitoring controls.

The lapse resulted in loss to the government.

The matter was reported to the department in November 2024, but no reply was received.

The PAO was requested to convene a DAC meeting in November 2024, followed by repeated reminders, but no meeting was held till the finalization of this report.

Audit recommends inquiry in the matter with a view to fix responsibility on the persons at fault.

[AIR 1]

Chapter 21

Impact Audit:

Solarization of 252 Existing Water Supply Schemes in Balochistan

21.1. Introduction

21.1.1 Background

In the backdrop of expensive sources of power energy and challenges of long-lasting hours of load-shedding, it has become a paramount duty of the government to explore and utilize solar energy as an alternate source of energy. GoB has opted to integrate its energy solutions accordingly.

According to World Bank Report, 2018, a solar-powered water pumping system is like any other pumping system, except its power source, which is solar energy. Solar pumping technology covers the entire energy conversion process, from sunlight, to electrical energy, to mechanical energy, to stored energy. The process is elegant and simple as elaborated in below given diagram:

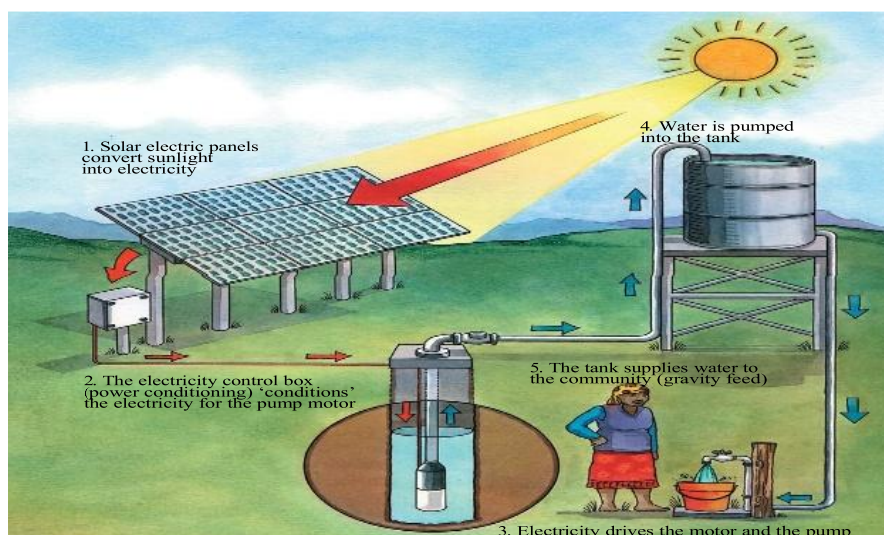


Figure-21.1. Solar water pumping system. Image credit: Energy and Development Group¹

¹ Image credit: Energy and Development Group

Adaptation to renewable source of energy such as solar energy is not only cheaper but also environment-friendly. Using this energy for water pumping can be a permanent solution for sufficient drinking water. As per global estimate of WHO, 2.1 billion people do not have access to safe and sufficient water. Out of 10 people, 4 people are already affected by scarcity of water across the globe. A newly-born dies every minute due to infection caused by unclean environment, and lack of safe and clean water. 340,000 children under five years' of age die from diarrheal diseases.² It is also a critical issue for Pakistan to have access to safe clean drinking water. More than 27.2 million Pakistanis lack access to safe drinking water despite considerable improvement; larger proportion of population has started utilizing improved sanitation facility as well as improved water source.³

In line with the above, GoB funded a project namely; “Solarization of 252 Existing Water Supply Schemes in Balochistan, Project under PSDP No. 1629 for 2019-20.” The project aimed at solarization of 252 electricity/ diesel- driven WSSs within 33 districts of the province with an approved cost of Rs. 1,000 million.⁴

21.1.2 Role of Project/Program:

The fundamental role of the solarization project was to solarize 252 existing electric-diesel- driven WSSs in all 33 districts of Balochistan to ensure provision of uninterrupted and sufficient quantity of safe water to the local citizens, save millions of rupees on account of OM (electricity/fuel) costs for the government exchequer, and provide protection to citizens from WBDs. Since, provision of water supply was badly interrupted by the long-lasting, 12-18 hours load-shedding and heavy costs of electricity and fuel on the government exchequer, therefore, solarization intervention was introduced. The project was fully aligned with the MDGs and SDGs; Goal # 06 ‘Clean water

² UNICEF Report on Clean drinking water scarcity, 2015.

³ UNICEF Report on Water Safety measures in Pakistan, 2017.

⁴ PC-1 of the Project (Annex-1)

and Sanitation'.⁵ Out of a population of approximately 6.5 million⁶, the project estimated to directly benefit around 648,000 people.⁷

21.2 Overview

21.2.1 Project Deliverables

The Solarization of existing water supply schemes Project aimed to:⁸

- Ensure the supply of safe and sufficient water (6.48 MGD) to 648,000 local population in all 33 districts of Balochistan uninterruptedly.
- Attain cost-efficiency for the Government in terms of reduction in OM (electricity and fuel) cost as a saving (Rs. 168.02 million per year) for government exchequer.
- Improve health of local population by protecting the local citizens from water-borne diseases such as Diarrhea, Typhoid, TB, Hepatitis B&C, etc. through the supply of safe and quality water (as per established quality standards).

21.2.2 Project Objectives:

As per PC-I of the Solarization Project, the objectives of the change intervention were:

- To provide the local population with safe and sufficient drinking water in sufficient quantity.
- To minimize/ lessen the operation and maintenance (electricity and fuel) cost on the public exchequer.
- To bring about improvement in health and hygiene condition of the local population/ communities by providing quality water leading to reduction in water-borne diseases.

⁵ The 17 GOALS | Sustainable Development. (n.d.). Sustainable Development Goals. Retrieved September 14, 2023, from <https://sdgs.un.org/goals>.

⁶ National Census 1998.

⁷ PC-1 of the Project. (Annex-1)

⁸ As per PC-1 of the Project (Annex-1)

21.3 Audit Scope and Methodology

21.3.1 Scope

The audit's focus was confined to the evaluation of impact of the Solarization Project vis-à-vis the CDWA Project for the period 2020-24 in terms of supply of safe and sufficient supply of water, cost reduction and decrease in the incidence of water-borne diseases.

The scope was, however, limited due to non-availability of complete data / record with the project authorities. Besides, there was data limitation while evaluating the impact, though negligible, of the rival causes including private tube wells, and other water sources such as piped water supplies, streams, ponds and wells. The 'control group' consisted of the population in 16 districts where the Clean Drinking Water for All (CDWA) project had been implemented. Meanwhile, the Solarization project, which serves as the primary intervention, is operational in the other 16 districts of the province, forming the 'treatment group'.

21.3.2 Audit Objectives:

The main objective of Impact Audit of the Solarization Project was to determine:

“What impact did the “Solarization of 252 Existing WSSs in Balochistan, Project, have on the targeted population, and the provincial government in terms of supply of safe and sufficient supply of water, cost reduction and decrease in the incidence of WBDs.

In order to assess the impact of the project on the target population, both with and without the intervention, audit further strived:

- a. To evaluate whether the desired objectives and actual outcomes of the project were achieved;
- b. To identify if there were any gaps between the actual and desired outcome and suggest areas for further improvement.
- c. To check the quality of water, supplied by the project, through testing from recognized water testing laboratory.
- d. To assess whether the impact on the target population was attributable to the intervention as compared to that of rival causes.

21.3.3 Methodology:

The methodology of impact audit consisted of qualitative and quantitative approaches based on analytical techniques including Time-Series Analysis (before and after the intervention) with a view to focus on the following dimensions:

- Understanding the audit entity and WSSs.
- Visiting the WSSs, PHED, DHQs, BHUs and Disease Control Centers.
- Collecting water samples from WSSs sites for laboratory testing to assess water quality and determine whether it is suitable for human consumption.
- Conducting comparative analysis of targets and achievements.
- Making comparison of the solarized WSSs with WFPs of CDWAP.

21.3.4 Techniques Employed:

- Evaluation design comprised Time-Series Analysis for the period before intervention (Years; 2020-21 and 2021-22) and after (Years; 2022-23 and 2023-24).
- The control group for the Impact Audit was constituted by the districts where the alternate schemes of the CDWA were implemented. A comparative analysis, using the Time-series analysis for quantity of water supplied, cost savings, and incurrence of WBDs was carried out to determine the impact of CDWA project on beneficiaries in control group and that of Solarization Project on the target population.
- CDWA Project aimed at installation of 606 water filtration plants (both solarized and non-solarized) in Balochistan with the main objective of provision of clean drinking water to ensure better health to local community in Balochistan.
- 3 districts including Quetta, Pishin, and Mastung were selected for field visits on convenience sampling basis.
- Field Visits by Audit Teams were conducted to 10 WSSs in Quetta district, 7 in Pishin and 4 in Mastung. The number of sites visited were 21 (**Annex-21.1**).

- Data regarding OM (electricity and fuel) costs was obtained from PD Solarization and CDWA Projects, District Executive Engineers of PHED Balochistan (**Annex-21.2**).
- Data regarding WBDs pertaining to the pre-intervention era (2 years) and post (2 years) was obtained from Health Department, GoB through a formal correspondence (**Annex-21.3**).

21.4 Condition without: Less Water for People, Heavy Costs for Government and less prevention of Water-borne Diseases before Solarization of WSS

Before the WSSs were solarized, people relied on electricity and diesel driven schemes, leading to high government costs for maintenance on account of electricity and fuel. However, traditional power sources couldn't guarantee uninterrupted water supply to local people due to frequent power cuts lasting 12 to 18 hours in a day. The water needs of the local population remained un-met and high government costs on OM and electricity could not be turned into savings.⁹ The CDWA project was able to supply only 3.67 MGD. Besides, the incurrence of WBDs could not be minimized due to insufficient drinking water from the CDWA project.

The impact of CDWA Project for the years 2020-22 and 2022-24, using Time-series analysis, was 18% increase in quantity of water supplied, 73% higher cost of electricity/ POL/ maintenance, and 21% decrease in incurrence of WBDs.

21.5 Condition with: Increased supply of water, and decrease in incurrence of WBDs through Solarization Project

The solarization of 252 WSSs led to improvement in the quantity of drinking water by supplying 5.4 MGD, against the target of 6.48 MGD as per the PC-I. This quantity of water was more than the 3.67 MGD supplied by CDWA Project. A comparison is illustrated in the following figure:

⁹ PC-1 of the Project.

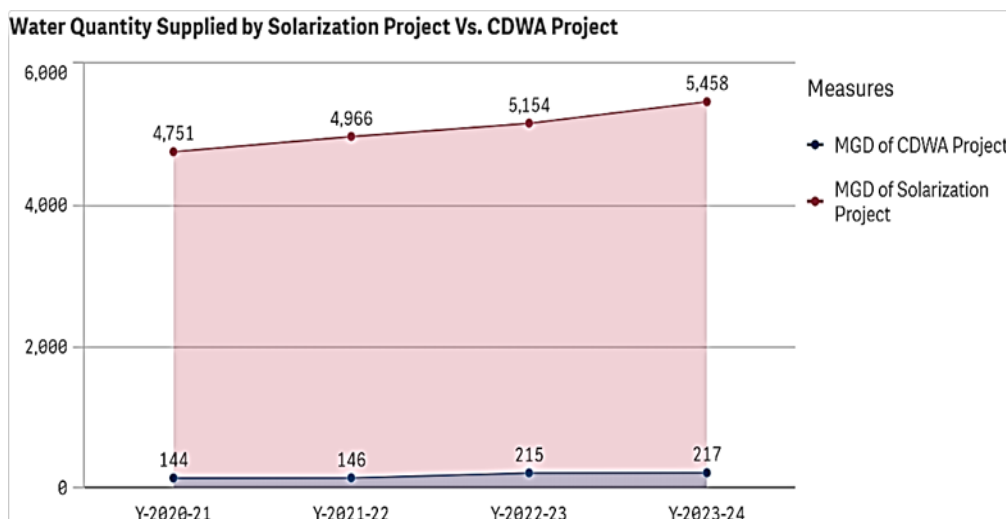


Figure – 21.2: Water Quantity Supplied by Solarization Project Vs. CDWA Project (in MGD)

The Project reportedly saved Rs. 509.881 million in electricity, fuel and maintenance costs, whereas it incurred Rs. 1,050.997 million in OM costs. The saving figures were, however, not supported by concrete evidence. Nevertheless, it was more than the CDWA Project, which has not made any savings in costs. The cost saving is illustrated in Figure - 21.3.

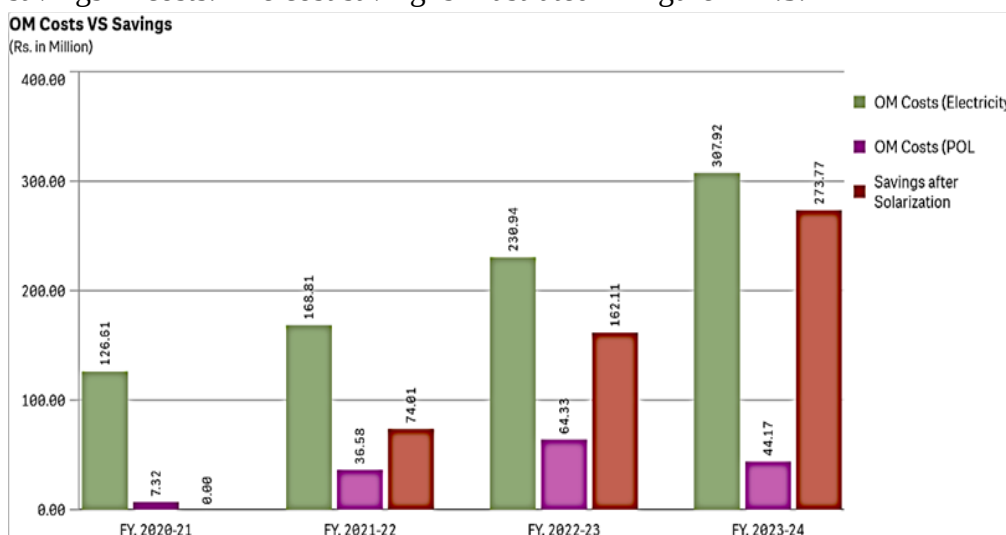


Figure-21.3 OM Costs VS Savings (Rs. in Million)

The Impact of the Solarization Project, the main intervention, for the years 2020-22 and 2022-24, using Time-series analysis, was 41% increase in quantity of water supplied, 70% higher cost of electricity/POL/maintenance, and 46% decrease in the incurrence of WBDs, as illustrated in the **Figure - 21.4**, and detailed in the **Table - 21.5**

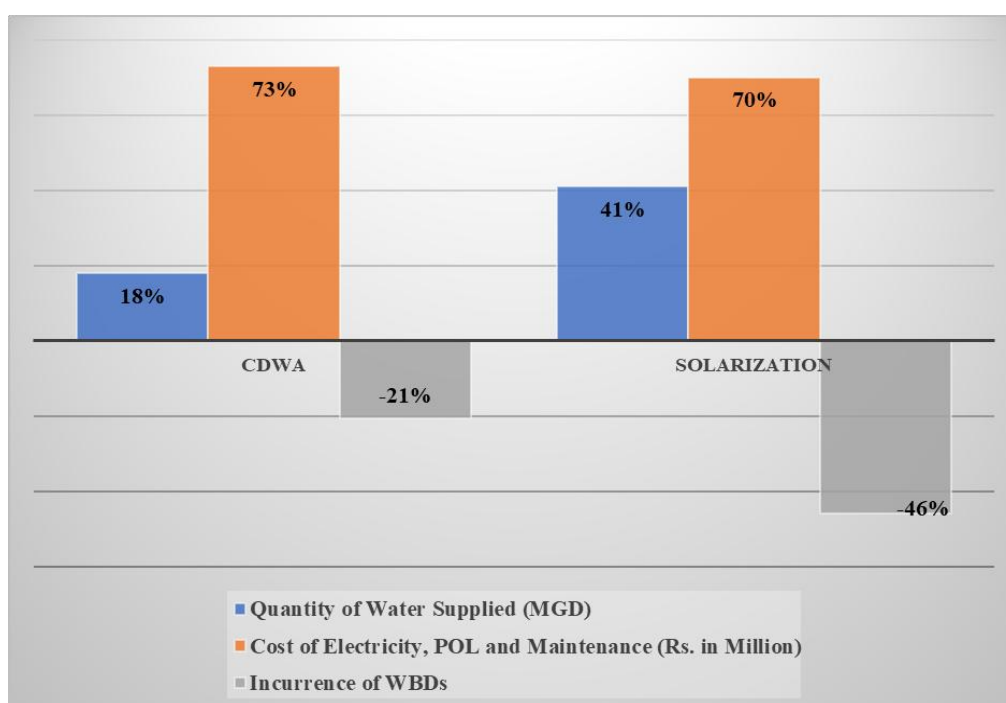


Figure-21.4 Impact of Solarization vis-à-vis CDWA on Quantity of Supplied Water, Cost Saving, and incurrence of WBDs

Table-21.5

Impact of CDWA (Condition Without)									
		a	b	C	d	E	f	G	H
S. No.	Impact indicator	2020-21	2021-22	Difference	2022-23	2023-24	Difference	Net Impact	% Increase/ (Decrease)
				(b-a)			(e-d)	(f-c)	%
1	Quantity of Water Supplied (MGD)	143.64	145.635	1.995	214.98	217.332	2.352	0.357	18%
2	Cost of Electricity, POL and Maintenance (Rs. in Million)	15.797	24.066	8.269	39.64	53.942	14.302	6.033	73%
3	Incurrence of WBDs (CDWA)	663868	826259	745063.5	825784	358635	592209.5	-152854	-21%
Impact of Solarization Project (Condition With)									
		i	j	K	l	M	N	O	P
S. No.	Impact indicator	2020-21	2021-22	Difference	2022-23	2023-24	Difference	Net Impact	% Increase/ (Decrease)
				(j-i)			(m-l)	(n-k)	%

1	Quantity of Water Supplied (MGD)	4751.13	4966.27	215.136	5153.76	5457.97	304.214	89.078	41%
2	Cost of Electricity, POL and Maintenance (Rs. in Million)	133.93	205.384	71.454	295.269	416.414	121.145	49.691	70%
3	Incurrence of WBDs (Solarization)	974600	580294	777447	571876	272974	422425	-355022	-46%

21.6 Audit Findings:

21.6.1 Non-achievement of project objectives as envisaged in the PC-I

The project did not fully achieve its objectives, including providing 6.48 MGD of water and saving Rs. 168.020 million per year in OM costs, as envisaged in its PC-I. Despite incurring a substantial expenditure of Rs. 1,050.997 million in OM costs, it supplied only 5.4 MGD of water.

The following were the main limitations due to which the objectives of the project could not be fully realized:

- The project management lacked the necessary statistical data to effectively assess progress toward these objectives. The provided data, specifically by the Solarization Project, was not complete and the reported figures, for example cost savings, were not supported by evidence. The deficiencies in data posed challenges in evaluating the project's impact.
- The established targets were ambiguous and lacked specificity. For example, the PC-I did not set quantitative targets regarding improvement in health and hygiene condition. This lack of clarity made it difficult to ascertain precisely what the project aimed to achieve, potentially hindering its effectiveness.

21.6.2 Inactive /non-operational WSSs

Physical visit of Seven WSSs revealed that these WSSs were not functional and the solar systems were not working properly with full capacity. Some of the solar panels were non-functional while, some panels were functional with limited capacity. Hence full functionality of the solar systems was not observed in most of the schemes, as detailed below:

S. No.	Location of WSS	Functionality Status
1	WSS Killi Samungli, Quetta	The scheme was not functional in the last 2 months. Moreover, water quality was not good due to sour/salty taste of the water.

S. No.	Location of WSS	Functionality Status
2	WSS Killi Ghaibzi Agberg, Quetta	The scheme was situated uphill and surrounded by the mountains. The functionality of the scheme was restricted from 5 to 6 hours.
3	WSS Killi Sabeel Samungli, Quetta	The scheme was not functional and as per local community. The water quality was not good due to sour/salty taste of the water.
4	WSS Amach Dam Bore 1, District Mastung	The scheme was running on electricity in daytime and the plant operator was not present.
5	WSS Amach Dam Bore 2, District Mastung	The scheme was running on electricity in daytime and the scheme operator was not present.
6	WSS Killi Sardari Shar Kanak, Mastung	Scheme was being run on electricity and solar system was disconnected. The solar inverter was missing in pump room and was lying at home of the plant operator.
7	WSS Killi Qasim Bostan, District Pishin	The designed discharge head of water was 3" dia but the tube well was not in correct condition and it discharged only 1" water which was insufficient for usage of all households relying on the supply line. Water was supplied only to few households near the WSS, and the supply of water was not sufficient for other households.

21.6.3 Non-existent quality control and assurance mechanism

Out of 21 samples taken from the water supply schemes in districts Quetta, Pishin, and Mastung, 20% were found sub-standard which compromised the quality of clean and safe water for hygienic and health purposes. In addition, no testing mechanism existed to ensure that the water met the minimum standards and was safe from contamination. No quality test reports were found available in the record of the project. This was in contrast to WHO Standards,¹ which suggest that water used for drinking and sanitation must be free from contamination and all pollutants including physical, chemical,

¹ UNICEF Evaluation Report, 2018

and physiobiological ones. As per Generally Accepted Standards of Safe Drinking Water:

S. No.	TDS in water	Suitability for drinking water
1	Between 50 – 150	Excellent for drinking
2	150 – 250	Good
3	250 – 300	Fair
4	300 – 500	Poor

21.7 Summary of discussion with management

The management submitted replies on January 09, 2024, and DAC meeting was held on the same day. The Project Management in their reply, stated that the discrepancies in cost savings, as pointed out by auditors, were caused due to external factors such as fluctuating electricity rates from QESCO, and other variable operational costs, nevertheless, the overall intent of reducing O&M costs was largely achieved. The management acknowledged that reduction in water-borne diseases was found less than projected, which was due to various logistical and operational challenges.

The DAC in its meeting held on the above-mentioned date, directed the management to justify its stance and take corrective measures for further improvement as suggested by Audit.

21.8 Conclusion:

Based on the Time-series analysis, the impact attributable to the intervention of “Solarization of 252 existing WSSs” for the years 2020-22, and 2022-24, was 41% increase in quantity of water supplied, 70% increase in cost of electricity/ POL/ maintenance, and 46% decrease in the incurrence of WBDs. The impact of the Solarization Project on all the three indicators was better than that of the CDWA Project in the said period.

Audit concludes that the Solarization Project, while showing improvement over the CDWA Project, fell short of the planned target, achieving an actual supply of 5.4 MGDs against the planned target of 6.48 MGDs. This limited its positive impact on the social, health, and hygiene conditions of the local population. Besides, on the one hand, the project reportedly saved Rs. 509.881 million in operation, maintenance, electricity, and fuel charges, where it was successful in completely solarizing the WSSs; while, on the other hand, it incurred huge cost amounting to Rs. 1,050.997 million in electricity and fuel expenses, due to non-solarized and hybrid WSSs. These costs could have been minimized with better planning, execution, and maintenance.

21.9 Recommendations:

Audit recommends implementation of DAC directives besides:

- Making efforts to achieve the envisaged objectives of the project including increasing quantity of safe and sufficient drinking water, saving costs and minimizing the incurrence of WBDs.
- Prioritizing the earliest completion of the on-going conversion of hybrid and operationalization of the non-functional solarization schemes.
- Establishing a robust quality control and assurance mechanism through the PAO office to ensure that the supplied water is sufficient and safe for drinking.

Chapter 22

Thematic Audit: Effectiveness of Resource Allocation and M&E on Enrollment / Retention Trends in Secondary Education in Balochistan

22.1.1 Introduction:

The Director General Audit, Balochistan conducted Thematic Audit of Secondary Education Department during July to November, 2024 with a view to report significant findings to stakeholders on School Education System in Balochistan. This Audit aimed to critically analyze the role of resource allocation and M&E in influencing enrollment and retention trends in secondary education in Balochistan. By examining the current practices and their outcomes, it aimed to identify gaps, highlight best practices, and offer evidence-based recommendations to strengthen education planning and implementation in the province. Addressing these challenges was not only essential for improving educational outcomes but also for empowering the youth of Balochistan to contribute meaningfully to the socio-economic development of the region.

The effectiveness of resource allocation and monitoring and evaluation (M&E) systems plays a pivotal role in shaping enrollment and retention trends in secondary education. In Balochistan, where education infrastructure faces chronic challenges, the strategic deployment of resources and the efficiency of M&E systems are critical in addressing barriers to educational access and equity. Despite being the largest province in Pakistan by land area, Balochistan struggles with the lowest¹ education indicators in the country. Secondary education, in particular, is plagued by issues such as inadequate school facilities, teacher shortages, and limited accessibility for students, especially in rural areas. These challenges contribute to high dropout² rates and low transition rates from primary to secondary education, disproportionately affecting girls³ and marginalized communities.

¹ <http://neas.gov.pk/SiteImage/Downloads/PES%20Highlights%202021-22%20New.pdf>

² http://www.emis.gob.pk/Uploads/BalochistanEducationStatistics/Balochistan_Education_Statistics_2021-22.pdf

³ Report of the UNICEF Pakistan Country Programme 2018-2022

In recent years, various efforts had been made to improve enrollment and retention in secondary education, including donor-funded programs, provincial government initiatives, and community-driven projects. However, the success of these efforts depends heavily on the synergy between resource allocation and M&E systems. This interplay determines whether resources reach their intended beneficiaries, whether policies are effectively implemented, and ultimately, whether they result in sustained improvements in education outcomes.

The Secondary Education Department in Balochistan plays a pivotal role in ensuring access to education for all students (boys and girls) from Kachi (Nursery) to 10th grade. The department oversees three schooling levels as follows⁴:

- Primary schools: 12,194 schools
- Middle schools (till 8th Grade): 1,608 schools
- Secondary schools (till 10th Grade): 1,149 schools

22.1.2 Background:

The effectiveness of resource allocation and monitoring and evaluation (M&E) systems has long been pivotal in shaping enrolment and retention trends in secondary education in Balochistan. The issue originated in the early 2000s when the province began experiencing persistent challenges in education outcomes despite increased funding under federal and provincial initiatives. Concerns about declining enrolment rates and high dropout levels gained prominence with the introduction of the Millennium Development Goals (MDGs) in 2000, which emphasized universal access to primary and secondary education. However, progress remained inconsistent, leading to greater scrutiny of resource utilization and oversight mechanisms in subsequent years.

A significant milestone was the launch of the Balochistan Education Sector Plan (BESP) in 2013, which identified inefficiencies in budget allocation, inequitable resource distribution, and weak M&E frameworks as key barriers to improving educational access and quality. The BESP aimed to align

⁴ <http://www.emis.gob.pk/Default.aspx>

resource deployment with evidence-based needs and establish stronger accountability mechanisms for tracking progress. However, enrolment and retention challenges persisted, compounded by socio-economic factors, gender disparities, and inadequate infrastructure in rural areas.

In 2018, the Sustainable Development Goals (SDGs) brought renewed attention to secondary education in Balochistan, particularly SDG 4, which focuses on inclusive and equitable quality education. The provincial government introduced various reforms, including needs-based budgeting and community-driven school management systems, to enhance resource efficiency and foster accountability. Despite these efforts, a 2022 report by the Education Department highlighted that enrolment in secondary schools remained stagnant at approximately 22%⁵, with retention rates further hampered by factors such as poverty, lack of transportation, and insufficient female teacher availability.

The issue gained critical importance in recent years as education emerged as a cornerstone of socio-economic development and youth empowerment in the province. With significant investments in digital learning tools and M&E frameworks under the BESP II (2020-2025), stakeholders are now focused on assessing whether these interventions have effectively addressed enrollment and retention gaps. Understanding the dynamics of resource allocation and M&E remains essential to developing sustainable solutions that improve educational outcomes and bridge the equity gap in secondary education across Balochistan.

22.2 Establishing the Audit Theme

22.2.1 Reasons for Selection:

Despite incurrence of heavy expenditure, the retention and enrolment rates in the province were not encouraging, which needed to be scrutinized to highlight the issues and challenges impeding the progress in secondary education.

⁵ Report by Education Department 2022

The following factors motivated the selection of this thematic audit:

- High Public Interest: The Chief Minister⁶ has declared Education emergency in the province. Following are some of the reasons which were revealed by a UNICEF supported survey:⁷
 - 3,152 schools (21% of the total) are non-functional.
 - 1,910 schools (13% of the total) are shelterless.
 - 3,424 (22% of the total) schools are single-room.
 - 7,201 schools (47% of the total) are single teacher schools.
- Significant Budget Allocation of Rs. 65 Billion, Rs 60 billion and Rs. 51 billion for the financial years 2023-24, 2022-23 and 2021-22.
- Despite the increasing number of schools each year, literacy rates in Balochistan remain low at 41%, with a significant gender gap⁴.
- The net enrollment rate at the primary level is only 33%, in stark contrast to the 86% in Punjab⁸.

Alignment with SDGs

S. No.	Theme	SDG Goal	SDG Target	Government Policy Intervention
1.	Effectiveness of Resource Allocation and M&E on Enrollment/Retention Trends in Secondary Education in Balochistan	Goal: 04 Ensure inclusive and equitable quality education and promote lifelong learning	Target 4.1: Ensure that all girls and boys complete free, equitable and quality	Balochistan Education Sector Plan 2013-18 and 2020-25 The Balochistan Government Rules of Business, 2012 Balochistan Board of Intermediate and Secondary Education

⁶ <https://dailyausaf.com/en/pakistan/balochistan-govt-declares-educational-emergency-in-province/>.

⁷http://www.emis.gob.pk/Uploads/BalochistanEducationStatistics/Balochistan_Education_Statistics_2021-22.pdf

⁸ Report of the UNICEF Pakistan Country Programme 2018-2022.

S. No.	Theme	SDG Goal	SDG Target	Government Policy Intervention
		opportunities for all	primary and secondary education leading to relevant and effective learning outcomes.	(BBISE) Ordinance, 1976 Balochistan Textbook Board Ordinance, 1977 Balochistan Essential Education Services Act, 2019 Balochistan Assessment and Examination Commission Act, 2018 Balochistan Private Educational Institutions, Registration, Regulation and Promotion Act, 2022. Establishment of Planning and Policy Implementation Unit (PPIU)

22.3 Purpose/Objectives:

The primary purpose of this thematic audit was to assess the effectiveness of resource allocation and monitoring and evaluation (M&E) systems in the secondary education sector of Balochistan. The audit aimed to identify strengths, weaknesses, and areas for improvement in the utilization of resources and the implementation of M&E strategies to enhance enrollment and retention rates in secondary schools.

22.3.1 Objectives:

The audit was aimed at assuring:

- Whether resource allocation is aligned with actual requirements;
- Whether a robust monitoring and evaluation system is in place;
- Whether there are any discrepancies or inconsistencies in school, teacher, and student records;
- Whether there are wasteful or unnecessary expenditures; and
- Whether there is room for reducing costs.

22.3.2 Scope

Scope of the thematic Audit extends to the School Education System in Balochistan. Focus of the Audit was to assess the level of seriousness assigned to the problem by the government through measuring the effectiveness of the various initiatives taken.

The Auditee entities included the following:

- Secretary Secondary Education
- Policy Planning and Implementation Unit (PPIU)
- Director Education Schools
- Balochistan Textbook Board
- Provincial Institute of Teachers Education (PITE)
- BEMIS

The Audit was conducted with the following TORs:

- Evaluate the effectiveness of existing practices and procedures intended to achieve the objectives and propose recommendations for improvement;
- Find out the reasons for variations in data of BEMIS, PES and UNICEF; (Number of teachers, students and schools (shelter-less, single room schools etc.)
- Conduct a review of the financial management rules and procedures to ensure they are being followed;
- Assess the potential for improvement in M&E mechanism;
- Assess the potential of cost reduction and optimum resource utilization;
- Evaluate the effectiveness of the Continuing Professional Development (CPD) programs for teachers and staff;

- Assess the infrastructural expenditures and corresponding schools;
- Evaluate the system of recruitment including an analysis of teacher to student, teacher school ratio and financial impact of such appointments;
- Conduct an assessment to determine if there is any redundancy/duplication in activities undertaken by line projects. (BESP, ASPIRE & BHCIP and UNICEF);
- Assess any other issue related to financial management of the department.

22.2.3 The legal framework governing the theme includes:

- a. Constitution of the Islamic Republic of Pakistan
- b. The Balochistan Government Rules of Business, 2012
- c. Balochistan Board of Intermediate and Secondary Education (BBISE) Ordinance, 1976
- d. Balochistan Textbook Board Ordinance, 1977
- e. Balochistan Essential Education Services Act, 2019
- f. Balochistan Assessment and Examination Commission Act, 2018
- g. Balochistan Private Educational Institutions, Registration, Regulation and Promotion Act, 2022

22.4 Stakeholders and governmental organizations identified as directly/indirectly involved

22.4.1 Direct/ Internal Stakeholders

- Balochistan Secondary Education Department
 - Balochistan Board of Intermediate and Secondary Education (BBISE)
 - Balochistan Textbook Board
 - Provincial Institute of Teachers Education (PITE)
 - Directorate of Schools Education
 - Planning and Policy Implementation Unit (PPIU)
- Citizens including Students and Teachers and their Associations
- Balochistan Education Foundation

22.4.2 Connected Stakeholders

- Balochistan Planning and Development Department

- Balochistan FD, GoB
- Balochistan Chief Minister's Secretariat
- Private Schools and Academies
- Textbook Publishers
- NGOs and International Organizations and Donor Agencies working in the education sector

22.4.3 External Stakeholders

- Citizens other than Students and Teachers
- Civil Society Organizations
- Media
- Academic Institutions

22.4.4 Organization's Financials

The Secondary Education Department in Balochistan primarily relies on government budgetary allocations for its operations and activities related to secondary education. These allocations come from the provincial government's annual budget and are channelled through the FD, GoB.

While the department itself doesn't generate revenue, it benefits from international aid and grants from organizations like UNICEF, the World Bank, and other donor agencies. These funds are often used to support specific projects and initiatives, such as teacher training, infrastructure development, and curriculum improvement.

• Budget Allocation and Expenditure for the Financial Year 2023-24⁹ (Rs. in Million)

Budget	Allocation	Expenditure	Excess/(-)Savings
Non-Development	65,210.149	66,738.095	(+)1,527.946
Development	11,904.681	3,487.981	(-)8,422.700
	77,114.83	70,226.076	

⁹ Expenditure statement

22.5 Field Audit Activity

22.5.1 Methodology

A risk-based assessment was carried out for the entities included in the thematic audit. The Audit was conducted in accordance with the Code of Ethics and standards adopted by the Auditor-General of Pakistan which are in line with the International Standards for Supreme Audit Institutions (ISSAIs). The audit methodology included the following techniques:

22.5.2 Desk Audit

Review of Documentary Evidence:

- Examination of compliance with relevant government policies, rules, and regulations.
- Analysis of annual reports, budget documents, and financial statements of the Secondary Education Department.
- Review and evaluation of the Balochistan Education Sector Plan (BESP) and other strategic documents.
- Scrutiny of data from the Education Management Information System (EMIS) and other relevant databases.

Legal and Regulatory Framework Analysis:

- Review of the legal framework governing secondary education in Balochistan, including the Balochistan Compulsory Education Act, 2014, the Balochistan Board of Intermediate and Secondary Education Ordinance, 1977, and other relevant legislation.

Financial Analysis:

- Analysis of budget allocations, expenditure patterns, and financial management practices.
- Identification of potential areas for cost savings and efficiency improvements.

22.5.3 Field Audit

Evaluation of M&E Mechanism:

- Field Visits to Directorate of M&E,
- Data Collection from Directorate of BEMIS and PPIU

Site Visits:

- Visits to a sample of secondary schools in 5 selected districts to observe school infrastructure, teaching and learning processes, and student enrollment.
- Interaction with school administrators, teachers to gather firsthand information.

Document Review:

- Review of school records, including attendance registers and financial records.
- Analysis of EMIS Database and Comparison with school records.

22.6 Data Analysis and Reporting

- **Data Cleaning and Validation:** Ensuring the accuracy and consistency of collected data.
- **Data Analysis:** Employing quantitative and qualitative data analysis techniques through CAATS.
- **Report Writing:** Preparing a comprehensive audit report, including an executive summary, findings, conclusions, and recommendations.
- **Presentation of Findings:** Presenting the audit findings to relevant stakeholders, including government officials, policymakers, and education practitioners.

22.6.1 Audit Analysis

22.6.2 Review of Internal Controls

The Secondary Education Department exhibited significant weaknesses in its internal control framework, particularly across the five key components of

internal control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

1. **Control Environment**

The department's control environment lacked clear lines of authority and responsibility, resulting in a disorganized operational structure. There was insufficient segregation of duties, which created opportunities for errors and fraud.

2. **Risk Assessment**

While the department had formulated the Balochistan Education Sector Plan (BESP) 2020-25, which identifies risks and outlines mitigation strategies; the absence of a robust follow-up mechanism had hindered its implementation. Additionally, key risks such as financial fraud, data breaches, and operational inefficiencies were not systematically identified or assessed. This deficiency left the department vulnerable to threats that could have been mitigated with proactive risk management practices.

3. **Control Activities**

There was a lack of adequate oversight mechanisms to ensure compliance with financial procedures and operational guidelines. For example, improper segregation of duties and insufficient review of financial transactions increased the risk of errors and mismanagement. Controls over data entry and validation were similarly weak, leading to inaccuracies that compromised decision-making and planning processes.

4. **Information and Communication**

The department's communication channels were ineffective, which hindered timely and accurate flow of information. The continued reliance on manual data and transfer/ posting practices exacerbated these challenges, contributing to issues of data quality and integrity. These limitations impeded informed decision-making and delayed critical interventions.

5. **Monitoring**

The lack of a robust monitoring and evaluation (M&E) system further undermined the department's ability to track progress, identify shortcomings,

and implement corrective measures. The M&E Directorate, which should have played a pivotal role in oversight and accountability, remained non-functional, leaving the department without a reliable mechanism to measure performance outcomes and address inefficiencies.

22.7 Critical Review

The audit of the Secondary Education Department Balochistan unveiled a grim picture of a system facing serious challenges. Mismanagement, financial irregularities, and a lack of accountability plagued the department, casting a long shadow over the quality of education across the province.

In Balochistan, resource allocation including financial, human and technical resources, is particularly challenging due to widespread poverty, geographic isolation, and the underdevelopment of infrastructure. Balochistan's educational infrastructure is insufficient to support the growing demand for secondary education. Many schools, especially in remote areas, lack basic facilities like clean drinking water, proper sanitation, electricity, and safe classrooms. Poor infrastructure contributes directly to high dropout rates and discourages new enrollments. The absence of gender-segregated toilets in schools, for example, particularly affects girls' enrollment and retention rates. These issues specifically discouraged improvement in enrolment and retention rate, as illustrated below:^{10 11}

¹⁰ Audit Plan

¹¹ Balochistan Education statistics 2022-23

Figure 22.1 No. of Schools in Balochistan

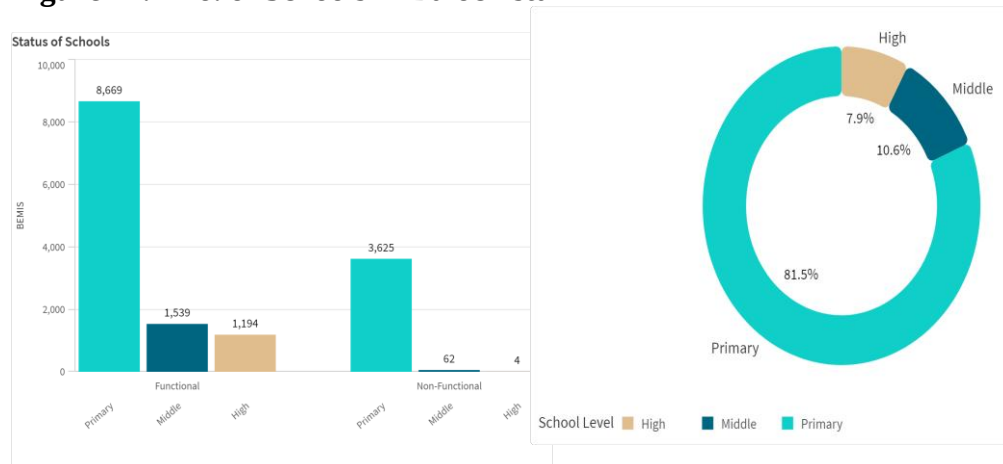
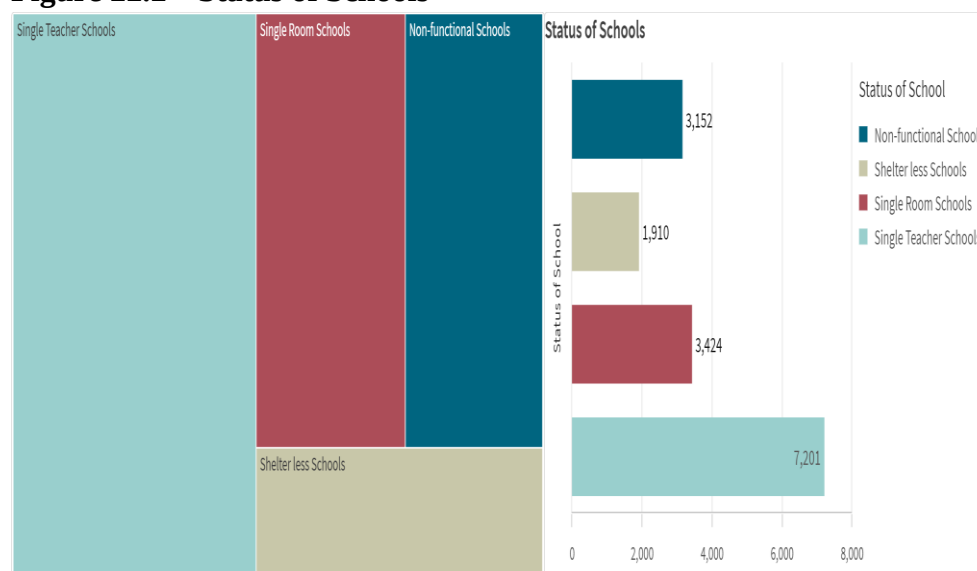


Figure 22.2 – Status of Schools

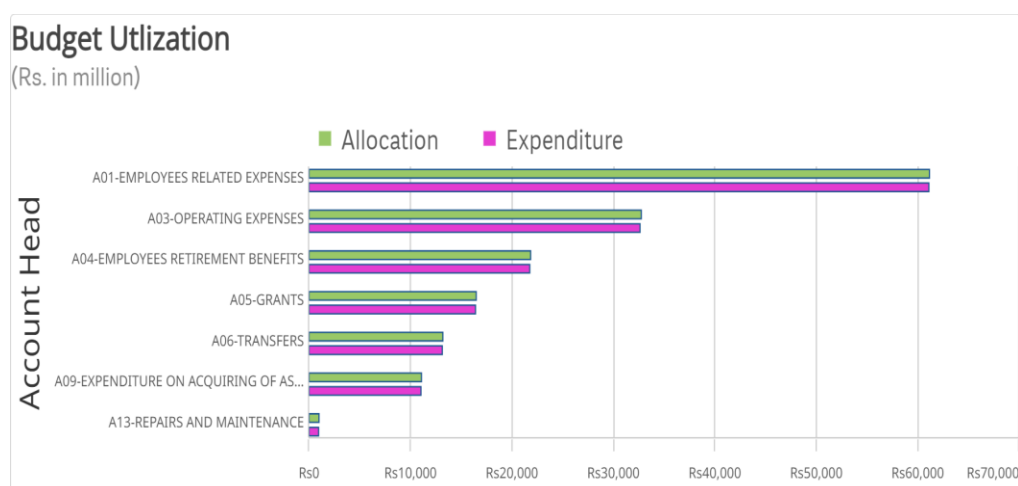


Audit uncovered extensive financial mismanagement within the department, with funds amounting to Rs. 568.723 million diverted to non-priority areas. Unauthorized allowances, payments for unverified or non-existent services and wasteful expenditure were among the key issues identified. This misallocation of funds significantly hampered the department's ability to fulfill its core mission of improving education. Crucial areas like teacher

training, school construction and maintenance, and student support services suffered as a result.

Weak financial controls further exacerbated the situation, fostering an environment ripe for irregularities. Overpayments to staff highlighted lapses in payroll verification, while funds earmarked for specific purposes were misused, including expenditures on non-functional schools. Wasteful spending was evident in the unnecessary and excessive printing of textbooks. Additional concerns included unjustified payments for fuel, questionable manuscript review expenses, and inadmissible allowances that violated financial regulations. The overall utilization of budget is illustrated in Figure 22.3 below¹²:

Figure 22.3 – Budget utilization by Secondary Education Department



Human resource management within the department also exhibited serious deficiencies. Many teachers and administrative staff were frequently absent from their duties and around 15,000 teachers were pointed out as ghost teachers¹³, significantly disrupting the learning process and undermining the

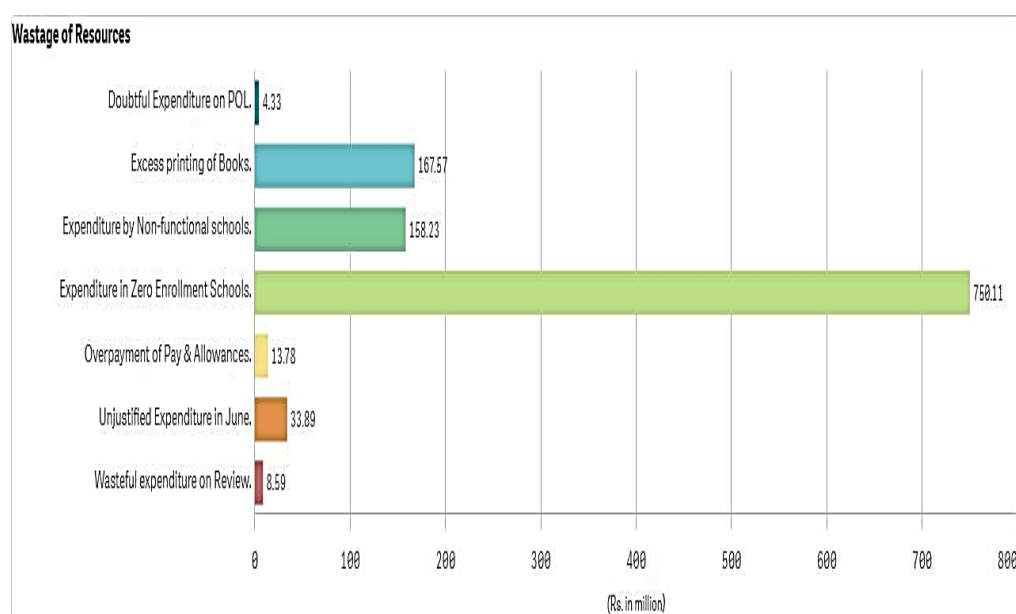
¹² Expenditure Statement 2023-24

¹³ <https://tribune.com.pk/story/1107409/no-record-15000-teachers-900-ghost-schools-balochistanminister>

effectiveness of the department. Besides, transfer/ posting of teachers was found to be undertaken in haphazard manner without any logical tenure-based policy, which disturbed the overall human resource management. Moreover, transfer of teachers from rural areas to urban, especially Quetta, also adversely affected the former area schools. Furthermore, the department often hired unqualified or unsuitable personnel for key positions, compromising the quality of instruction, as evident from the data obtained from BEMIS.

The audit highlighted concerns regarding the efficient and effective utilization of resources. Misallocation of funds, as evidenced by unjustified expenditures and instances of financial mismanagement, directly contradicts the BESP's emphasis on ensuring equitable and efficient resource allocation for quality education. The overall picture regarding wastage of resources by the Secondary Education Department, GoB is provided in Figure 26.4 below: ¹⁴

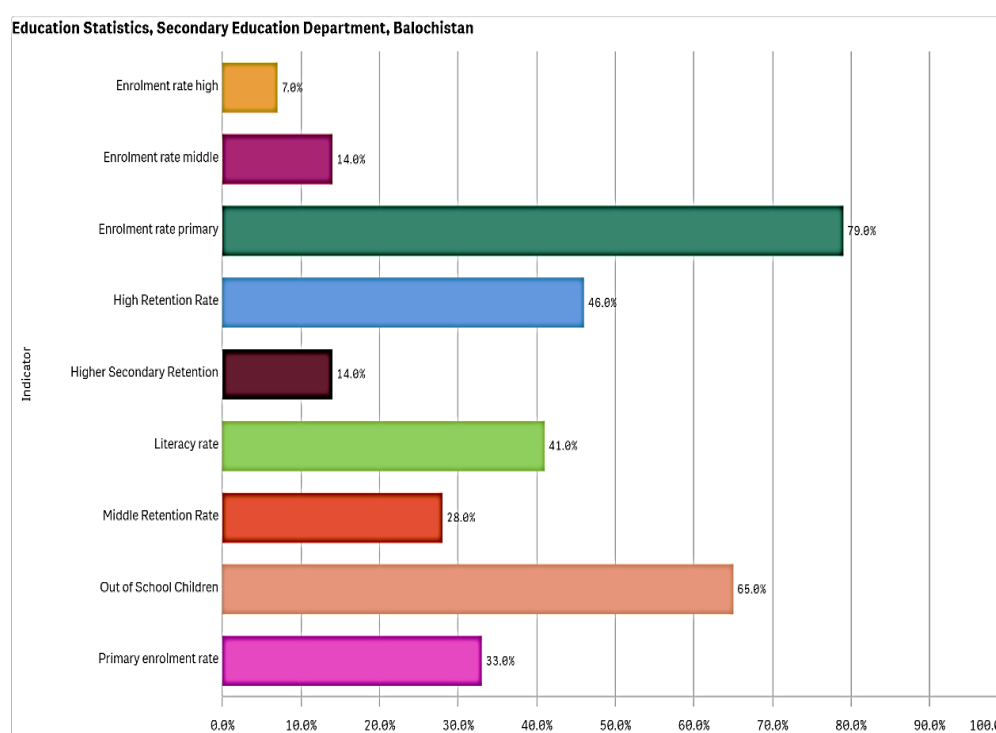
Figure 22.4 – Wastage of Resources (Rs. in Million)



¹⁴ Expenditure statement for the year 2023-24

The physical condition of many schools also presented significant challenges. Many lacked adequate classrooms, out of which, 1910 were shelter-less schools and 3,424 were single room schools¹⁵ without laboratories, and libraries, creating a suboptimal learning environment for students. Moreover, a shortage of essential educational materials, such as textbooks and learning resources, further hindered the learning process and disengaged students.

Despite an annual budget of Rs. 65 billion for the Secondary Education Department, the education indicators are not very encouraging. An overall picture is provided in Figure – 22.5.



Besides, resource allocation and utilization, the Monitoring and Evaluation (M&E) systems are essential for assessing the impact of educational

¹⁵http://www.emis.gob.pk/Uploads/BalochistanEducationStatistics/Balochistan_Education_Statistics_20_21-22.pdf

interventions, tracking progress, and ensuring accountability in resource allocation. For Balochistan's education system, effective M&E could provide the data necessary to identify gaps, measure the success of interventions, and allow for timely adjustments.

Balochistan has made strides in improving data collection for educational outcomes, yet the system remains fragmented. Inaccurate or incomplete data, particularly in remote areas, is a major obstacle to effective M&E. The secondary education in Balochistan has employed EMIS, which is a useful tool for collecting data, however, due to lack of capacity and stringent monitoring, the data on this system was found to be lacking credibility. Similarly, the M&E directorate, which was established as custodian of EMIS was found to be completely non-functional, and its functions were being used by the PPIU, another unit in the Secretariat tasked with policy planning and implementation. In many rural districts, the absence of digital infrastructure, coupled with bureaucratic inefficiencies, hampers the collection of reliable data on enrollment, attendance, and dropout rates. In addition, while data collection efforts have been expanded with the help of international organizations such as UNESCO and UNICEF, local capacity remains weak. The absence of real-time data means that policymakers are often working with outdated or incomplete information, making it difficult to make informed decisions that can improve student retention.

The audit findings underscored the critical need for a robust monitoring and evaluation framework. The absence of a functional and effective M&E system hinders the ability to track progress towards the goals outlined in the BESP, identify bottlenecks, and make necessary adjustments to improve program effectiveness. This is particularly concerning given the BESP's emphasis on evidence-based decision-making. The Education Management Information System (EMIS), a crucial tool for making informed decisions, suffered from significant data quality issues. Inaccurate and incomplete data severely limited the department's ability to effectively plan and allocate resources.

The Secondary Education Department has been using Android-based Real-Time School Monitoring System (RTSM) to enhance management capabilities through efficient monitoring. However, the data so collected by the RTSM consisted significant inconsistencies in cluster and feeder schools within the existing EMIS system, which had a direct and significant impact on student enrollment and retention. To maximize the effectiveness of this new system, and make it useful for improving enrolment and retention rates, it is imperative to address these data quality issues.

M&E systems in Balochistan have traditionally focused on inputs such as funding and resources rather than outcomes like student retention or learning outcomes. While tracking resource allocation is important, the impact on actual educational results should be the primary focus of monitoring. For example, assessing the number of students transitioning from primary to secondary school or the rates of students who complete their secondary education could offer insights into the specific challenges affecting retention. However, current M&E frameworks often lack robust outcome-based indicators. Due to weak M&E mechanism, 300,000 ghost students and 15000 ghost teachers had been identified.¹⁶ The absence of a clear focus on tracking student success hinders the ability of policymakers to assess the effectiveness of interventions, adjust strategies, and direct resources where they are most needed.

The audit highlighted a stark disconnect between the ambitious goals of the Balochistan Education Sector Plans (BESP) 2013-18 and 2020-25 and their implementation on the ground. While the plans prioritized access, quality, and equity in secondary education, systemic shortcomings severely hindered progress. Teacher training programs were insufficiently tailored to educators' needs and had limited impact on improving student learning outcomes. Financial mismanagement led to reduced investments in infrastructure, teacher development, and student support services, eroding the quality of education and exacerbating dropout rates. Additionally, ineffective teaching practices, low teacher motivation due to poor human resource management, inadequate

¹⁶<https://tribune.com.pk/story/1107409/no-record-15000-teachers-900-ghost-schools-balochistanminister>

infrastructure, and a lack of essential educational materials created a discouraging learning environment. The absence of a robust monitoring and evaluation system further prevented timely identification and resolution of these challenges, compounding the decline in student enrolment, retention, and academic performance.

22.8 Significant Audit Observations

22.8.1 Weak monitoring due to non-functional M&E Directorate

According to the Secondary Education Department Order¹⁷ dated August 01, 2018, “the approval for the creation of 32 posts and the establishment of 4 directorates, including the Monitoring and Evaluation (M&E) Directorate, was accorded. The functions of the M&E Directorate include monitoring school functionality, assessing infrastructure, analyzing teacher deployment and efficiency, and evaluating enrollment and retention.”

During the Thematic Audit of Secondary Education Department, it was observed that despite lapse of almost 6 years no M&E directorate had been established. Except for the creation of posts and the appointment of Directors, no further progress was evident. Upon scrutiny, it was noted that since its inception, only one M&E report had been produced, which merely highlighted absenteeism. Other critical activities such as evaluating schools’ functionality, addressing single-teacher schools, and monitoring students’ enrollment and retention were not conducted.

The lapse occurred due to weak internal controls.

Non-functional M&E Directorate not only resulted in wasteful expenditure but also hindered the achievement of the intended objectives of the department.

¹⁷ No. 2-14/2018-19-Edn. S.O (budget)/2475-78

22.8.2 In-efficiency due to 3,692 non-functional schools

According to Para 4.2.1 of BESP 2020-25, “The Schools Education department is responsible for the promotion of education from Early Childhood Education till grade 12. It administers 14,979 schools and provides services of over 55,000 teachers and also plans for the future. SED also has the support of the Policy Planning and Implementation Unit (PPIU), Directorate of Education (Schools), Bureau of Curriculum & Extension Center (BOC&EC), Provincial Institute of Teachers Education (PITE), Balochistan Textbook Board (BTBB), Balochistan Board of Intermediate and Secondary Education (BBISE) and Balochistan Assessment and Examination Commission (BAEC).”

Analysis of schools database revealed that out of 15,268 schools, 3,692 schools were not functional which is 24% of the total schools. The most observed reasons were non-availability of teacher, followed by no enrolments; besides 1,006 schools were closed without any reason. Most of the non-functional schools existed in District Pishin (252), Khuzdar (250), and Killa Saifullah (180), which were verified by Audit during field audit. The detail is summarized below¹⁸:

Reasons of Non-Functional Schools	Number of Schools
Teachers not available	1,973
Closed without any reason	1,006
No Enrolments	160
Shelterless Schools	156
New Schools without teacher	154
School does not Exists	135
Duplicate BEMIS Code	44
Community Conflict	42
School Merged/Upgraded	24
Totals	3,692

18

http://www.emis.gob.pk/Uploads/BalochistanEducationStatistics/Balochistan_Education_Statistics_2021-22.pdf

Lack of qualified teachers, poor infrastructure and security concerns in remote and inaccessible locations contributed to the issue.

Non-functional schools contributed to low literacy rates in the province.

22.8.3 Non-conducting of trainings by PITE despite huge expenditure – Rs. 137.121 million

Para 4.3.1 of BESP (2020-25) has underscored various functions of PITE including teachers' motivation, pre-service training, and professional development.

During thematic audit, it was revealed that PITE, Balochistan, during the financial year 2023-24, had incurred an expenditure of Rs. 137.121 million, out of which major chunk amounting to Rs. 130.187 million was spent on salaries. However, no budget for trainings was provided to the institution, due to which capacity building of teachers was badly affected.

Non-conducting of teachers' training occurred due to lack of planning.

Absence of CPD plan resulted in low quality of education.

22.8.4 Unjustified expenditures by non-functional schools – Rs. 79.114 million

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

During Thematic Audit of Secondary Education Department, analysis of BEMIS data revealed that 245 schools were non-functional, having no feeder schools; yet the department had posted 425 employees (412 teachers and 13

non-teaching) and incurred an expenditure amounting to Rs. 79.411 million on these schools, as detailed in **Annexure 22.1**

The irregularity was caused due to weak monitoring system.

The lapse resulted in unjustified and wasteful expenditure.

22.8.5 Wasteful expenditure in schools with zero enrollment – Rs. 375.053 million

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

During Thematic Audit of Secondary Education Department, while analyzing EMIS data and corresponding expenditure, it was revealed that an amount of Rs. 375.053 million was incurred by a number of schools on salaries and cluster procurements, where there were no enrollments. Besides, 356 employees (Teaching/Non-Teaching) were shown posted in these schools, as detailed in **Annexure 22.2**.

Weak internal controls and lack of effective monitoring system contributed to the lapse.

Expenditure on non-operational schools resulted in significant loss of resources.

22.8.6 Unrealistic demand and excess printing of Text Books – Rs. 83.783 million

According to Rule 12 of GFR Vol.-I, “a controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided.”

Directorate of Education (Schools) Balochistan furnished the demand of Text Books and Teacher Guides for the Academic Year 2024 vide letter dated June 19, 2023¹⁹ for a total quantity of 8,980,551 Books for different subjects and classes from Primary to 12th.

During the thematic audit of the Secondary Education Department, Balochistan, it was observed that the Balochistan Textbook Board printed 1,549,461 books against a demand of 1,129,551 across various categories. This resulted in the excess printing of 419,910 books, incurring an additional cost of Rs. 83.738 million, as detailed in **Annexure 22.3**.

The lapse was caused due to weak planning and internal controls.

Excess printing of books resulted in wasteful expenditure.

22.8.7 Doubtful distributions of 292,200 Books

As per letter of Director Education (Schools), Balochistan dated June 19, 2023,²⁰ a demand of 5000 books for Pakistan Studies for class XI was made for the academic year 2024.

During Thematic Audit of Secondary Education Department, record available in the Directorate of Education (Schools) revealed that 292,200 text books of Pakistan Studies for Class-XI were shown distributed by the Directorate to District Sherani, despite the fact that the BTBB had not printed any such books for the Academic Year 2024, nor was there any balance available with them. The directorate showed the distribution in their record just to balance the missing books.

Weak internal controls and lack of Monitoring and Evaluation caused the lapse.

¹⁹ No. Demand/Books/2024/4861-67/ADD/CC&BD

²⁰ No. Demand/Books/2024/4861-67/ADD/CC&BD

Doubtful distribution of books resulted in potential financial loss.

22.8.8 Posting of employees on dual charge

According to Para 4.3 (II) and 4.4 of BESP 2020-25, “rationalization of transfers and postings is important to ensure a balance between rural and urban areas. Improving governance and management is critical if an education system is to improve learning outcomes, ensure more efficient and effective use of available resources, and reduce inequities in access to education. This can be achieved through better planning, efficient management, and strong accountability mechanisms.”

During Thematic Audit of Secondary Education Department Balochistan, it was observed that many officers were assigned several roles simultaneously. Further, these dual responsibilities included involvement in monitoring cluster procurement processes, which were initiated, supervised, and executed by the same officers, as detailed below:

S. No.	Name of officers/ Officials	Actual Posting	Additional Charge(s)
1	Muhammad Zaman, DOE	DOE (M), Pishin	Head Master GGHS, Malikzai Tora Shah GGHS, Sar Khanzai GGHS, Warya
2	Khalida Taj, DOE (F), Pishin	DOE (F), Pishin	GGHS, Gharshinan GGHS, Sagi GGHS, Warya
3	Safia Achakzai, Head Mistress	GGHS, Pishin	GGHS, Sar Khanzai
4	Amatullah, Acting Head Master	GGHS, Ghargal	GBHS, Sagi

Posting of officers on dual charge occurred due to weak internal controls.

The lapse resulted mis-management and conflict of interest.

22.8.9 Poor RTSM System and discrepancies in EMIS data

As per item 6.1 of Program Matrix of BESP 2020-25, “the overall goal of PPIU was to identify and document data needs for each organization and for the overall education system, especially, the requirements of Balochistan Compulsory Education Act 2014. PPIU was required to coordinate with EMIS to review required data collected current data frameworks and revise them according to needs.” RTSM teams are assigned a target of 15 schools each month in every district and the data collected by BEMIS personnel in each DEO which is then reported to PPIU for integration in EMIS.

During Thematic Audit, it was observed that Real Time School Monitoring (RTSM) System relied on manual data collection and transfer, which introduced significant risks to data accuracy and integrity. RTSM teams collected data from schools and reported to DEO for input it into Excel spreadsheets. These spreadsheets were then transported through the DEOs and subsequently to the PPIU for integration into the EMIS.

This manual process is time-consuming, prone to errors, and susceptible to manipulation. It can lead to delays in data analysis, inaccurate reporting, and ultimately, suboptimal decision-making. Such errors were noticed during field audit in the data transmitted by the DEO Khuzdar. Further, analysis of data in selected 5 districts through CAATs revealed that the EMIS system is plagued by inconsistencies in cluster and feeder school data:

- DDO Code for cluster school was either not entered or wrongly entered.
- BEMIS Code for cluster schools were not recorded.
- Feeder Schools were not tagged with the cluster.
- Number of Schools had no relevant cluster.

Due to non-availability of direct transportation of RTSM data there is a chance of inaccurate / false reporting.

Wrong data inputs may lead to misreporting and misdirected policy decisions.

22.8.10 Unjustified expenditure on Travelling Allowance in June – Rs. 16.946 million

According to Para 96 of GFR, Vol.-I, “It is contrary to the interest of the State the money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest grants that cannot be profitably utilized should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items expenditure which might wait till next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.”

During Thematic Audit, it was observed that various DDOs had incurred an expenditure of Rs. 16.946 million on account of TA during June 2024. However, no record was provided to Audit to authenticate the expenditure.

Weak internal controls and non-maintenance of records caused undue drawl of funds.

Incurrence of expenditure without diligence resulted in misuse of public money.

22.8.11 Non-retention of record for the financial years 2019-24

As per APPM, 16.2.3, “All accounting records will be retained in their original form for at least a period of ten years. Records supporting transactions including vouchers, schedules and other authorities will be retained until the completion of the audit.” According to GFR 23, “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During Thematic Audit of Secondary Education Department for the financial year 2023-24, it was found that the record, as detailed in **Annexure**

22.4 for the financial years 2019-2024 was not retained/maintained by the administration of the schools; instead, the same was kept by the former officer (s) in their custody. The record was not provided despite requests and directives by the Secretary Secondary Education Department vide his letter dated November 08, 2024²¹.

Non-retention of record was due to weak administration and negligence of the management.

Non-availability of the record rendered the expenditure unaudited.

22.8.12 Chronic absenteeism from official duty

As per Section 13 (5)(b) of BEEDA Act, 2011, “Employees where charge of absence from duty for a period of more than one year is proved against the accused, the penalty of compulsory retirement or removal or dismissal from service shall be imposed upon the accused.” Moreover, Section 9 *ibid* requires that an inquiry be established to address absenteeism and determine the appropriate corrective actions.”

During thematic audit of Schools Education Department for the financial year 2023-24, it was observed that officers/officials working in education department had continuously remained absent from duty for more than 12 months, negatively impacting the department's overall efficiency and productivity. Despite clear evidence of repeated absences, no remedial actions or formal inquiries had been initiated in accordance with the provisions of the BEEDA Act 2011, as detailed in **Annexure 22.5**.

Un-authorized absence from duty was due to weak HR Management.

Chronic absenteeism resulted in inefficiency and financial loss to the government.

²¹ No. SO(Dev)/6-30/2024/10473-89

22.8.13 Irregular and unjustified payment of pay and allowances – Rs. 6.891 million

According to FD, GoB Notifications dated June 13, 2023²², dated November 10, 1987,²³ dated 27.04.2015²⁴, dated January 12, 1995²⁵, dated February 06, 2022²⁶, dated 5th March, 1992²⁷ and Finance Division (Regulation Wing), Government of Pakistan's Notification²⁸ dated February 22, 2023, Chief Minister House Allowance, Computer Allowance, Fixed Daily Allowance, Flying Allowance, Hill Allowance, House Requisition Allowance, Qualification Pay and Teaching Allowances were notified for various categories of employees.

During thematic audit of Schools Education Department for the financial year 2023-24, it was observed that an amount of Rs. 6.891 million was drawn in excess by the officers and staff on account of various inadmissible allowances/excess salary, as detailed below:

(Rs. in Million)

AIR Para No.	Allowances Details	Amount
21	CM House Allowance	0.710
22	Computer Allowance	0.122
23	FIA Allowances	0.333
24	Fixed Daily Allowance to teachers	0.060
25	Flying Allowance	0.071
26	Hill Allowance	1.482
27	House Requisition Allowance	0.840
28	Qualification Pay	1.061
29	Teaching allowance	2.212
Total		6.891

²² No. FD(R-I)II-11/2023/2701-81

²³ No. FD(R)III-45/87/4502-25

²⁴ No. FD(R-I)III-6/2015/1114-1233

²⁵ No. FD(R)II-6/91/4513- 4600

²⁶ No. CEO(S&GAD)/2-2/HRA/Vol-2/2022

²⁷ No. FD(R)III-42/92/581

²⁸ No. F.No.17 (3) R-2/2017 (pt) -757

Payment of inadmissible allowances was caused due to weak internal controls.

The lapse resulted in loss to the government.

[AIR 21 to 29]

22.9 Departmental Responses:

Audit observations were reported to the Department during November and December, 2024 but no reply was received. The DAC meeting was held on January 01, 2025. DAC decisions are as under:

- 1 The management agreed with the stance of Audit regarding wasteful expenditure in schools with zero enrollment of students, unrealistic demand and excess printing of Text Books, unjustified expenditure on Travelling Allowance in June, and posting of teachers on dual charge. The DAC directed that an internal fact-finding committee be formed to inquire the matters under intimation to Audit.
- 2 The management endorsed the point of Audit regarding weak monitoring due to non-functional M&E Directorate. The DAC directed the department to take immediate action to functionalize and establish the M&E Directorate under intimation to Audit.
- 3 Regarding the non-functional role of PITE for not conducting trainings, the management responded that private NGOs were collaborating with PITE to train teachers. The DAC directed the department to provide details regarding the role of the education department in capacity building through PITE, along with the budget allocation under the head trainings to Audit for verification.
- 4 Regarding unjustified distributions of books, the management replied that the department would check the details of printed books and its further distribution for clarity. The DAC directed the department to re-visit the distribution of books under intimation to audit.
- 5 Regarding inadmissible allowances, the DAC directed the department to effect recovery of the allowances.
- 6 The management endorsed the point of Audit regarding poor RTSM System, Data Integration and inconsistent cluster/feeder data in EMIS.

- The DAC directed the department to take corrective measures to improve the identified short comings.
- 7 The management agreed with the Audit's observation regarding the insufficient or non-retention of record for the financial years 2019-24. The DAC directed the department to ensure the implementation of a proper handing-over and taking-over mechanism as per rules. The record from previous years should be retrieved from the responsible officers, and an inquiry should be conducted into the non-production of record by the concerned officers.
 - 8 The management regarding Chronic absenteeism from official duty replied that strict disciplinary actions were underway against those absent from official duties. The DAC directed the department that disciplinary action be taken in accordance with the BEEDA Act, 2011 under intimation to Audit.
 - 9 The management agreed on making necessary recovery from the concerned regarding irregular and unjustified payment of pay and allowances. The DAC directed the department to recover the amount from the concerned at the earliest under intimation to Audit.

22.9 Recommendations for Improvement:

Audit recommends implementation of DAC directives besides:

- Initiating immediate remedial actions to revive operations of M&E Directorate, including appointing qualified personnel and defining clear operational guidelines.
- Prioritizing the rehabilitation of non-functional schools and allocating resources for urgent infrastructure repairs.
- Allocating sufficient funds in the annual budget for comprehensive training programs for teaching and non-teaching staff, reviving of PITE by developing and implementing a tailored training plan.
- Providing justification in the matter of incurring expenditure on non-functional schools and adopting remedial measures.
- Inquiring the matter of wasteful expenditure with zero enrolment.

- Devising a comprehensive strategy for textbooks printing, conducting periodic physical verification of textbook stocks to identify discrepancies and prevent losses, and developing clear guidelines for data entry and verification of textbooks.
- Discontinuing the practice of assigning multiple roles to single individuals.
- Updating the EMIS with accurate and current data, utilizing data analytics tools to identify trends, patterns, and anomalies for improved decision-making, and establishing secure real-time data transfer mechanisms to ensure data consistency and reliability.
- Investigating the issue of individuals holding official records in personal custody and taking strict action under the BEEDA Act 2011 in cases of chronic absenteeism.
- Effecting recovery of the overpaid and inadmissible allowances.

22.10 Conclusion

Thematic audit of the Secondary Education Department Balochistan has unveiled a deeply concerning picture marked by systemic mismanagement, financial irregularities, and inadequate internal controls. These issues have severely undermined the department's ability to provide quality education, especially in a region already challenged by poverty, geographic isolation, and underdeveloped infrastructure. Despite ambitious goals set out in the Balochistan Education Sector Plans (BESP), the audit findings highlighted a persistent gap between policy objectives and actual implementation. The absence of outcome-based performance indicators and robust accountability mechanisms has rendered many of the interventions ineffective.

Critical shortcomings in resource allocation, monitoring, and infrastructure development have led to significant disparities in access to and quality of education. Schools in rural and remote areas lack basic facilities, directly contributing to high dropout rates and discouraging student enrolment, particularly for girls. Furthermore, the lack of a functional Monitoring and Evaluation (M&E) framework, coupled with unreliable data from the Education Management Information System (EMIS), has hindered evidence-based

policymaking and accountability. The department's human resource management practices are equally alarming, with widespread absenteeism among teachers, arbitrary transfers, and the hiring of unqualified personnel. Misallocation of funds, overpayments, and financial mismanagement further worsen the crisis, diverting resources away from core educational activities like teacher training, infrastructure improvement, and student support.

To address these challenges, the audit emphasizes the need for urgent reforms, including merit-based resource management, investment in data infrastructure, targeted scholarships, community engagement, and enhanced accountability. Strengthening the M&E system, ensuring transparent financial practices, and prioritizing teacher training are critical steps toward reviving the education sector.

Chapter 23
Citizen Participatory Audit (CPA) Report



**Citizen Participatory Audit (CPA) Report
on Kid / Lamb Fattening in Balochistan Project
(PM-Livestock Initiative)
Project ID Z2019.1962
Financial Years 2019-20 to 2023-24**

AUDITOR-GENERAL OF PAKISTAN

EXECUTIVE SUMMERY

The Director General Audit Balochistan, Quetta conducted Citizen Participatory Audit (CPA) of Kid / Lamb Fattening in Balochistan (KLFB) Project for the period 2019-21. Citizen Participatory Audit was incorporated into the Audit Plan with the approval of the Auditor-General of Pakistan for the Audit Year 2024-25.

The main objective of the audit was to assess whether the KLFB Project was successful in achieving the intended objectives, as outlined in the PC-I, which included: improved benefits for livestock farmers, successful technology transfer, and poverty reduction.

The Audit was conducted in accordance with INTOSAI Auditing Standards, giving significant weight to the perspectives of local communities and citizens. This included formation of panel of experts to guide the Audit process and provide expert opinion on the progress and contribution of the Project, interviews with randomly selected farmers / beneficiaries and the officials of the LDDD during the audit process.

Primary data was collected from farmers of Khuzdar and Kohlu districts, selected due to higher number of sheep and goats. Data collection methods included desk Audit, surveys, questionnaires, panel discussions, and interviews conducted with project beneficiaries, panelists and the department officials. Samples in the selected districts were chosen using random sampling techniques from various union councils. Both qualitative and quantitative techniques were employed to analyze the collected data. Secondary data was obtained from the Livestock and Dairy Development Department, Government of Balochistan (GoB), progress reports, approved PC-I and evaluation reports. A comprehensive analysis was conducted based on the data collected from these sources.

The findings of this analysis are included in the audit report.

Key Audit Findings:

- 1) Time over-run due to project delays and funding shortfall - Rs. 54.198 million
- 2) Non-execution of third-party evaluation - Rs. 577.105 million
- 3) Lack of clarity due to flawed PC-I and absence of feasibility report
- 4) Irregular procurement of shearing machines without requirement - Rs. 4.040 million
- 5) Missing animals during M&E Visit in District Mastung
- 6) Irregular expenditure on visiting charges due to non-availability of activity reports – Rs. 5.95 million
- 7) Irrational planning regarding weight gain of Kids/ Lambs
- 8) Unauthorized change in list of beneficiaries and unfair distribution of Financial Assistance – Rs. 3.450 million
- 9) Doubtful issuance of cheques on Debit vouchers – Rs. 1.490 million
- 10) Non-availability of trial registers and supplied medicines and equipment – Rs. 7.862 million
- 11) Under-achievement of weight gain of kids/lambs
- 12) Irregular expenditure without uploading bid evaluation report and procurement plan on the BPPRA website – Rs. 35.288 million

Audit Recommendations

Audit recommends implementation of DAC directives in addition to:

- Strengthening of financial monitoring system to track the utilization of funds and identify any potential shortfalls.
- Ensuring regular monitoring visits, proper documentation, and data quality through reinvigorating the M&E Committee and conducting comprehensive terminal evaluation of the project to gauge the impact of the project.
- Conducting detailed assessment of the suitability of machines and other required items before procurement, considering the electricity problems in the rural areas of Balochistan.

- Conducting feasibility studies and subsequent preparation of PC-II before developing the detailed PC-I, containing clear objectives, targets, timelines, and a detailed budget.
- Reviewing the beneficiary selection process to ensure its fairness, transparency, and the legitimacy of any changes made to the beneficiary list.
- Engaging a qualified third-party evaluator to conduct a comprehensive evaluation.
- Implementing robust financial and internal controls, including regular bank reconciliations, proper documentation, and segregation of duties.
- Ensuring that medicines and equipment are used for their intended purpose.
- Strengthening procurement procedures to ensure compliance with procurement rules and regulations.

23.1 INTRODUCTION

The "Kid/Lamb Fattening in Balochistan" project is an initiative under the Prime Minister's Livestock Initiatives, a national program aimed at supporting rural communities by reducing poverty, malnutrition, and protein deficiency in the country¹. This project focuses on small ruminants, given Balochistan's high sheep and goat population. The main objectives of this project are to increase mutton quantity and quality, benefit livestock farmers, transfer technology, and reduce poverty.

Balochistan's livestock sector, with an estimated 32 million sheep and goats², faces significant challenges. These include overstocking, rangeland degradation, and limited access to feed and water. Poor animal nutrition, exacerbated by seasonal feed shortages, leads to weight loss, low birth weights, and high lamb mortality rates. Parasites and diseases, coupled with limited access to veterinary services and inadequate farmer knowledge, further threaten livestock health. Low vaccination rates, primarily due to limited access to quality vaccines and inadequate awareness among farmers, pose a significant challenge.

23.1.2 Brief Description of the Project

KID / LAMB FATTENING IN BALOCHISTAN

S. No.	Particulars/ Components	Specific Details
1.	Sponsoring Agency	Federal and Provincial Government
2.	Executing Agency	Livestock & Dairy Development Department Balochistan
3.	Budget Allocation	Rs. 631.536 million
4.	Project Approval Date	2019
5.	Project Start Date	01.07.2019
6.	Duration of the project	4 years

¹ letter No. F.1-1/2018-Secy, NFS&R, dated the 26th December, 2018 and letter of Ministry of National Food Security & Research (Livestock Wing) No. F.No.16-1(M&M), dated 1st January 2019.

² Balochistan livestock policy and strategy 2020-23.

S. No.	Particulars/ Components	Specific Details
7.	Projected completion date	30.06.2023
8.	Actual Completion Date	Still not completed.
9.	Total Project Cost	Rs. 577.105 million
10.	Location	In 32 Districts of the Province, Eight Districts in each Year.
11.	Target	320,000 animals
12.	No. of animals fattened	290,000 animals
13.	Shortfall	30,000 animals

Following is the project outlay in different components for four years:

(Rs. in Million)								
S. No.	Detail	Year-1	Year-2	Year-3	Year-4	Total Cost	Provincial	Federal
							80%	20%
1.	Financial Assistance	120	120	120	120	480	384	96
2.	Cost of Equipment	38.579	12.659	12.659	12.659	76.554	61.243	15.311
3.	Cost of Medicines & Vaccines.	13.280	13.280	13.280	13.280	53.120	42.496	10.624
4.	Operational Cost	4.680	4.680	4.680	4.680	18.720	14.976	3.744
	Total	176.53	150.61	150.61	150.61	628.39	502.715	125.67
	Contingency @ 0.5%	0.883	0.753	0.753	0.753	3.142	2.514	0.628
	Grand Total	177.42	151.37	151.37	151.37	631.5	505.229	126.30
	Provincial Share (80%)	141.93	121.09	121.09	121.09	505.22		
	Federal Share (20%)	35.484	30.274	30.274	30.274	126.30		

23.2 OBJECTIVES OF KLFDB PROJECT

According to PC-I of the Project, following objectives were envisaged to be attained from the intervention:

- 1) To benefit the livestock farmer;
- 2) Technology Transfer;
- 3) Poverty reduction;
- 4) To Increase mutton quantity & quality;

23.2.1 AUDIT OBJECTIVES

The prime objective of the audit was to assess whether the project achieved the intended objectives of financially assisting and educating the farmers about kid/ lamb fattening, sheering, and cleanliness, by involving panelists in the Audit process.

The audit objectives were to:

- a. Review the transparency of equipment distribution process and assistance disbursement mechanism;
- b. Evaluate the procurement process and quality of medicine and vaccines distributed among the farmers;
- c. Examine the capacity of the project regarding uplifting the livestock in the province;
- d. Review the role of Monitoring and Evaluation Committee established for overall supervision of the project activities;
- e. Identify factors responsible for success or failure of project and recommend improvement strategies.

23.3 AUDIT SCOPE

The scope of the CPA Audit was limited to scrutiny of accounts record of the Project for the period 2019-24, which also included assessment of activities executed by the Project Director, KLFB in accordance with relevant rules and regulations.

23.4 AUDIT METHODOLOGY

The following three methods were employed during the CPA Audit:

1. Desk Audit:

Desk audit included review of the following record:

- Original PC-I of the Project.
- Progress reports.
- Procurement documents.
- Bidding documents.
- Financial statements.
- LDDD periodical reports and guidelines.
- PMU and M&E reports.

2. Feedback from the Panelists:

A panel of experts from amongst the citizens, based on their experience and relevance to the project, was selected, which consisted of the following members:

- i. Mr. Mahfooz Ali Khan, Ex-PA&AS Officer.
- ii. Dr. Kamal Tayyab, Ex-DG, LDDD, GoB.
- iii. Dr. Ghulam Rasool Taj, Ex-DG, LDDD, GoB.
- iv. Mr. Irfan Ali Bakhtiari, Ex-DG, Agriculture and Cooperative Department, GoB.
- v. Mr. Akber Ali Lehri, Ex-Audit Officer, DAGP.

The panelists were involved in all stages of the audit, including selection of the audit, direction and scope of the CPA, evaluation of the audit results and cross-examination of the collected data. Feedback from the panelists was obtained both in objective and descriptive form. Further a confidentiality agreement was signed by the panelists.

3. Field Visits:

- Data collection from Khuzdar, Kohlu, and other districts through questionnaires from farmers.
- Discussions with Deputy Directors, Veterinary Officers, and Stock Assistants.

23.5 AUDIT RESULTS:

1. Audit Findings.
2. Synthesis of Panelists' take on the project.
3. Feedback from farmers.

23.6 AUDIT FINDINGS

23.6.1 Time over-run due to project delays and funding shortfall – Rs. 54.198 million

According to the PC-I for the Kid/Lamb Fattening in Balochistan (PM-Livestock Initiative), the Federal Government was to contribute 20% of the total cost, amounting to Rs. 126.307 million and the project was scheduled to commence in July 2019 and be completed by June 2023.

CPA Audit of the KLFB Project in Quetta for the financial years 2019-24, revealed that the project completion was delayed by more than a year, hindering the timely achievement of its intended goals. Despite completing activities in 29 districts and spending Rs. 577.105 million, the PMU failed to prepare a project completion report. This delay can be attributed to significant funding shortfalls, primarily due to the Federal Government's failure to meet its agreed-upon contribution. While the Provincial Government disbursed its 80% share of funding, the Federal Government only provided Rs. 72.109 million, representing a 11% of the total project budget instead of the stipulated 20%. This resulted in a substantial funding gap of Rs. 54.198 million, directly contributing to the one-year project overrun. Figure 23.1 and 23.2.

Delay and non-disbursement occurred due to lack of coordination.

Time over-run deprived the intended beneficiaries from timely availing the facilities and insufficient funding resulted in non-completion of the project.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, the Project Management informed that project delays, attributed to both Federal and Provincial Government-related issues, including insufficient funding exacerbated by political instability, hindered timely project completion as outlined in the PC-1. Trails in Jaffarabad and Jhal Magsi remain unfinished. A PC-IV is currently being processed. The DAC directed management to expedite project completion, submit both the PC-IV and a completion report, and to seek reimbursement for farmers in Jaffarabad, Jhal Magsi, Panjgoor, and Gwadar from the Federal Government.

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

Audit recommends implementation of DAC directives.

Figure 23.1

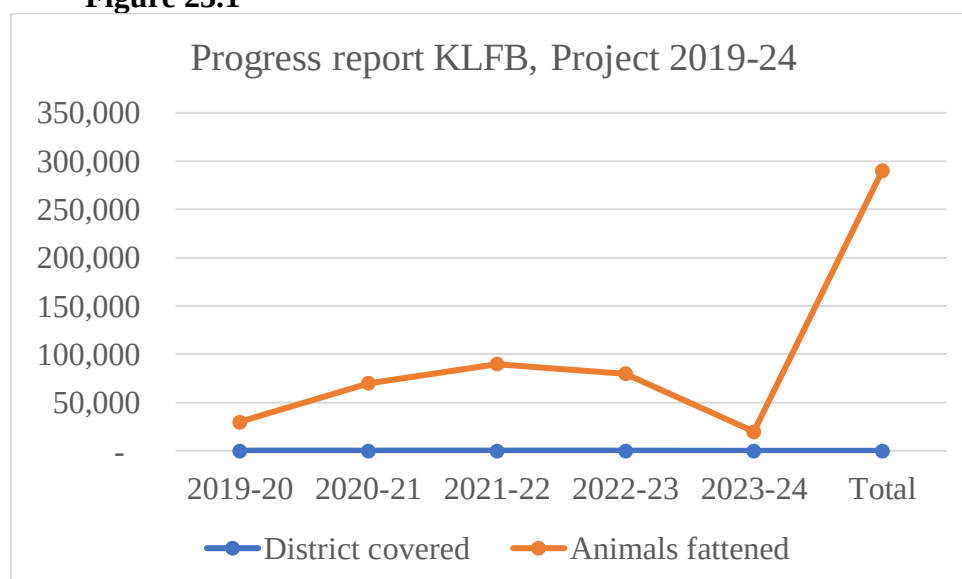
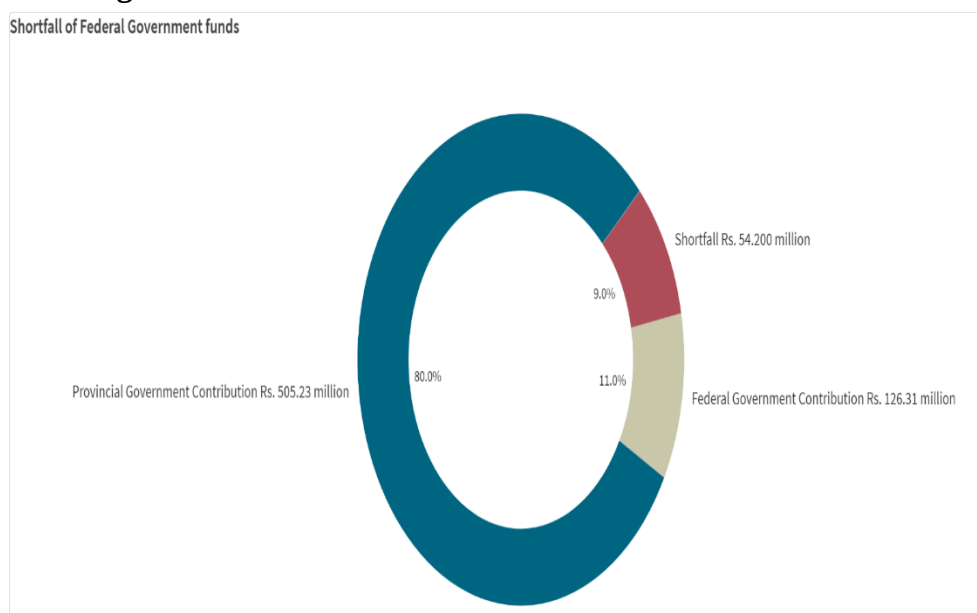


Figure 23.2



23.6.2 Non-execution of third-party evaluation - Rs. 577.105 million

As per letter of Ministry of Planning, Development, and Special Initiatives Islamabad³, dated September 13, 2021, the ministry emphasized the importance of third-party evaluations for projects with an execution period of three years or more. Further, as per letter from GoB Livestock and Dairy Development Department⁴ dated October 1, 2021, regarding project evaluation and appraisal, “Third-party evaluation should be conducted for all projects with an execution period of three years or more”

During the CPA Audit of the KLFB, Project for the financial years 2019-24, it was revealed that the “Kid/Lamb Fattening in Balochistan” project was completed in more than five years and spent a total of Rs. 577.105 million. However, the management failed to conduct a third-party evaluation, despite the requirements outlined in the letters from the Ministry of Planning,

³ MPDSI letter No. 20(1-42) PIA-1/PC/202

⁴ GoB LDDDB letter No. SOL(D) 6-39/2021/8032-34

Development, and Special Initiatives and the Livestock and Dairy Development Department.

Incurring expenditure without third party evaluation occurred due to lack of internal controls.

Expenditure without third party evaluation may result in incomplete and substandard quality of work.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, Management acknowledged that a third-party evaluation was conducted. The Project Director obtained a copy of this report from the relevant firm following the audit observation. The DAC decided that the Audit would examine the Third-Party Validation report provided by management. During scrutiny of the report, it was found that the report lacked authentication and information specific to the KLFB project. The Audit further stressed the need to obtain the authentic third-party report pertaining specifically to the KLFB project and submit it for verification.

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

Audit recommends implementation of DAC directives.

23.6.3 Lack of clarity due to flawed PC-I and absence of feasibility report

As per Para 10.13 of the Manual of Development Projects, “the Project Monitoring and Evaluation System is the backbone of the PSDP projects monitoring activity, which comprises a data bank of the implementation information like cash/ work plans, release of funds, physical and financial progress etc.” Further, According to Para 6.4 *ibid*, “The PC-I should be supported with a feasibility study, survey and investigation and market survey report. For undertaking any such feasibility, a proper request on the PC-II Proforma is to be submitted for approval to the competent forum depending

upon the cost of PC-II. Allocation of funds is made on request subject to availability. It is mandatory that all infrastructure projects (or having infrastructure component) costing Rs 500 million or above should be based on a professional feasibility study.” Moreover, according to the PC-I of the KLFP project, “the daily cost per animal for fattening is Rs. 16.67.”

During the CPA Audit of the KLFB, Project in Quetta for the financial years 2019-24, significant shortcomings and issues in PC-I were identified, as detailed below:

- The project's PC-I lacked essential guidelines and Terms of Reference (TOR) for farmer selection.
- The selection committees formed by the Livestock and Dairy Development Department failed to disclose crucial documents such as survey sheets, collected data, and meeting minutes.
- The PC-I for the project was initiated without conducting feasibility study and preparing PC-II. This led to unrealistic rate estimates for feed items, as the market prices for barley, wheat, oats, beans, peas, and cottonseeds (essential for fattening) were higher. As per market survey, the average price of these feed items ranged from Rs. 30 to Rs. 200 per kg⁵, which was significantly higher than those allocated in the PC-I, as illustrated in the following figure. The cost worked out for daily feed of an animal in the PC-I was lacking rationale/ criteria, as illustrated in **Figure 23.3**.

The lapse occurred due to weak planning.

Lack of proper guidelines for farmers and irrational planning increased the risk of unfair selection processes potentially undermining the project's effectiveness.

⁵ Year Book of 2022-23, issued by Economic Wing of Pakistan Ministry of National Food Security and Research.
<https://www.selinawamucii.com/>

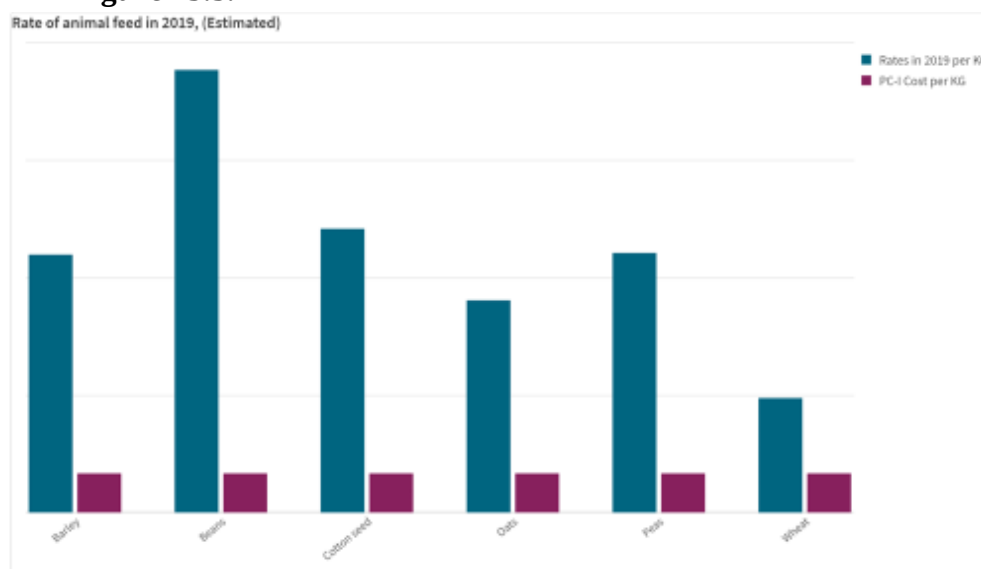
The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, the Project management acknowledged that the PC-I was developed hastily without adequate field input, leading to inaccurate cost estimations and subsequent field-level challenges. While the project partially addressed feed deficiencies, the DAC decided to convey the Audit's concerns regarding the inadequate PC-I preparation to the PAO office, emphasizing the importance of thorough feasibility studies for future projects.

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

Audit recommends implementation of DAC directives.

Figure 23.3.



23.6.4 Irregular procurement of shearing machines without requirement - Rs. 4.040 million 🧑🧑🧑

According to GFR 145, “Purchases must be made in the most economical manner in accordance with the definite requirement of the public service.”

During the CPA Audit of the KLFB, Project in Quetta for the financial years 2019-24, it was revealed that 71 shearing machines were procured for Rs. 4.040 million. However, their utility was limited due to frequent power outages in rural Balochistan. The project failed to consider alternative solutions, such as manual shearing or mobile shearing units, resulting in ineffective utilization of these expensive machines.

Procurement of unnecessary equipment occurred due to weak planning.

Payment for shearing machines without utilization resulted in wasteful expenditure.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, the Project Management explained that the 71 shearing machines were used for field demonstrations during the project and were subsequently distributed to districts. The DAC directed to provide copies of district stock registers, detailing the distribution of these machines to the Audit for verification.

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

Audit recommends implementation of DAC directives.

23.6.5 Missing animals during M&E Visit in District Mastung

As per para 3-iii of the letter from the PD of the KLFB project, ⁶dated 10.10.2022, "The farmer must agree to fatten/trial kids/lambs for a minimum of 90 days and is bound not to sell any of the tagged/registered kid/lambs during the fattening/trial period. The farmer must also agree to all terms and conditions set by the technical team of the LDDB."

⁶ TOR letter No. 1067/79

During the CPA audit of the KLFB, Project in Quetta for the financial year 2019-24, it was revealed that during a visit by the M&E team from Islamabad, several animals were reported missing during a test check. The DD of Livestock, Mastung was unable to justify the disappearance of these animals, despite the fact that farmers were prohibited from selling. Besides, the farmers/ livestock authorities did not report mortality during the trial period. The missing animals hindered the completion of the trial, and the audit team found discrepancies between the trial register and the M&E report regarding the number of animals present during the trial.

The lapse occurred due to weak internal controls.

The missing animals hindered the completion of the trial, undermining the project's credibility and effectiveness.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, management provided the response of the concerned officer, who stated that the farmers' shepherds take the animals out for grazing in the morning and bring them back in the evening. The DAC directed the concerned Divisional Director to inquire the matter and submit a report to the PD/DG, with a copy to the Audit.

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

Audit recommends implementation of DAC directives.

23.6.6 Irregular expenditure on visiting charges due to non-availability of activity reports – Rs. 5.95 million 🇵🇰🇵🇰

According to Para 13 of the PC-I of the KLFB Project, “each division has a separate Monitoring and Evaluation Committee. This committee consists of the following members:

- Divisional Director of the concerned division (Chair);
- Deputy Director of the concerned district.

- In-charge of the Civil Veterinary Hospital (CVH) in the concerned area.

Further, as per Para 14 *ibid*, “the Monitoring and Evaluation Committee will distribute financial assistance to registered farmers under the scheme and manage all project activities. The committee will hold regular meetings and submit progress reports.”

The CPA audit of the KLFB Project in Quetta during financial years 2019-24, revealed that the M&E Committee failed to adequately supervise project activities. Despite being mandated by the PC-I, the Livestock Team's monitoring visits lacked proper documentation, including tour notes. This hampered the assessment of animal weight gain, hygiene conditions, disease prevalence, and the overall quality of meat produced. Furthermore, visit charges of Rs. 5.95 million could not be verified due to the absence of supporting documentation.

Lack of proper monitoring was caused due to weak internal controls.

The lapse raised concerns about the effectiveness and transparency of the project.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, the Project Management presented sample registers from Khuzdar and Sibi, claiming similar records existed in all districts. The Audit requested copies of all registers. However, due to the lack of activity reports, visit charges could not be verified. The DAC directed management to provide activity reports of other district to the Audit for verification.

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

Audit recommends implementation of DAC directives.

23.6.7 Irrational planning regarding weight gain of Kids/ Lambs

According to Para 13 (c) of the PC-I KLFB, two veterinary professionals and four para-veterinary staff members from the Livestock Department were assigned to each district to conduct site visits for 200 farmers and to weigh 10,000 kids and lambs twice a month. Weighing each animal involved the following steps:

- Identifying and reading the tag number;
- Moving the animal from the shed to the weighing machine;
- Recording the weight, and returning the animal to its shed;

The CPA audit of the KLFB project in Quetta during financial year 2019-23, revealed that the PC-I mandated fortnightly weight measurements of 10,000 animals. This would theoretically require 833 hours of work, or 139 hours per staff member per visit. However, project records indicate the entire weighing process was completed in a single day, averaging 8.7 seconds per animal, as detailed below:

Task	Time Required	Calculated Time for 10,000 Animals
Weighing one animal	5 minutes	50,000 minutes (833 hours)
Weighing 10,000 animals (expected)	-	50,000 minutes (833 hours)
Weighing 10,000 animals (actual)	8.7 seconds per animal	87,000 seconds (21.17 hours)

Irregularity occurred due to weak management planning and monitoring.

Incomplete and unreliable data could hinder the effectiveness of the project.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, the Project Management explained that the LDDD, using all its resources and staff across the province, worked hard to meet project deadlines and follow the instructions of the Federal Government. To ensure everything was done correctly. The DAC directed management to provide detailed reports on project activities including HR, work plans, and field visit notes to the Audit for verification.

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

Audit recommends implementation of DAC directives.

23.6.8 Unauthorized change in list of beneficiaries and unfair distribution of Financial Assistance – Rs. 3.450 million

As per the PD of the KLFB project, TOR letter No. 1067/79 dated 10.10.2022, “The district under your dominion is selected for the year 2022-23 and a committee for Registration, Monitoring and Evaluation for registration of livestock farmers and evaluation of registered kids/lambs is already constituted in PC-I detail below, the terms and conditions which are applicable for registration of:

i.	Divisional Director LDDD	Counter Singing Officer.
ii.	Deputy Director LDDD Concerned:	Chairman
iii.	Veterinary Officer of concerned area:	Member
iv.	Stock Assistant of the concerned area:	Member

During the CPA Audit of the KLFB, Project in Quetta for the financial years 2019-24, it was revealed that the Deputy Director of the Livestock Department made unauthorized changes to the approved list of beneficiaries by altering the names using white fluid during the distribution of cheques without obtaining approval from the Divisional Director or other committee members, which resulted in irregular distribution of cheques amounting to Rs. 3.450 million, as detailed below:

(Rs. in Million)

S. No.	Office Name	No. of Changes	Amount	Remarks
1.	DD, Livestock, Killa Abdullah	25	1.875	Used white fluid
2.	DD, Livestock, Lasbela	21	1.575	Cutting
Total		46	3.450	

The lapse occurred due to weak internal controls.

The unauthorized changes made to the beneficiary list and the subsequent distribution of cheques to unentitled individuals resulted in misuse of authority and suspected misappropriation of funds.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, the Project Management informed that the Deputy Director's Livestock Killa Abdullah and Lesbela obtained approval from the Divisional Director for changes to the farmer list due to disagreements with the project's ToRs. The DAC directed the Divisional Directors of Kalat and Quetta to investigate this matter and submit a report to the PD/DG, and share copy to the Audit.

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

Audit recommends implementation of DAC directives.

23.6.9 Doubtful issuance of cheques on Debit vouchers – Rs. 1.490 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 and that he will be responsible for any loss arising from fraud or negligence on the part of any other Government Officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the CPA Audit of the KLFB, Project for the financial years 2019-24, irregularities in the bank statements of the Deputy Director Livestock, Nushki were revealed. Forty-one transactions amounting to Rs. 1.490 million were recorded on debit vouchers without corresponding cheque numbers. Additionally, several cheques were detached from the cheque folio, and disbursement lists and acknowledgment receipts for 200 farmers were missing from official records. The DDLS failed to provide justification for these omissions, resulting in unauthentic transactions and unverified lists.

The lapse may have resulted in project losses.

Payments made on debit vouchers without proper documentation indicated weak financial management.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, Management provided the response of the concerned officer, copies of which were presented to the forum. However, the reply lacked supporting evidence. The DAC directed management to provide verified copies of cheques, bank letters, and acknowledgment receipts for Audit verification.

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

Audit recommends implementation of DAC directives.

23.6.10 Non-availability of trails registers and supplied medicines and equipment – Rs. 7.862 million

According to the PC-I of the KLFP project, “all tagged or registered kids and lambs will receive free vaccinations and treatment. Additionally, all sheep and goats will be shorn using electrical shearing machines. The wool obtained from this process will be marketed, with the income benefiting livestock farmers. Mandatory vaccines and medicines will be procured from the prevailing market.”

During the CPA Audit of the KLFB, Project in Quetta for the financial years 2019-24, it was revealed that the PD supplied medicines and equipment amounting to Rs. 7.862 million to different districts. However, the deputy directors failed to maintain a proper trail register, claiming they did not receive financial assistance from the PD's office. It is important to note that these medicines and equipment were intended for tagged and registered animals. However, the deputy directors failed to register any animals, indicating that these supplies were not utilized as intended. Despite written requests for utilization reports or stock accounts, the concerned officers failed to respond. Further, the lack of a trail register suggested that the officers may not have been conducting project activities in the districts, citing the excuse of insufficient funds, as detailed below:

(Rs. in Million)			
S. No.	District	Description	Amount
1.	Jhal Magsi	Medicines	1.629
		Machinery and equipment's	2.302
2.	Jaffarabad	Medicines	1.629
		Machinery and equipment's	2.302
Total			7.862

Non-maintenance of proper record occurred due to weak internal controls.

Incurring of expenditure without fulfilling the prescribed procedure and codal formalities resulted in unverified expenditure.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, Management explained that due to the non-release of federal funds, financial assistance could not be provided to the concerned districts, resulting in the unavailability of the required reports. The DAC directed Management to request the LDDB, Islamabad, to

pursue the release of outstanding funds from the Federal Government to enable financial assistance to farmers.

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

Audit recommends implementation of DAC directives.

23.6.11 Under-achievement of weight gain of kids/lambs

According to the PC-I of the KLFP project, “the feasibility study indicated that animals would gain 90 to 110 grams per day.”

During the CPA audit of the KLFB project for the financial years 2019-24, it was revealed that in the Chagi district, the actual weight gain per animal was less than the projected amount, averaging 84 grams per day, which resulted in a net loss to the farmers of Rs. 1.836 million.

Irregularity occurred due to weak planning and ineffective execution.

Discrepancy between the projected weight gain per animal and the actual weight gain resulted in reduced income for farmers.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held on January 01 2025, Management provided the response of the concerned officer, which stated that the initial report contained an error due to the non-inclusion of 17 animals, and that the report had been subsequently rectified. The DAC directed management to provide the records of the remaining 17 animals to the Audit for verification.

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

Audit recommends implementation of DAC directives.

23.6.12 Irregular expenditure without uploading bid evaluation report and procurement plan on the BPPRA website – Rs. 35.288 million

As per Rule 40 (1) of BPPR, 2014, “Procuring Agencies shall announce and upload on Authority’s web the results of bid evaluation in the form of a report giving justification for acceptance of lowest evaluated bid, and reasons for non-acceptance of all other bids or rejection of each bid at least ten days prior to the award of procurement contract. A copy of the evaluation report shall be provided to any bidder who may request for the same”. Further, according to Rule 11 *ibid*, “For each financial year all Procuring Agencies shall prepare annual plans in detail for all their proposed procurements, determining the requirement of the Procuring Agency, within its available resources. The Procurements plans thus prepared shall be uploaded on Authority’s website and on websites of the respective procuring agency if available.”

During the CPA Audit of the KLFB, Project in Quetta for the financial years 2019-21, revealed that the management awarded contracts on account of purchase of medicines, equipment and machinery amounting to Rs. 35.288 million, but failed to upload the bid evaluation report and procurement plan on the official website of Balochistan Public Procurement regulatory authority.

The irregularity occurred due to weak procurement process.

Award of contracts without uploading evaluation report and procurement plan on BPPRA’s website transpired negligence on the part of management and resulted in mis-procurement.

The matter was reported to the department in October 2024, but no reply was received.

In the DAC meeting held in January 2025, the management stated that Evaluation Reports for Farm Equipment and Veterinary Medicine procurements (FY 2020-21) were uploaded on the BPPRA website. However, the Audit found that the TSE numbers provided did not match the requested year. The DAC

directed management to provide evidence of uploaded reports and relevant procurement plans and evaluation reports for Audit verification.

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

Audit recommends implementation of DAC directives.

23.7 Synthesis of the Panelists' take on the project

The panelists, being an integral part of the CPA, were involved at different stages of the Audit including evaluation of the project's performance. The following lines are dedicated to an analysis of the Panelists' opinion about the project, which has been detailed in **Annexure 23.4**:

Regarding the achievement of the project objectives and factors responsible for success and failure, the panelists were of the view that the resources employed by the project were not sufficient to successfully execute the project activities. This, coupled with a lack of proper monitoring and supervision, which was termed as "weakest area" and incomprehensive by the panelists, made it "impossible" to fatten 320,000 animals, spread across the province. Although the panelists were optimistic about the suitability of the project in Balochistan, which has enriched reserves of sheep and goat.

Three of the panelists raised their concern regarding irrational planning in the PC-I, according to which, the task of weighing the planned number of animals was impossible in the short span of time with the planned resources (06 persons for 10,000 animals in a district). Audit also raised this issue during the field activity, which revealed that the PC-I mandated fortnightly weight measurements of 10,000 animals. This would theoretically require 833 hours of work, or 139 hours per staff member per visit. However, project record indicated that the entire weighing process was completed in a single day, averaging 8.7 seconds per animal. The department offered justification that the LDDD, with a provincial network of CVHs and CVDs, utilized all the available resources, including its entire staff in districts, to achieve project targets under the direction of the provincial administration. This was necessary to meet project deadlines

and comply with federal authority involvement. The department is yet to justify this claim through documentary evidence.

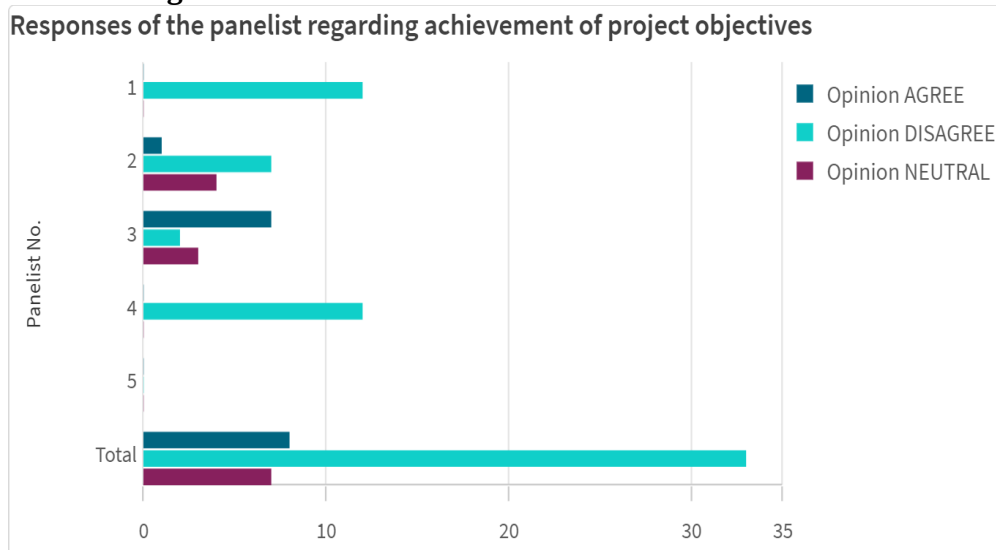
As far as achievements of the project are concerned, the panelists viewed that except temporary benefit to the selected farmers, there are no apparent achievements, however, a third-party validation can better assess the impact of the project. Besides, the project's reported achievement is apparently "its work on fattening of 290,000 small ruminants."

The panelists narrated various hurdles including insufficient funding and lack of evaluation to execute the intended technology transfer and financial assistance to the farmers, adding that transparency of procurement was beyond their scope, and stated that Audit was in a better position to gauge it. They also had mixed views about sufficiency of operation cost of 2.9%, with majority of the panelists stating that it was on the lower side.

When asked about evaluating the project in terms of its success as compared to similar projects the panelists were of the view that such projects including the Backyard Poultry Project failed in the past, while one of the panelists stated that KLFB was better than other such projects.

Besides, the panelists also contributed by filling up questionnaire, in which they were asked to opine on achievement of objectives, its impact, successful transfer of technology, and effectiveness of monitoring and evaluation. The results of the survey are illustrated in Figure 23.5.1 and detailed in **Annexure 23.5**.

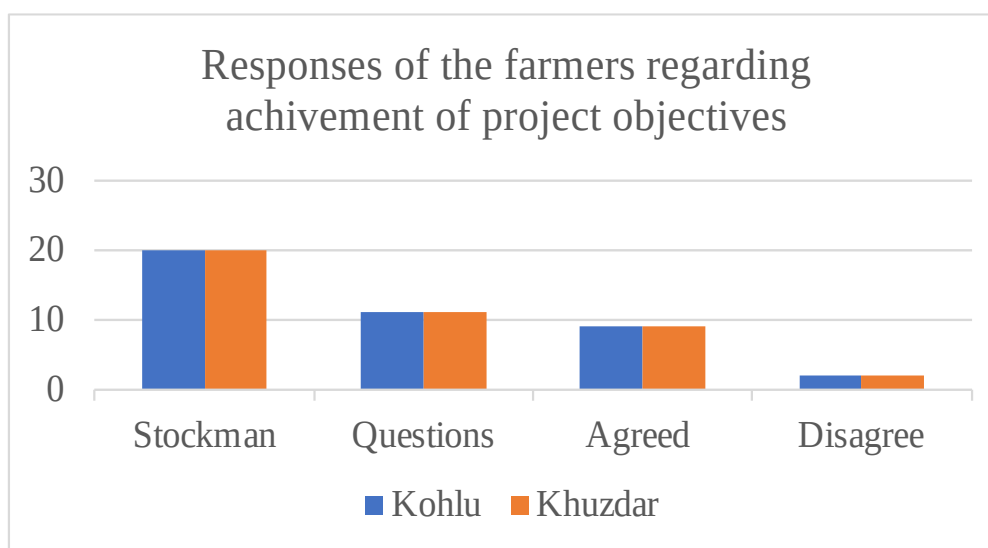
Figure 23.5.1



23.8 Feedback from beneficiary farmers:

In addition to involvement of panelists, Audit also obtained feedback of the farmers in the selected districts of Khuzdar and Kohlu. Twenty farmers were randomly selected in each of these districts, and questionnaires were administered to them. The beneficiaries confirmed through survey / questionnaires that they received funds, and successfully fattened and sold the animals, their family income improved with the project. The results of survey are illustrated in Figure 23.6.

Figure 23.6



23.9 CONCLUSION

The KLFB project was evaluated on three different fronts which included Panelists' take on the project, Citizens/ beneficiaries' feedback and Field Audit Activity. The panelists' identified both achievements and shortcomings of the project, with concerns raised regarding irrational planning, flawed PC-I, data limitations, funding constraints, monitoring weaknesses and transparency issues, while some of them termed the project better in delivering the benefits as compared to such projects in the past. The experts emphasized on a more comprehensive monitoring and evaluation system, resolving the funding issues, and initiating Phase-II with a realistic budget. Moreover, they stressed upon the need for a more transparent, comprehensive, and better-funded approach in the future.

The results of the survey conducted with the beneficiaries were encouraging. The project was able to achieve 86%⁷ success as per the survey. The beneficiaries confirmed that the project enhanced their knowledge and expertise, and provided financial assistance, which led them to successfully

⁷ Project KLFB, Project Progress report.

fatten and sell the animals on better rates, resulting in improvement of their family income.

During field activity, audit observed several key issues, which require immediate attention and corrective action. These include cost overruns, lack of third-party evaluation, flawed project planning, irregular procurement, issue of missing animals, unrealistic weight gain targets for animals, unauthorized changes in beneficiaries lists, doubtful cheque issuance, missing trial registers, underachievement of project goals, and non-compliance with procurement rules.

The feedback from farmers and views of the panelists regarding the achievements of the project were in disagreement, where the beneficiaries' feedback was favorable, while the panelists opinion was divided, with most of them identifying and commenting on the failure of the project to achieve its objectives. In order to cross-examine these opposing remarks, Audit strived through Field Audit Activity to determine the factual position. The audit results largely agreed with the opinion of the panelists, and observed that the project faced flaws in the planning and execution stages. These limitations including insufficient funding, weak M&E mechanism, discrepancies in project record and data, and a lack of third-party validation forced the audit to believe that the project was neither comprehensively planned nor judiciously executed. As far as the views of the citizens are concerned, these were not comprehensive and well informed, since they did receive financial assistance and awareness, but they had no idea about the other objectives of the project including technology transfer and increase in quality and quantity of mutton.

23.9.1 Key issues for future:

The following are key issues noted for future compliance:

- Conduct feasibility studies and develop a detailed PC-I with clear objectives, targets, timelines, and a budget before proceeding.
- Enhance the financial monitoring system to track fund utilization and prevent shortfalls.
- Reinforce M&E activities with regular visits, proper documentation, and data quality checks. Conduct a comprehensive terminal evaluation.

- Review and improve the beneficiary selection process to ensure fairness and transparency.
- Engage a qualified third-party evaluator for an objective assessment.
- Implement strong financial and internal controls, including bank reconciliations, proper documentation, and segregation of duties.
- Ensure that medicines and equipment are used for their intended purposes.
- Strengthen procurement procedures to ensure compliance with all relevant regulations.
- Enhance record-keeping and reporting to ensure accurate and timely reporting of vaccination data.

23.9.2 Lessons Learnt

The audit identified the following areas for improvement:

- Projects should not be undertaken without comprehensive feasibility studies, which assess project viability, identify potential risks, and inform a realistic and achievable project scope.
- The PC-I that outlines clear objectives, measurable targets, realistic timelines, and a comprehensive budget are destined to succeed if the implementation and monitoring and evaluation are robust.
- Implementation of strong internal controls, including regular bank reconciliations, proper documentation, and segregation of duties is important to minimize the risk of fraud and misuse of funds.
- Planning and execution of fair beneficiary selection process often ensure equitable access to project benefits.
- Strict adherence to all relevant procurement rules and regulations throughout the project lifecycle facilitates transparency and accountability.
- Developing a clear reporting framework ensures regular and comprehensive reporting of project progress and achievements.

ACKNOWLEDGEMENT

The Audit Management wishes to express special gratitude to the worthy panelists for their guidance and feedback, members of Civil Society for their dedicated participation and the staff and management of the KLFB project for their cooperation during the audit.

Annexure 1**MfDAC PARAS****(Rs. in Million)**

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
Agriculture Department					
1.	Deputy Director, Agricultural Engineering Department, Gwadar	5	2022-24	Irregular utilization of bulldozers hours on Cash Work without approval	6.89
2.	Deputy Director, Agricultural Engineering Department, Zhob	4	2023-24	Non-provision of Sales Tax returns of GST invoices	0.42
3.	Principal, Agriculture College, Panjgur	5	2023-24	Non deduction of income tax	0.419
4.	Director, Agriculture Procurement and Supplies (P&S), Quetta	2	2023-24	Irregular expenditure on POL due to non-maintenance of log books	1.083
5.	Deputy Director, OFWM, Nushki	7	2023-24	Non-obtaining of guarantee from contractors	1.614
6.	Deputy Director, On Farm Water Management, Washuk	2	2023-24	Difference of amount between sanction and execution of work	1.441
7.	Deputy Director,	3	2023-24	Non-reconciliation of expenditure resulting in variation of Rs.	26.774

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
	OFWM, Killa Abdullah				
8.	Deputy Director, OFWM, Pishin	5	2023-24	Non-deduction of conveyance allowance	0.6
9.	Deputy Director, OFWM, Duki	6	2023-24	Non-obtaining of guarantee from contractors	1.148
10.	Deputy Director, OFWM, Khuzdar	12	2023-24	Premature release of security deposit	2.969
11.	Deputy Director, OFWM, Jaffarabad	3	2023-24	Overpayment by allowing inadmissible/incorrect item of work	0.995
12.	DG Agriculture Engineering Balochistan	1	2023-24	Procedural error in drawl of dozer hire charges and less realization of farmer share	50
13.	DG Agriculture Engineering Balochistan	6	2023-24	Unjustified payment on account of procurement of Mobile Workshops	11.665
14.	DD, OFWM, Chaman	4	2023-24	Excess payment of security deposits to avoid lapse of budget	17.221
15.	DD, OFWM, Zhob	5	2023-24		13.78
16.	Principal, Agriculture College, Panjgur	3	2023-24	Irregular payment through DDO	7.289

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
17.	PD, National Agriculture Emergency Program to increase the Productivity and Profitability of Rice	2	2023-24	Procurement beyond PC-I provisions - Rs. 6.557 million	6.557
18.	Agriculture Engineer, Gwadar	2	2022-24	Irregular payment without inviting open tenders	1.610
19.	Principal, Agriculture College, Panjgur	4	2022-23		0.799
20.	Agriculture Engineer, Khuzdar	2	2022-23		1.381
21.	Director, ARV, Seeds, Quetta	2	2022-23		1.448
22.	Agriculture Engineer, Panjgur	2	2023-24		1.797
23.	Agriculture Engineer, Loralai		2023-24		0.777
Culture Department					
24.	Secretary, Culture, Tourism and Archives Department, GoB	2	2023-24	Non-submission of detailed vouched account of medical treatment	3

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
25.	Director, Archives, Balochistan, Quetta	5	2023-24	Less-deduction of GST	0.614
26.	Director, Archives, Balochistan, Quetta	9	2023-24	Award of contract without obtaining performance security	14.762
Board of Revenue					
27.	Deputy Commissioner, Surab,	2	2022-23	Non submission of verified/paid GST challan Rs. 1.719 million and recovery of Rs. 0.194 million	0.194
28.		4		Non submission of vouched accounts of abstract drawl Rs. 1.00 million	1.00
29.		8		Irregular expenditure due to non-maintaining of acquaintance rolls Rs. 14.72 million	14.72
30.	Deputy Commissioner, Dera Bugti	3	2022-23	Unauthorized expenditure	2.891
31.	Deputy Commissioner, Kohlu	6	2022-23	Unauthorized payment of in-admissible allowances	0.121
32.	Deputy Commissioner, Barkhan	1	2022-23	Non-registration of government vehicles	0
33.	Commissioner, Naseerabad	3	2022-23	Unauthorized expenditure beyond delegated financial power	1.977

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
34.		4	2022-23	Irregular conduct of sports event	0.789
35.		5	2022-23	Misclassification of expenditure and non-maintenance of stock account	1.012
36.	Deputy Commissioner, Sohbatpur	7	2022-23	Extending of undue favor to single vendor	4.507
37.	Deputy Commissioner, Naseerabad	2	2022-23	Pending liabilities of electricity charges QESCO	7.672
38.	Commissioner Rakhsan	1	2022-23	Overpayment due to allowing incorrect item of work	0.947
39.		6	2022-23	Irregular expenditure on repair of vehicles	1.370
40.	Senior Member Board of Revenue	3	2023-24	Doubtful expenditure due to procurement of different items from same vendor	6.027
41.		5	2022-23	Unauthorized drawl of conveyance allowance -	0.137
42.	Deputy Commissioner Washuk	1	2022-23	Unauthorized drawl of different allowances	1.841
43.	Deputy Commissioner SIBI	2	2023-24	Non-submission of vouched accounts of abstract drawl	14.863
44.		3	2023-24	Irregular expenditure by split up to avoid sanction of competent authority	3.34
45.		5	2023-24	Doubtful expenditure on account of hiring	3.600

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
				transport for elections - Rs. 3.600 million	
46.		6		Non-deduction of BSTS - 1.110 million	1.110
47.	Deputy Commissioner Loralai	6	2023-24	Drawl of inadmissible allowances	0.144
Balochistan Costal Development Authority					
48.	Balochistan Costal Development Authority	01	2022-23	Overpayment due to less deduction of premium	0.142
49.		02	2022-23	Overpayment due to wrong calculation	0.270
Quetta Development Authority					
50.	QDA	01	2022-23	Less receipts from Jabal-e-Noor parking	2.938
51.	QDA	18	2022-23	Irregular award of contract and non-Recovery of dues from the Family Park	0.922
Communication, Works, Physical Planning and Housing Department (CWPP&HD)					
52.	Building Division, Dera Bugti	5	2022-23	Overpayment due to no-accountal of available earth	0.127
53.	Building Division, Gwadar	02	2023-24	Excess deduction of security deposits	3.000
54.	Building Division, Duki	02	2023-24	Excess deduction of security deposits	23.600
55.	Executive Engineer (Building), Division Barkhan	3	2023-24	Irregular excess payment than work order - Rs. 2.549 million	2.549
56.	Executive Engineer,	4	2023-24	Overpayment due to inadmissible lead	3.790

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
	Maintenance Division I				
57.	Executive Engineer, Project Division - II, Quetta	7	2023-24	Unjustified advance payment	18.370
58.	Project Division-II, Quetta	1	2023-24	Overpayment due to allowing inadmissible / incorrect item/ higher rate	0.831
59.	Maintenance Division-II, Quetta	1	2023-24	Overpayment due to wrong calculations	8.698
60.	Maintenance Division-II Quetta	9	2023-24	Overpayment due to allowing inadmissible / incorrect item/ higher rate	0.986
61.	Project Division-I	4	2023-24	Overpayment due to excess quantities	3.069
62.	Building Killa Saifullah	3	2023-24	Overpayment due to wrong calculations	2
Forest Department					
63.	Deputy Conservator of Forest, Zhob	4	2022-23	Less/non-deduction of BSTS	0.199
Home Department					
64.	DG, Balochistan Levies Force		2023-24	Un-authorize award of contract for	95.001
65.	Inspector General, Prisons, GoB, (Superintendent Jail, Sibi)	3	2020-22	Irregular expenditure on repair of buildings	8.918

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
66.	DG, Levies Force	4	2023-24	Non-delivery of Ammunition	399.880
Irrigation Department					
67.	PD, Topak Storage Dam, Buleda, District Kech	3	2021-23	Irregular payments to South Welfare Foundation	92.263
68.	PD, Construction of 100 Dams in Balochistan	1	2021-22	Overpayments due to wrong calculations, inadmissible items, price adjustments and higher rates	33.295
69.	Killa Saifullah	3	2023-24	Overpayment due to non-utilization of available earth	22.972
70.	PD, Construction of Gishkaur Dam Project, Kech	3	2023-24	Irregular payment to WAPDA Model Studies Cell	8.116
71.	Drainage Irrigation Division, Kohlu	2	2022-23	Irregular expenditure without inviting tenders	1.903
72.	PE, Feasibility Study & Detailed Design of 08 Dams in Balochistan	5	2022-23		2.748
Education Department					
73.	VC, University of Mekran, Panjgur	4	2022-24	Non-deposit of Government Revenue - Rs 1.195 million	1.195
74.	GGHS, Rind Ali		2015-2023	Irregular expenditure due to non-constitution of Local	9.254
75.	GGHS, Bhag				10.227
76.	GGHS, Bhag				11.266

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
77.	GBHS, Jalal			Procurement Committee	7.639
78.	GBMHS, Dhadar				10.861
79.	GBHS Shoran				11.856
80.	GBHS Khattan				13.089
81.	District Education Officer/ Principals in Zhob		2022-23	Doubtful expenditure on cluster procurement of goods and services	12.409
82.	GBHS Jalal Khan, Shoran	5	2021-23	Non/Less deduction of BSTS	0.960
83.	Dhadar, Khattan, Bhag and GGHS Rind Ali, Bhag	9	2021-23	Non/Less deduction of stamp duty	0.234
84.	DEO Zhob	7	2021-23	Non/Less deduction of BSTS	0.281
85.	Secretary, Secondary Education	1	2021-23	Non/Less deduction of income tax	0.226
Health Department					
86.	CEO, BHCP, Quetta		2023-24	Loss due to higher premium rate - 429.935 million and award of contract without tender– Rs. 7,086.669 million	429.935
Gwadar Development Authority					
87.	Gwadar Development authority	1	2023-24	Non deduction of stamp duty	8.987
88.		2	2023-24	Non deduction of income tax	14.580
Finance Department					

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
89.	Secretary Finance Department	1	2022-23	Irregular and unjustified payment of cash award	58.161
90.	DG, T&A, Balochistan	7	2021-23	Rush of expenditure in the month of June	12.412
91.	Secretary Finance Department	7	2022-23	Irregular retention of CM Balochistan Turkia and Syria Relief Fund	5.902
Labour Department					
92.	Principal, WTTC, Quetta	3	2023-24	Irregular payment in the name of DDO	3.942
93.	Principal VTC, Naseerabad	6	2023-24		3.780
Livestock Department					
94.	Additional Principal Veterinary Officer at the Beef Research Centre, Sibi	7	2023-24	Irregular creation of financial liabilities	17.200
95.	Red Sindh Cattle Farm in Hub	6	2023-24	Loss due to illegal occupation of farmland	9.00
Planning & Development					
96.	ACS, P&D Department, GoB	1	2023-24	Irregular expenditure without calling open tenders	4.772
97.	PD, Development Packages, Quetta	2	2023-24	Non-realization of government taxes/duty	1.849
98.	ACS, P&D Department, GoB	8	2023-24		0.365

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
Police Department					
99.	RPO, Mekran and DPO, Gwadar	4	2023-24	Irregular payment through DDO	1.923
100.	DPO, Loralai	4	2023-24	Non-deduction of government taxes	1.811
101.	DIG Police, Quetta	4	2022-23	Non-registration of government vehicles	0
102.	DPO, Turbat and Gwadar	7	2022-23		0
103.	SP, Pishin, Zhob and Killa Abdullah	2	2022-23		0
104.	DPO, Sibi	6	2023-24		0
105.	DPO, Panjgur	6	2021-24		0
106.	DIG/Capital City Police Office, Quetta	5	2023-24		0
Public Health Engineering					
107.	MD, QWASA, Quetta	8	2022-23	Irregular expenditure on NSR without rate analysis	6.855
108.	MD, QWASA, Quetta	6	2022-23	Irregular expenditure due to allowing excess item of work	2.946
Services & General Administration Department					
109.	Estate Officer, S&GAD, GoB, Quetta	3,4,22	2022-24	Non-recovery of house rent from allottees	3.065
110.	S&GAD, GoB, Quetta	1,8	2023-24	Irregular allotment of vehicles to other departments and expenditure thereon	2.910
111.	Secretary, S&GAD	17	2022-23	Over-charging by contractor of multi-story car parking	1.200

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
112.	Secretary, S&GAD	23	2023-24	Unauthorized possession of government accommodation	0
Sports Department					
113.	DG, Sports, Balochistan, Quetta	6,7	2022-23	Non-deduction of conveyance allowance and government taxes	1.493
114.	DG, Sports, GoB	4	2022-23	Unjustified allotment of land to private school and loss of revenue thereon	0
UP&D Department					
115.	Executive Engineer UP&D Kech, Turbat	1	2023-24	Overpayment due to non-deduction of shrinkage allowance -	1.041
116.	UP&D Nasirabad	1	2023-24	Overpayment due to allowing inadmissible / incorrect higher rate and wrong calculation	1.351
117.		5	2023-24		0.219
118.		7	2023-24		0.443
119.		UP&D Kalat	2		2023-24
Culture Department					
120.	Director Culture Balochistan, Quetta	1	2023-24	Doubtful expenditure through DDO	1.500
121.	Director, Archives, Balochistan	05	2023-24	Non/less realization of GST	0.641
122.	Director, Culture and Tourism Balochistan	06	2023-24	Non/less realization of income tax	0.424
CM Secretariat					

S. No.	Name of department	Para No.	Financial year	Title of Para	Amount
123.	CM Secretariat	7,8	2023-24	Unjustified expenditure on Media Cell	68.226
Transport Department					
124.	Secretary, Transport Department	4	2023-24	Irregular expenditure due to split-up	2.237
Social Welfare Department					
125.	Secretary, Social Welfare Department	07	2023-24	Less/non-deduction of GST	0.210
126.	DG, Social Welfare Department	07	2023-24	Less/non-deduction of BST	1.936
127.	DG Balochistan	04	2023-24	Less/non-deduction of conveyance allowance and income tax & BST	0.840
128.	Charities Regulation Authorities, Quetta	05			0.600
129.		08			0.400
Industries Department					
130.	Executive Engineer, Industries and Commerce, Quetta	7	2023-24	Non-realization of stamp duty	2.151

Annexures

1.2.4 Excess expenditure on Pay and Allowances and Development budget - Rs. 597.068 million

Annexure 1.1.

(Rs. in Million)

Head Of Account	Budget	Expenditure	Variance
A01204-Sumptuary Allowance	19.569	19.993	- 0.425
A0120c-Clib Allowance	-	0.030	- 0.030
A0120d-Integrated Allowance	-	0.022	- 0.022
A0120h-Hair Cutting Allowance	0.003	0.187	- 0.184
A01213-Expatriation Allowance	-	0.003	- 0.003
A01218-Fixed Contingent/Stationary Allowance	0.150	0.151	- 0.001
A01219-Foreign Allowance	-	0.021	- 0.021
A0121n-Personal Allowance	1.884	2.024	- 0.139
A0121q-Audit And Accounts Allowance	0.335	0.994	- 0.659
A0121w-Counter Terrorism Allowance	567.109	572.338	- 5.229
A01227-Project Allowance	0.043	0.175	- 0.131
A0122h-Chief Minister's Office Special Allowance	157.291	157.439	- 0.149
A0122m-Adhoc Relief Allowance 2016	0.110	0.658	- 0.548
A0122y-Ad-Hoc Relief Allowance 2017	0.251	0.470	- 0.218
A01232-Performance Evaluation Allowance	0.002	0.004	- 0.002
A01233-Unattractive Area Allowance	0.120	0.135	- 0.016
A0123b-Fixed Anti-Corruption Allowance	0.050	0.053	- 0.003
A0123e-Executive Allowance	1.530	1.841	- 0.311
A0123g-Ad-Hoc Relief Allowance-2018	0.183	0.443	- 0.261

Head Of Account	Budget	Expenditure	Variance
A0123p-Adhoc-Relief A 2019	0.149	0.328	- 0.179
A01246-Indexed Conveyance Allowance	-	0.001	- 0.001
A01247-Nab Allowance	-	0.005	- 0.005
A01257-Rc Allowance	0.148	0.184	- 0.036
A01258-President/Pm/Parliament House Allowance	-	0.004	- 0.004
A01259-Fuel Allowance	0.222	0.462	- 0.239
A0125b-Special Balochistan Allowance	12.725	56.014	- 43.289
A0125c-Field Allowance (PAS/PSP)	14.580	62.871	- 48.291
A01264-Technical Allowance	16.994	17.379	- 0.385
A01266-Disturbance Allowance	0.093	0.110	- 0.017
A01299-Others	1,641.097	1,786.350	- 145.253
A012ab-Spl Message allowance	0.051	0.129	- 0.078
A03825-Travelling Allowance	0.003	0.115	- 0.112
Total	2,434.691	2,680.933	- 246.242

Fund Center	Budget	Expenditure	Variance
BE7019 - Deputy Conservator Forest Barkhan	0.000	0.363	-3.630
DB7036 - District Sports Office Dera Bugti	0.000	0.028	-0.276
GR7030 - Executive Engineer PHE Division Gawadar	0.000	0.041	-0.409
KI7026 - Divisional Forest Officer Kachhi	0.000	0.158	-1.575
KR7158 - Medical College Khuzdar	0.000	18.800	-188.000
KR7166 - Regional Mohtasib Office Khuzdar	0.059	0.124	-0.660

Fund Center	Budget	Expenditure	Variance
LI7057 - Urban / Rural Community & Training	0.000	0.078	-0.780
LI7137 - Medical College Loralai	0.000	55.300	-553.000
MU7093 - Special Education Complex Kalat division At Mastung	0.000	0.007	-0.065
MU7101 - Superintending Engineer Mastung	0.000	0.240	-2.400
QA7005 - Minister & Their Staff	42.600	44.100	-15.000
QA7012 - Provincial Assembly (Charged)	0.417	0.916	-4.991
QA7022 - Provincial Assembly Secretariat (Charged	1.428	1.477	-0.493
QA7034 - Senior Civil Judge Quetta	4.515	4.611	-0.960
QA7250 - SSP/CTD- Quetta	0.000	0.174	-1.737
QA7295 - Provincial Mohtasib Office Quetta	8.784	10.078	-12.945
QA7429 - Chief Conservator Of Forests (South)	0.000	0.097	-0.966
QA7447 - (50) Bedded Hospital Kuchlak	0.070	0.419	-3.488
QA7688 - Chief Pilot Office Governor Aircraft	10.009	10.355	-3.458
QA7757 - Planning Cell (Old Ddo Qa7069)	0.000	3.500	-35.000
QA7925 - Information Technology	0.000	0.840	-8.400
QA7925 - Information Technology	0.000	15.013	-150.129
QA7970 - Home & Tribal Affairs	1.166	2.771	-16.046
QD7025 - Rural Community Centers Chaman District	0.000	0.234	-2.340
SB7008 - Rural Community Center Surab	0.000	0.123	-1.235
TB7217 - Medical College Turbat	0.000	27.078	-270.779
Total	69.048	196.924	-1,278.761

No. and Name of the Grant	Final Grant	Expenditure	Excess
BC12201-Services & General Administration	1,634.451	1,655.478	21.027
BC12207-Administration of Justice	0	99.986	99.986
BC12214-Public Health Services Department	13,254.221	13,356.158	101.937
Total	14,888.672	15,111.622	222.950

2.2.1 Irregular expenditure on development schemes - Rs. 1,012.042 million

**Annexure 2.1
(Rs. in Million)**

S. No.	Name of Offices	AIR Para No.	Amount
1.	DD, OFWM, Barkhan	1	14.851
2.	DD, OFWM, Duki	1	25.221
3.	DD, OFWM, Harnai	1	9.497
4.	DD, OFWM, Chaghi	1	203.718
5.	DD, OFWM, Khuzdar	1,4	71.380
6.	DD, OFWM, Kohlu	1	26.114
7.	DD, OFWM, Kalat	1	17.830
8.	DD, OFWM, Naseerabad	1	13.180
9.	DD, OFWM, Panjgur	1,4	33.746

S. No.	Name of Offices	AIR Para No.	Amount
10.	DD, OFWM, Washuk	7	14.599
11.	DD, OFWM, Killa Abdullah	1	272.717
12.	DD, OFWM, Kachi	1	24.667
13.	DD, OFWM, Zhob	1	131.84
14.	DD, OFWM, Sohbatpur	1	143.119
15.	DD, OFWM, Surab	1	9.563
Total			1012.0421

2.2.3 Non/less realization of targeted revenue - Rs. 568.125 million

Annexure 2.2 (Rs. in Million)

S. No.	Name of Office	AIR Para No.	Amount
1.	Agricultural Engineer, Ziarat	1	8.243
2.	Agricultural Engineer, Killa Saifullah	1,2	1.588
3.	Agriculture Engineer, Jhal Magsi	2	1.537
4.	Agriculture Engineer, Kohlu	4	15.977
5.	Agriculture Engineer, Sibi	2,3	19.084
6.	Agriculture Engineer, Kachi	5	0.471
7.	Agriculture Engineer, Mastung	1,5	13.505
8.	Agricultural Engineer, Kalat	1,3	0.229

S. No.	Name of Office	AIR Para No.	Amount
9.	Agriculture Engineer, Panjgur	3,4,5	29.399
10.	Director, DDF, Panjgur	6	1.359
11.	Agriculture Engineer, Pishin	2	2.56
12.	Agriculture Engineer, Khuzdar	2,3	20.359
13.	Agriculture Engineer, Gawader	4	0.994
14.	Agriculture Engineer, Loralai	1,4	1.2779
15.	Agriculture Engineer, Zhob	1,2,5	20.387
16.	Agriculture Engineer, Killa Saifullah	1	35.045
17.	DG, Agricultural (Engineering)	2	365.407
18.	Agriculture Engineer, Quetta	7,9	30.703
Total			568.125

2.2.5 Non-recording/provision of farmers' share on executed works – Rs. 138.810 million

**Annexure 2.3
(Rs. in Million)**

S. No.	Name of Office	AIR Para No.	Amount	Farmer Share
1	DD, OFWM, Nushki	4	13.036	3.259
2	DD, OFWM, Washuk	6	4.394	1.098
3	DD, OFWM, Killa Abdullah	5	3.978	1.326
4	DD, OFWM, Pishin	3	11.564	2.89

S. No.	Name of Office	AIR Para No.	Amount	Farmer Share
5	DD, OFWM, Kachi	3	24.667	8.222
6	DD, OFWM, Barkhan	5	16.517	4.129
7	DD, OFWM, Duki	7	12.674	3.168
8	DD, OFWM, Harnai	3	7.215	1.803
9	DD, OFWM, Kalat	4	43.735	10.933
10	DD, OFWM, Chagai	3	10.54	3.51
11	DD, OFWM, Killa saifullah	3	39.097	13.116
12	DD, OFWM, Loralai	4	9.337	2.334
13	DD, OFWM, Sherani	4	22.684	5.606
14	DD, OFWM, Ziarat	2	37.208	9.302
15	DD, OFWM, Khuzdar	6	31.78	0.87
16	DD, OFWM, Dera bughti	3	14.626	4.874
17	DD, OFWM, Sohbat Pur	5	190.8	47.7
18	DD, OFWM, Jaffarabad	4	10.072	2.516
19	DD, OFWM, Kohlu	5	4.12	1.374
20	DD, OFWM, Naseerabad	3	5.311	1.77
21	DD, OFWM, Jhal Magsi	4	17.034	5.767
22	DD, OFWM, Surab	2	10.14	3.243
Total			540.529	138.81

2.2.8 Non-recovery of cost of motorcycles - Rs. 62.198 million

Annexure 2.4
(Rs. in million)

S. No.	Name of Office	NO of Motorcycles	Total Cost	Installments recovered	Outstanding Amount
1	DGA Extension	38	5.47	1.31	4.17
2	DDA Extension Quetta	30	4.32	2.72	1.60
3	DDA Extension Mastung	15	2.16	1.07	1.09
4	DDA Extension Pishin	32	4.61	0.43	4.18
5	DDA Extension Kohlu	6	0.86	0.26	0.60
6	DDA Extension Jaffarabad	20	2.88	0.42	2.46
7	DDA Extension Gwadar	10	1.44	0.71	0.73
8	DDA Extension Noshki	14	2.02	1.95	0.07
9	DDA Extension Awaran	12	1.73	0.67	1.06
10	DDA Extension Barkhan	11	1.58	0.14	1.44
11	DDA Extension Chagai	10	1.44	0.04	1.40
12	DDA Extension Dera Bugti	9	1.30	0.24	1.05
13	DDA Extension Harnai	11	1.58	0.14	1.44
14	DDA Extension Jhal Magsi	13	1.87	0.23	1.65
15	DDA Extension Turbat	30	4.32	-	4.32
16	DDA Date Farm Turbat	2	0.29	0.14	0.14
17	DDA Extension Kharan	22	3.17	-	3.17
18	DDA Extension Khuzdar	25	3.60	-	3.60
19	DDA Extension Kalat	18	2.59	-	2.59

S. No.	Name of Office	NO of Motorcycles	Total Cost	Installments recovered	Outstanding Amount
20	DDA Extension Kachhi at Dhadar	15	2.16	0.74	1.42
21	DDA Extension Killa Abdullah	26	3.74	0.78	2.97
22	DDA Extension Killa Saifullah	18	2.59	0.70	1.89
23	DDA Extension Uthal	25	3.60	0.29	3.31
24	DDA Extension Loralai	15	2.16	1.18	0.98
25	DDA Extension Musa Khail	10	1.44	1.02	0.42
26	DDA Extension Naseerabad	25	3.60	1.86	1.74
27	DDA Extension Panjgur	27	3.89	-	3.89
28	DDA Extension Sibi	21	3.02	0.29	2.74
29	DDA Extension Sherani	4	0.58	-	0.58
30	DDA Extension Surab	2	0.29	-	0.29
31	DDA Extension Shohbatpur	7	1.01	0.10	0.91
32	DDA Gidder Farm Surab	2	0.29	-	0.29
33	DDA Extension Washuk	12	1.73	-	1.73
34	DDA Extension Zhob	8	1.15	0.29	0.86
35	DDA Extension Ziarat	10	1.44	-	1.44
Total		555	79.92	17.72	62.20

2.2.9 Non/less realization of government taxes - Rs. 44.989 million

Annexure 2.5
(Rs. in Million)

S. No.	Name of Offices	AIR Para No.	F.Y	Amount	BST deductible	BST deducted	BST Less deducted
1	Agricultural Engineer, Killa Saifullah	4	2022-23	1.61	0.242	0	0.242
2	DDF, Panjgur	9	2020-23	5.667	0.893	0	0.893
3	Agriculture Engineer, Gwadar	1	2022-24	2.238	0.349	0.069	0.279
4	Agricultural Engineer, Loralai	3	2023-24	3.2831	0.493	0	0.493
5	Deputy Director, OFWM, Sohbatpur	2	2022-23	99.645	14.942	5.975	8.967
6	Deputy Director OFWM, Kohlu	4	2023-24	21.994	1.317	0.844	0.473
GST							
S. No.	Name of Offices	AIR Para No.	F.Y	Amount	GST deductible	GST deducted	GST Less deducted
1	DDF, Panjgur	9	2020-23	5.667	0.026	0	0.026
2	DD, OFWM, Duki,	4	2023-24	1.722	0.31	0	0.31
Duty							

S. No.	Name of Offices	AIR Para No.	F.Y	Amount	BST deductible	BST deducted	BST Less deducted
S. No.	Name of Offices	AIR Para No.	Financial year	Amount	Duty payable	Duty paid	Duty Less Paid
1	DD, OFWM, Duki,	2	2023-24	25.221	0.064	0	0.064
2	Deputy Director OFWM, Noshki	5	2023-24	110.384	0.275	0	0.275
3	Deputy Director, OFWM, Kuzdar	9	2023-24	71.38	0.18	0	0.18
4	Deputy Director, OFWM, Kharan	3	2023-24	51.906	0.129	0	0.129
5	Deputy Director, OFWM, Pishin	6	2023-24	24.514	0.061	0	0.061
Income tax							
S. No.	Name of Offices	AIR Para No.	Financial year	Amount	I.T deductible	I.T deducted	I.T Less deducted
1	Deputy Director, OFWM, Sohbatpur	2	2022-23	99.645	9.9985	7.47	2.5285
2	Deputy Director OFWM, Kohlu	4	2023-24	26.114	2.087	0	2.087

S. No.	Name of Offices	AIR Para No.	F.Y	Amount	BST deductible	BST deducted	BST Less deducted
3	Deputy Director OFWM, Killa Abdullah	4	2023-24	217.53	17.4	0	17.4
4	Deputy Director OFWM, Chaghai	2	2023-24	10.54	0.84	0	0.84
5	Deputy Director OFWM, Sherani	3	2023-24	20.161	1.613	0	1.613
6	Deputy Director OFWM, Zhob	2	2023-24	98.302	7.864	0	7.864
7	Deputy Director, On Farm Water Management, Naseerabad	4	2023-24	13.18	1.053	0.948	0.105
8	Deputy Director, OFWM, Kuzdar	9	2023-24	40.277	3.165	3.006	0.16
Total				950.980	63.301	18.312	44.989

3.2.1 Irregular retention of unutilized funds in dormant and inactive bank accounts – Rs. 4,774 million

Annexure 3.1
(Rs. in Million)

S. No.	District	Total No. of Accounts	Total Amount	Total No. of Dormant Accounts	Amount in Dormant Accounts	Total No. of Inactive Accounts	Amount in Inactive Accounts
1	Quetta	33	176.082	16	110.751	7	17.336
2	Awaran	10	604.941	5	31.622		
3	Barkhan	2	23.897	1	12.388		
4	Chaman	3	91.517	2	0.011		
5	Chaghi	14	80.293	8	17.907		
6	Dera Bugti	1	25.820	1	25.820		
7	Dera Murad Jamali	5	5.401	3	5.384	1	0.001
8	Dhaddar (Kachi)	3	32.967	3	32.967		
9	Duki	1	7.619	-	-		
10	Gandawa (Jhal Magsi)	4	122.709	3	18.955		
11	Gwadar	50	14532.294	23	3705.536	3	14.197
12	Harnai	1	17.495	-	-		
13	Hub	7	2.473	4	1.280		
14	Kalat	10	871.048	7	17.827		
15	Kharan	4	16.067	2	0.737		
16	Khuzdar	21	1135.254	12	88.970	4	1.793
17	Killa Saifullah	7	353.843	6	347.165		
18	Kohlu	2	67.974	2	67.974		

S. No.	District	Total No. of Accounts	Total Amount	Total No. of Dormant Accounts	Amount in Dormant Accounts	Total No. of Inactive Accounts	Amount in Inactive Accounts
19	Lasbela	2	13.898	1	13.883	1	0.015
20	Loralai	11	73.197	5	43.317	2	4.494
21	Mastung	5	3.916	2	0.001		
22	Musakhel	2	51.004	-	-		
23	Nushki	2	3.506	1	0.919		
24	Panjgur	11	26.699	6	1.086	3	0.177
25	Pishin	6	466.763	4	4.228		
26	Sibi	19	50.029	12	0.361	3	0.121
27	Sohbatpur	1	0.041	-	-	1	0.041
28	Sikandarabad (Surab)	1	1000.841	-	-		
29	Turbat	32	1070.360	19	40.082	4	4.069
30	Usta Muhammad	7	0.114	7	0.114		
31	Uthal	11	2097.556	3	1.974	2	0.302
32	Washuk	1	49.166	-	-		
33	Zhob	7	629.743	2	81.486	1	0.002
34	Ziarat	7	66.170	4	4.219	1	54.444
Total		303	23,770.697	164	4,676.964	33	96.992

3.2.2 Less / Non achievement of revenue targets - Rs. 4,329.002 million

Annexure 3.2

(Rs. in Million)

S. No.	Name of Offices	Year	AIR Para No.	Target	Achieved	Outstanding Amount
1	DC, Mastung	2022-23	1	35.35	6.881	28.468
2	DC, Kalat	2022-23	1	28.55	1.299	27.55
3	DC, Chagai	2022-23	4	0.252	0	0.252
4	DC, Dera Bugti	2022-23	4	16.6	1.252	15.350
5	DC, Kohlu	2022-23	2	20	0	20
6	DC, Kachi	2022-23	5	0.5	0	0.5
7	DC, Sohbatpur	2022-23	1	21.712	4.286	17.426
8	DC, Surab	2022-23	1	26.15	0	26.15
9	DC, Sherani	2022-23	4	20.045	0	7.560
10	DC, Musakhel	2022-23	4	20.045	0	20.045
11	DC, Duki	2022-23	4	20.000	0	20.000
12	DC, Qila Abdullah	2022-23	6	20.00	0	20.00
13	SMBR, (Land Revenue, Stamp duty, Non tax revenue)	2022-23	1	2998.800	1573.230	1426.00

S. No.	Name of Offices	Year	AIR Para No.	Target	Achieved	Outstanding Amount
14	DC, Killa Saifullah	2023-24	1	75.210	0	75.210
15	DC, Killa Saifullah	2023-24	2	0.490	0.364	0.126
16	DC, Hub	2022-24	1	97.224	6.809	90.415
17	DC, Hub	2022-24	2	15.453	0.809	14.644
18	DC, Panjgur	2022-24	7	33.305	0	33.305
19	DC, Zhob	2023-24	1	59.750	2.643	57.107
20	DC, Zhob	2023-24	3	0.488	0.177	0.311
21	DC, Sibi	2023-24	1	1.020	0.630	0.390
22	SMBR, (Land Revenue, Stamp duty, Non tax revenue)	2023-24	2	3,632.583	1,211.780	2,420.800
23	DC, Mastung	2023-24	1	0.958	0	0.958
24	DC, Loralai	2023-24	3	11.235	4.800	6.435
Total						4,329.002

3.2.3 Irregular expenditure due to split-up - Rs. 178.052 million

Annexure 3.3
(Rs. in Million)

S. No.	Name of Offices	Financial Year	AIR Para No.	Amount
1	DC, Chagai	2022-23	1	12.483
2	DC, Kohlu	2022-23	1	3.500
3	DC, Naseerabad	2022-23	1	2.000
4	DC, Gwadar	2022-23	4	1.500
5	DC, Dera Bugti	2022-23	6	6.013
6	DC, Pishin	2022-23	1	4.809
7	DC, Sherani	2022-23	2	37.82
8	DC, Musa Khel	2022-23	2	26.185
9	DC, Duki	2022-23	2	22.736
10	Commissioner, Zhob	2022-23	1	1.997
11	DC, Qila Abdullah	2022-23	2,8	6.100
12	SMBR, Balochistan	2022-23	3,4	11.344
13	Commissioner, Rakshan	2022-23	5	1.443
14	DC, Chagai	2022-23	6	1.490
15	DC, Sohbat Pur	2022-23	6	1.980
16	DC, Washuk	2022-23	3	1.155
17	DC, Sherani	2022-23	6	1.494
18	DC, Qila Abdullah	2022-23	4,5	2.215

S. No.	Name of Offices	Financial Year	AIR Para No.	Amount
19	DC, Dera Bugti	2022-23	3	2.891
20	DC, Surab	2023-24	4	3.000
21	DC, Panjgur	2022-24	3	2.000
22	Commissioner, Zhob	2023-24	2	0.700
23	DC, Surab	2023-24	2	1.500
24	DC, Kalat	2023-24	1,4	10.826
25	DC, Hub	2022-24	3	4.843
26	SMBR, Balochistan	2023-24	4	1.418
27	Commissioner, Sibi	2023-24	3,4	4.610
Total				178.052

3.2.6 Non-deduction of Government taxes - Rs. 45.722 million

Annexure 3.4 (Rs. in Million)

S. No.	Name of Offices	Year	AIR Para No.	BSTS	IT	GST
1	DC, Sorab	2022-23	2	-	-	0.194
2	DC, Kalat	2022-23	2	-	-	0.784
3	DC, Mastung	2022-23	1	-	-	0.181
4	DC, Kachi	2022-23	1	1.194	-	-

5	DC, Kachi	2022-23	1	-	0.513	-
6	Commissioner, Zhob	2022-23	2	0.389	-	-
7	SMBR	2022-23	9	19.108	-	
8	SMBR	2022-23	10	-	14.909	-
9	DC, Qila Abdullah	2022-23	3	-	0.214	
10	DC, Killa Saifullah	2023-24	4	0.300	-	-
11	DC, Gwadar	2023-24	4		0.236	
12	Commissioner, Zhob	2023-24	1	0.221		
13	SMBR	2023-24	5	3.857	3.120	
14	DC, Loralai	2023-24	5	0.502		
Total				45.722		

3.2.9 Doubtful drawal of payments – Rs. 51.931 million

Annexure 3.5
(Rs. in million)

S. No.	G/L	G/L Description	Cost Center	Cost Center Description	Amount
1	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.638
2	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.613
3	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.534
4	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.565
5	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.629
6	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.592
7	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.544
8	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.628
9	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.052
10	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.666

S. No.	G/L	G/L Description	Cost Center	Cost Center Description	Amount
11	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.669
12	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.729
13	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.271
14	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.469
15	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.744
16	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.749
17	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7012	LEVIES PROPER KILLA ABDULLAH	0.415
19	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7200	D.C.O. (EXP: HOME DEPARTMENT)	5.846
20	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7200	D.C.O. (EXP: HOME DEPARTMENT)	5.026
21	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7200	D.C.O. (EXP: HOME DEPARTMENT)	4.102
22	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7200	D.C.O. (EXP: HOME DEPARTMENT)	4.712

S. No.	G/L	G/L Description	Cost Center	Cost Center Description	Amount
23	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7200	D.C.O. (EXP: HOME DEPARTMENT)	2.352
24	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7200	D.C.O. (EXP: HOME DEPARTMENT)	8.276
25	A03807	P.O.L Charges A. planes H.coptors S.Cars M/C (Govt.	QD7200	D.C.O. (EXP: HOME DEPARTMENT)	5.797
26	A03807	P.O.L CHARGES A. PLANES H.COPTORS S.CAR	QD7015	DC Proper	6.300
Total					51.931

CWPP&H Department

4.2.2 Time-overflow and non-imposition of penalties - Rs. 369.026 million

**Annexure 4.1
(Rs. in million)**

S. No.	Name of division	AIR#, F.Y	Amount (Rs. in Million)	Stipulated date of completion	Actual date of completion	Delay (days)	Penalty
1	Bolan	1, 2022-23	508.821	30.06.2022	In progress	360	50.8821
2	Duki	3, 2023-24	116	19.02.2023	In progress	491	11.671
3	Gwadar	3, 2023-24	361.154	30.06.2024	In progress	1,800	36.1154
4	Jaffarabad	4, 2023-24	33.502	30.06.2024	In progress	-	3.35
5		1, 2023-24	43.766	30.06.2024	In progress	In progress	4.3766
6	Kharan	4, 2023-24	55.432	30.06.2023	In progress	360	6.574
7	Khuzdar	1, 2023-24	181.569	30.06.2023	In progress	360	18.1569
8		1, 2022-23	160.753	30.06.2022	In progress	720	16.0753
9	Kohlu	4, 2022-23	12.332	30.6.2022	30.6.2023	360	1.233
10		3, 2022-23	9.38	30.06.2016	In progress	2880	0.938
11	Lesbella	3, 2023-24	312.407	15.06.2023, 24.10.2023 & 30.06.2023	In progress	360, 240 & 360	31.241

S. No.	Name of division	AIR#, F.Y	Amount (Rs. in Million)	Stipulated date of completion	Actual date of completion	Delay (days)	Penalty
12	Maintenance Division-III	3, 2023-24	89.082	30.06.2017	In progress	2520	8.9082
13	Naseerabad	1, 2023-24	83.403	30.06.2021 & 30.01.2024	In progress	1,080 & 180	8.34
14		3, 2023-24	75.382	12.04.2023	In progress	438	7.5382
15	Pishin	4, 2023-24	639.304	10.02.2024	In progress	150	63.93
16		4, 2023-24	63.93	10.02.2024	In progress	140	6.393
17	Project Division-II	6, 2023-24	181.476	30.12.2023	In progress	180	18.147
18	Quetta	5, 2023-24	48.515	30.12.2018	In progress	1,980	4.851
19	Sherani Division i/c Town Project Sherani	8,9, 2022-23	97.223	30.06.2017 & 30.6.2019	30.06.2024	2,160 & 1,800	9.722
20	Sohbatpur	4, 2022-23	198.02	30.06.2023	In progress	360	19.802
21	Surab	2, 2022-23	250	30.06.2024	In progress	-	25
22	Washuk	5, 2023-24	153.508	30.06.2018	In progress	2,160	15.3508
23	Ziarat	1, 2023-24	4.302	12.02.2022	In progress	858	0.4302
Total			3679.26				369.026

4.3.4 Non/less deduction of government taxes - Rs. 85.641 Million

Annexure 4.2
(Rs. in million)

S. No.	Name of office	AIR Para No.	Paid Amount	Income Tax	BSTS	Stamp Duty	Total
Financial year 2022-23							
1	Roads, Bolan	9	20.327	0.858	0	1.222	2.080
2	Roads, Kalat	1	16	1.28	0	0	1.280
3	Roads, Ziarat	2	29.667	2.077	1.779	0	3.856
4	Roads, Musakhail	1, 5	257.987	19.422	0	0	19.422
5	Roads, Dera Bugti	5	64.122	8.335	0	0	8.335
6	Roads, Chaman	1, 5	33.958	0	1.353	1.775	3.128
7	Roads, Barkhan	1, 5	6.938	2.585	2.216	1.358	6.159
Financial year 2023-24							
8	Roads, Ziarat	7	1,290.112	0	0	3.222	3.222
9	Roads, Killa Saifullah	2	121.451	0	2.64	0	2.640
10	PD, Dirgai Shabozai to Taunsa Sharif Road	7	1,506.329	0	0	3.765	3.765
11	Roads, Pishin	3	123.092	2.055	0	0.869	2.924
12	Roads, Lasbella	2	2,392.732	0	0	5.982	5.982
13	Roads, Loralai	2	21.087	0	0	0.827	0.827
14	Roads, Kharan	7	20.136	1.61	0	0.000	1.610
15	Roads, Sibi	7	97.355	7.788	3.894	0.000	11.682
16	Roads, Sibi	9	649.135	0	0	1.622	1.622

S. No.	Name of office	AIR Para No.	Paid Amount	Income Tax	BSTS	Stamp Duty	Total
17	Roads, Washuk	5	26.573	2.126	1.594	0.000	3.720
18	Roads, Washuk	8	1,355.17	0	0	3.387	3.387
Total			8,032.171	48.136	13.476	24.029	85.641

5.2.12 Illegal retention/occupation of university accommodation

Annexure 5.1

S. No.	Name of officers	Department	House No.	Allotment Order	Status
1	Mr. Ghulam Abbas Zehri Husband of Ms. Mussarat Jabeen Ex-Lecturer	Psychology Department	18	D-5	Illegally Occupied
2	Mr. Khudaaid Khan. Admn; Officer. (R.T.D.)	Pak. Study Center.	18	D-22	Illegally occupied by him after retirement
3	Mr. Zainullah Janan (Late) (Z335), Ex-Director	Directorate of Sports	19	D-38	Widow (Mst. Zubaida Janan) was allowed to reside therein for 05-years till 18-05-2022.
4	Dr. Muhammad Alam Tareen (M662), Professor	Sociology Department	20	D-41	Allotted B-12, waiting for the Renovation of House
5	Ahmed Shah	CEM	18	Duplex-9	Illegally occupied by Mr. Ahmed Shah.

S. No.	Name of officers	Department	House No.	Allotment Order	Status
6	Dr. Ali Akber (A1757), Associate Professor	Microbiology Department	20	Flat-24	Left the University and vacated the Flat without informing Estate office
7	Illegally occupied by Rodain khan Rodini , Lecturer	IMS		E-48	Illegally occupied by Mr. Rodain Khan Rodani, Lecturer in IMS
8	Occupied by Amir Jan Bugti, Assistant	Conduct Branch		F-3	Occupied by Mr. Ameer Jan Bugti, Assistant
9	Occupied by Vijay Massih, Sweeper	Boys Hostel		G-71	Illegally occupied by Mr. Vijay Masih, Sweeper, Boys Hostel

Finance Department

7.2.1 Non-utilization of funds for the intended purpose - Rs. 14,585 million

Annexure 7.1 (Rs. in Million)

S. No.	Description	Purpose of the funds	Amount Invested	Profit earned	Closing
1	Viability GAP Fund	For financial support and bridge financing in projects acquired through PPP Unit (FD, GoB).	1,251.52	114.96	1,366.29
2	Offender Rehabilitation and	For rehabilitation of prisoners through Home Department.	625.76	47.49	673.06

S. No.	Description	Purpose of the funds	Amount Invested	Profit earned	Closing
	social integration fund (ORASIF)				
3	Balochistan Special Persons support Fund (KUMAK)	For capacity building and support of disabled persons through Social Welfare Department.	2,034.83	324.05	2,358.88
4	Food Security Fund	To cater for the Government's liability arising from Procurement of Wheat and interest repayment liability on loans acquired by Food Department from commercial banks.	2,065.39	67.01	2,132.39
5	Balochistan Employees Housing Finance Fund	For interest free construction loan to the employees of Civil Secretariat through S&GAD.	3,000	444.25	3,444.25
6	Balochistan Enterprise Development Fund	For interest free small business loan to youth of Balochistan.	2,000	282.26	2,281.25
7	Balochistan Fisherman Welfare Endowment Fund	For interest free loans with the help of commercial banks for financial support of fishermen of Balochistan through Fisheries Department.	1,000	137.34	1,137.34

S. No.	Description	Purpose of the funds	Amount Invested	Profit earned	Closing
8	Balochistan Minorities Welfare Fund	For the welfare of minorities.	500	64.11	563.89
9	Balochistan Women Economic empowerment Fund	For economic capacity building and support of women of Balochistan through Women Development Department.	500	70.63	570.63
10	Balochistan Lawyers welfare Endowment Fund	For educational support of families of martyred lawyers through Balochistan High court.	50	7.06	57.03
Total			13,027	1,559	14,585

Health Department

9.2.3 Irregular expenditure by split-up to avoid open tenders – Rs. 690.450 million

Annexure 9.1
(Rs. in million)

S. No.	AIR Para No.	Name of Office	Financial Year	Amount
1	5	Chief Executive Officer, PPHI	2022-23	5.378
2	2	DHO, Gwadar		3
3	6	CEO, Pak Oman Hospital, Pasni		0.8
4	2	DHQ Hospital, Gwadar		3
5	3	DHQ, Lasbella at Uthal		0.516
6	5	DHQ, Kachi		1.3
7	2	DHO, THQ, Pishin		1.234
8	2	District Headquarter Hospital, Pishin		3.4
9	4	DHQ, Naseerabad		4.334
Subtotal				22.962
10	5	Medical Superintendent, Mohtarma Shaheed Benazir Bhutto General Hospital Quetta	2023-24	1.995
11	7			3.186
12	8			1.94
13	2	Executive Director Sheikh khalifa Bin Zayyed Hospital, Quetta and Principal, Nursing College		12.13
14	3			17.57
15	10	MS DHQ Hospital Killa Saifullah		1
16	5			28.33

S. No.	AIR Para No.	Name of Office	Financial Year	Amount
17	11	Chief Executive Officer Sheikh Muhammad Bin Zayyad Al Nayan, Institute of Cardiology Quetta		6.445
18	4	MS, SPH, Quetta		18.23
19	1	DG Health Services Balochistan		440
20	2	MS, DHQ Hospital, Gwadar including GDA Hospital, Gwadar		1.358
21	8			42.601
22	5	MS, Helper Eye Hospital, Quetta		22.289
23	9			5
24	3	DG, Medical Emergency Response Center (MERC) Balochistan		7.083
25	6			40.819
26	1	Additional Director, Medical Store Department (MSD), Government of Balochistan, Quetta		1.707
27	3	District Health Officer, Gwadar		1.182
29	12	Chief Executive Officer, Balochistan Health Card, Quetta.		5.827
30	8	Chief Executive Officer PPHI Quetta		2.554
31	3	MS 50 Bedded Hospital Shaheed Nawab Zada Sikandar Khan Memorial Hospital Khuzdar		4.25
32	3	PD, BMSP (PEI) Quetta		1.992
Subtotal				667.49
Grand Total				690.45

9.2.5 Irregular expenditure on procurement of drugs and medicines – Rs. 556.907 million

Annexure 9.2
(Rs. in million)

S. No.	AIR Para No.	Name of Office	Financial Year	Amount
1	3	MS, DHQ Hospital, Kachi	2021-23	12.785
2	2			15.503
3	2	DHO, Kachi	2022-23	9.613
4	1	MS, DHQ Hospital, Jhal Magsi		22.274
5	1	DHO, Jhal Magsi	2021-23	16.286
6	1	DHO, Dera Bugti	2022-23	4.229
7	1	DHO, Gwadar including RHCs Pasni and Jiwani	2022-23	6.558
8	3			0.289
9	2		2023-24	1.192
10	4			1.06
11	1			2.809
12	1	MS, DHQ Hospital, Gwadar	2021-24	6.615
13	3			9.504
14	10			13.61
15	3			1.732
16	1	MS, DHQ Hospital, Naseerabad	2022-23	41.221
17	1	DHO, Naseerabad	2022-23	1.2
18	1	DHO Sibi	2023-24	1
19	2			7.1
20	2	MS, DHQ Hospital, Sibi	2023-24	3.6

S. No.	AIR Para No.	Name of Office	Financial Year	Amount
21	5	MS, DHQ Hospital, Killa Saifullah	2023-24	2.829
22	8			16.864
23	9			1.27
24	4	MS, DHQ Hospital, Lasbella at Uthal	2021-23	0.399
25	1			17.601
26	2	DHO, Loralai	2023-24	4.809
27	2	MS, DHQ Hospital , Loralai	2023-24	96.969
28	1	DHO, Zhob	2023-24	7.817
29	4	MS, DHQ Hospital, Zhob	2022-23	21.178
30	5			3.139
31	8	ED, Sheikh Khalifa Bin Zayyed Hospital, Quetta and Principal, Nursing College	2023-24	30
32	7	PC, Hepatitis Free Balochistan, Quetta		96.105
33	4	MS, Helper Eye Hospital, Quetta		22.289
34	5	AD, Medical Store Department (MSD), GoB, Quetta		4.502
35	21	CEO, Sheikh Muhammad Bin Zayyad Al Nayan, Institute of Cardiology Quetta		52.956
Total				556.907

9.2.9 Non-deduction government taxes/duty - Rs. 276.677 million

**Annexure 9.3
(Rs. in million)**

S. No.	AIR Para	Name of Department	FY	Amount Paid	Taxes Deductible	Taxes Deducted	Difference Amount
1	3	Chief Executive Officer, Peoples Primary Healthcare Initiative (PPHI), Quetta	2022-23	3.85	0.588	0	0.588
2	6			840	33.679	0	33.679
3	2	DHQ Hospital Jhal Magsi		1.352	1.352	1.352	0.054
4	6	DHQ, Lasbella at Uthal		4.464	4.464	4.464	0.230
5	2	PD, Balochistan Medical Support Program BMSP (Poverty Eradication Initiative, PEI)		43.112	43.112	43.112	9.935
6	5	DHQ, Pishin		2.495	2.495	2.495	0.014
Sub-total							44.500
1	4	Chief Executive Officer Sheikh Muhammad Bin Zayyad Al Nayan, Institue of Cardiology Quetta	2023-24	589.429	589.429	589.429	101.589
2	1	MS,DHQ, Hospital Sibi		35.83	35.83	35.83	2.419
3	13	Director General Health Services Balochistan		244.336	53.144	0	53.144

S. No.	AIR Para	Name of Department	FY	Amount Paid	Taxes Deductible	Taxes Deducted	Difference Amount
4	3	Additional Director, MSD		43.277	43.277	43.277	5.671
5	7	DG, MERC, Quetta		43.305	0.118	0	0.108
6	3	MS, DHQ Hospital, Loralai		96.969	0.969	0	0.969
7	5			1.81	0.359	0	0.359
8	3	Chief Executive Officer PPHI Quetta		45.99	6.29	0	6.290
9	6	PD, COVID 19		539.13	16.437	0	16.437
10	11	Chief Executive Officer, Balochistan Health Card Program, Quetta		361.796	36.179	0	36.179
11	5	DHO Sibi 2023-24		2.8	0.445	0	0.445
12	8	PD, Balochistan Medical Support Program		23.437	0.9	0	0.900
13	3	DHO, Loralai		2.102	0.315	0.119	0.196

S. No.	AIR Para	Name of Department	FY	Amount Paid	Taxes Deductible	Taxes Deducted	Difference Amount
14	9	MS SPH, Quetta		40.375	7.02	1.158	5.862
15	4	Executive Director Sheikh khalifa Bin Zayyed Hospital, Quetta and		4.054	0.729	0	0.729
16	7	principal, Nursing College 2023-24		44.388	0.11	0	0.110
17	3	Principal, Loralai Medical College, Loralai		3.796	0.683	0.018	0.665
18	6	PC, Hepatitis Free Balochistan, Quetta		306.713	0.105	0	0.105
Sub-total							232.177
Grand total							276.677

9.2.11 Irregular procurements without need assessment and infrastructure readiness – Rs. 214.368 million

Annexure 9.4
(Rs. in million)

S. No.	Vendor	Particulars	Cheque No.	Date	Amount
1	M/s Universal Trades	Medicines	1919187	27.10.2023	20.419
2	M/s Universal Trades	Medicines	2022738	31.05.2024	27.164
3	M/s Universal Trades	Medicines	2105407	02.04.2024	27.164

S. No.	Vendor	Particulars	Cheque No.	Date	Amount
4	M/s Arafat Computers & Traders, Quetta	Electric Genset (Generator)	2031676	26.06.2024	4.850
5	M/s Friends Traders & Co. Quetta	Electric Appliances	2025787	13.06.2024	5.568
6	M/s New National Business, Quetta	ICT Equipment	2026058	13.06.2024	5.822
7	M/s Maven Health Care, Lahore	Hospital Furniture	2026816	24.06.2024	60.049
8	M/s Meditech Instruments, Karachi	Bio Medical Equipment	2027327	25.06.2024	11.656
9	M/s Medical Equipment Systems, Lahore	Bio Medical Equipment	2026679	1306.2024	31.317
10	M/s Medical Equipment Systems, Lahore	Bio Medical Equipment	2027770	26.06.2024	10.200
11	M/s Universal Trades, Quetta	Dialysis Machine	2026819	24.06.2024	10.159
Total					214.368

11.2.4 Non/less deduction of government taxes/duties - Rs. 552.955 million

Annexure 11.1 (Rs. in Million)

S. No.	Name of Formation	AIR Para No.	Financial year	Amount
1.	Drainage Irrigation Division Jaffarabad	1, 8	2022-23	1.562
2.	PD, Basol Dam Ormara, Gwadar	2	2022-23	23.972
3.	PD, Construction of Shehzanik Dam Dasht	4	2022-23	57.955
4.	Irrigation Division Kachi at Bolan	8	2022-23	1.713

S. No.	Name of Formation	AIR Para No.	Financial year	Amount
5.	PD, Construction of Topak Dam Buleda	1, 2	2022-23	18.672
6.	PD, Construction of 100 Dams in Balochistan	6	2022-23	7.773
7.	Irrigation Division Khirther Canal Usta Muhammad	3	2022-23	0.145
8.	Irrigation Division, Dash Mirani, Kech	3	2022-23	0.215
9.	PD, Mapping of all water Resources in Southern Balochistan	3	2022-23	1.043
10.	Irrigation Division, Barkhan	4	2022-23	1.716
11.	PE, Feasibility study & Detail Design of 08 Dams in Balochistan	3	2022-23	9.828
12.	Irrigation Division, Quetta	6	2023-24	0.137
13.	Irrigation Division, Ziarat	5	2023-24	0.973
14.	PD, Construction of Awaran Dam	1, 3	2023-24	299.880
15.	Irrigation Division, Pishin	4	2023-24	0.245
16.	Irrigation Division, Pat feeder Canal Naseerabad at DMJ	7	2023-24	0.461
17.	Project Director, Gishkaur Dam Kech	1	2023-24	2.115
18.	Project Director, Basol Dam Project Ormara	1	2023-24	80.411
19.	Project Director, Garuk Storage Dam Kharan	2	2023-24	11.916
20.	Irrigation Division, Kech at Turbat	6	2023-24	0.373
21.	Irrigation Division, Musakhail	2	2023-24	0.363
22.	Irrigation Division, Killa Saifullah	7, 9	2023-24	7.602
23.	Irrigation Division, Lasbella	2	2023-24	2.233
24.	Irrigation Division, Khuzdar	4, 5	2023-24	5.995
25.	Irrigation Division, Harnai	2	2023-24	0.496
26.	Project Director, Gishkaur Dam Kech	1	2021-22	0.481
27.	Irrigation Division, Zhob	4	2021-22	4.598

S. No.	Name of Formation	AIR Para No.	Financial year	Amount
28.	Irrigation Division, Ziarat	1, 6	2021-22	9.485
29.	Irrigation Division, Harnai	4, 6	2021-22	0.597
Total				552.955

11.2.15 Time-overrun due to non-completion of public benefit project and less utilization of funds - Rs. 1,554.659 million

**Annexure 11.2
(Rs. in million)**

Financial year	PC-I (Revised) allocation financial phasing			Expenditure incurred			Utilization to date
	IDA	GoB	Total	IDA	GoB	Total	
2015-17	0.000	0.000	0.000	33.910	19.230	53.140	--
2017-18	431.840	52.346	484.186	425.743	16.497	442.240	3%
2018-19	378.520	98.848	477.368	82.160	18.386	100.546	0.68%
2019-20	5,267.830	98.848	5,366.678	534.655	18.196	552.851	3.75%
2020-21	4,037.910	98.848	4,136.758	1,711.257	14.118	1,725.375	11.70%
2021-22	4,184.05	98.848	4,282.898	2,874.279	11.733	2,886.012	19.57%
2022-23	-	-	-	2,824.840	12.999	2,837.839	19.24%
2023-24	-	-	-	4,580.024	16.255	4,596.279	31.17%
Total	14,300.150	447.738	14,747.888	13,066.868	127.414	13,194.282	89.11%

PHED

16.2.13 Less realization of water tariff - Rs. 167.022 million

Annexure 16.1

S. No.	Name of Office	AIR Para No.	Financial Year	Revenue due	Revenue realized	Amount (Rs. in Million)
1.	PHE, Panjgur	1	2022-23	1.114	0	1.114
2.	PHE, Kachi at Bolan	1	2022-23	19.226	0.752	18.473
3.	PHE, Khuzdar	1	2022-23	34.675	1.332	33.343
4.	PHE, Dera Bugti	5	2022-23	0.745	0	0.745
5.	PHE, Quetta	6	2022-23	1.100	0.005	1.095
6.	PHE, Washuk	1	2022-23	0.300	0.109	0.191
7.	PHE, Chaghi	2	2022-23	15.539	1.569	13.970
8.	PHE, Musakhail	1	2022-23	0.300	0	0.300
9.	PHE, Awaran	7	2022-23	0.400	0.005	0.395
10.	PHE, Chaman	1	2022-23	7.506	0	7.506
11.	PHE, Kalat	1, 4	2023-24	12.242	0.864	11.378
12.	PHE, Ziarat	5	2023-24	0.645	0	0.645
13.	PHE, Quetta	6	2023-24	1.445	0.085	1.36
14.	PHE, Musakhail	1	2023-24	1.815	0	1.815
15.	PHE, Zhob	5	2023-24	0.745	0	0.745
16.	PHE, Lasbela	1	2023-24	38.137	0.041	38.096
17.	PHE, Harnai	1	2023-24	0.745	0.259	0.486
18.	PHE, Jaffarabad	2	2023-24	1.045	0.100	0.945
19.	PHE, Killa Abdullah	5	2023-24	0.745	0	0.745
20.	PHE, Khuzdar	1	2023-24	34.675	1.00	33.675
Total				173.144	6.121	167.022

18.2.1 Irregular expenditure on account of PSDPs – Rs. 2,274.179 million

**Annexure 18.1
(Rs. in million)**

S. No.	PSDP #	Name of Schemes	Amount
1.	Z2022.2207	Additional Works and Beautification of Qayyum Papa football Stadium Gulistan Town Alamdar road Quetta.	60.00
2.	Z2022.2249	Purchase of Sports Items for PB-29 Quetta	30.00
3.	Z2022.2308	Establishment of Futsal Ground with Boundary Wall at Saryab Road Degree College Killi Barech Abad, M. Nasir District Quetta	30.00
4.	Z2015.0501.	Construction of Sports Complex for Quetta City PB-II	65.000
5.	Z2019.0102	Establishment of Futsal Ground for Women at SBKWU Quetta	22.50
6.	Z2019.2114	Establishment of Sports Complex at Quetta	1054.340
7.	Z2020.0881	Construction of Squash Academy Complex QCC Quetta	250.00
8.	Z2020.1277	Up gradation/Laying of Artificial grass at Qayyum Papa Football Ground Quetta	114.339
9.	Z2021.0730	Mini Sports Complex at Kharotabad, Quetta.	50.000
10.	Z2021.0887	Establishment of Cricket Academy (Indoor & Out Door) at Ayyub Sports Complex Quetta.	100.00
11.	Z2021.0888	Establishment of Football Academy at Ayyub Sports Complex Quetta	100.000
12.	Z2022.2212	Construction/Improvement of Yazdan Khan Football Ground, Alamdar Road.	35.00
13.	Z2022.2215	Construction of 04 Futsal Grounds (with Multi Sports Turf) at PB-27 Alamdar Road Quetta	65.00
14.	Z2021.0889	Development of Sewerage System and warehouse at Ayyub Sports Complex Qta.	100.00
15.	Z2021.0898	Go Kart Track & Drag Race Track for Quetta	200
Total			2,276.179

18.2.2 Irregular payments in the name of DDO - Rs. 143.907 million

**Annexure 18.2
(Rs. in million)**

Vendor Name	Payment Date	Title	Payment Date	Cheque No	Amount
Director General Sports	25/10/2022	DDO	14/10/2022	2148254	4.800
Director General Sports	25/10/2022	DDO	24/10/2022	2154308	10.000
Director General Sports	08/11/2022	DDO	04/11/2022	2149759	0.2
Director General Sports	08/11/2022	DDO	04/11/2022	2149760	0.5
Director General Sports	27/12/2022	DDO	15/12/2022	2151751	0.622
Director General Sports	27/12/2022	DDO	22/12/2022	2153689	2.500
Director General Sports	27/12/2022	DDO	22/12/2022	2153689	4.500
Director General Sports	13/01/2023	DDO	10/01/2023	2147007	0.5
Director General Sports	13/01/2023	DDO	10/01/2023	2147007	2.000
Director General Sports	13/01/2023	DDO	10/01/2023	2147007	5.400
Director General Sports	28/02/2023	DDO	22/02/2023	2145870	9.500
Director General Sports	10/03/2023	DDO	22/02/2023	2145873	8.000
Director General Sports	10/04/2023	DDO	30/03/2023	2142877	0.5
Director General Sports	10/04/2023	DDO	05/04/2023	2141053	0.5
Director General Sports	10/04/2023	DDO	06/04/2023	2141181	1.300
Director General Sports	13/04/2023	DDO	06/04/2023	2141178	0.5
Director General Sports	13/04/2023	DDO	06/04/2023	2141178	0.5
Director General Sports	04/05/2023	DDO	03/05/2023	1940880	3.600

Vendor Name	Payment Date	Title	Payment Date	Cheque No	Amount
Director General Sports	04/05/2023	DDO	03/05/2023	1940896	13.000
Director General Sports	12/05/2023	DDO	11/05/2023	1941154	30.000
Director General Sports	12/05/2023	DDO	11/05/2023	1941158	20.000
Director General Sports	12/05/2023	DDO	11/05/2023	1941156	18.000
Director General Sports	09/06/2023	DDO	29/05/2023	1943206	7.285
Director General Sports	15/06/2023	DDO	14/06/2023	2072667	0.2
Total					143.907

20.2.2 Irregular award of contract without inviting open tenders - Rs. 31.495 million

Annexure 20.1 (Rs. in Million)

S. No.	Name of firm	Description	V. No./date	Amount
1	M/s Al-Hashmi G/C and GOS, Universal Complex Jinnah Road, Quetta.	Kalat History Books 200, Brohvi historical language books 200, brochures 200, gazetteers 200, hard craft picture 2, administrative reports 200, Baloch language history 200, Pashtoon language books 100 etc.	401/19.01.2024.	3.300
2			427/14.03.2024.	3.499
3		British History Books 200, Persian historical language 200, Broachers 200, Gazetteers 200, Indian history books 200, reports 200, Urdu language history books 200 and Pashtoon language books 210.	440/15.05.2024	3.837

S. No.	Name of firm	Description	V. No./date	Amount
4	M/s Al-Hashmi G/C and GOS, Universal Complex Jinnah Road, Quetta.	Shifting & transportation of Archival official record from Sibi and Loralai to Quetta.	130/12.03.2024.	2.999
5		Exhibition and National Fairs Archives Department.	302/15.03.2024.	3.000
6		Conference and seminars in Archive department	480/20.06.2024.	2.999
7	M/s Hi- Tech Enterprises, Quetta	Purchase of different IT equipment's along with printers and computer etc.	84/09.04.2024	4.000
Total				23.635

(Rs. in million)					
S. No.	Name of firm	Description	V. No./date	Amount	Sanctioned date
1	M/s Al-Hashmi G/C and GOS, Universal Complex Jinnah Road, Quetta.	Banners medium	Nil/Nil	0.171	14.05.2024
2		Banners small		0.140	
3		Panaflex small		0.117	
4		Gazetteers		0.195	
5		Banner large		0.189	
6		Gazetteers		0.138	
7		Panaflex medium		0.191	

S. No.	Name of firm	Description	V. No./date	Amount	Sanctioned date
8		Broachers		0.145	
9		Broachers		0.194	
10		Panaflex medium		0.191	
11		Panaflex large		0.193	
12	M/s Hamza and Co, Quetta	Power supply cable, mouse etc.	435/19.03.2024.	0.044	19.03.2024.
13		Purchase of Lap top HP Core i7	433/20.03.2024.	0.200	20.03.2024.
14			434/19.03.2024.	0.200	20.03.2024.
15			446/20.03.2024.	0.200	20.03.2024.
16			440/19.03.2024.	0.200	20.03.2024.
17			448/20.03.2024.	0.200	20.03.2024.
18			441/17.03.2024.	0.191	19.03.2024.
19			444/18.03.2024.	0.191	19.03.2024.
20			442/18.03.2024.	0.191	19.03.2024.
21			443/18.03.2024.	0.191	19.03.2024.
22			445/17.03.2024.	0.191	19.03.2024.
23	M/s Al-Hashmi, Quetta	Purchase of Archival equipments for	151/25.03.2024	0.200	28.03.2024.
24			144/26.03.2024	0.200	29.03.2024.
25			145/26.03.2024	0.200	28.03.2024.

S. No.	Name of firm	Description	V. No./date	Amount	Sanctioned date
26		preservation of lab	146/26.03.2024	0.200	25.03.2024.
27			143/25.03.2024	0.200	28.03.2024.
28			141/26.03.2024	0.200	28.03.2024.
29			147/26.03.2024	0.200	28.03.2024.
30			149/27.03.2024	0.200	29.03.2024.
31			150/27.03.2024	0.200	28.03.2024.
32			148/27.03.2024	0.200	28.03.2024.
33			132/25.03.2024	0.200	27.03.2024.
34		Purchase Acid free boxes and Archival shelves	131/26.03.2024	0.200	27.03.2024.
35			134/25.03.2024	0.200	27.03.2024.
36			138/25.03.2024	0.200	26.03.2024.
37			140/22.03.2024	0.200	26.03.2024.
38			139/25.03.2024	0.200	27.03.2024.
39			135/25.03.2024	0.200	26.03.2024.
40			137/22.03.2024	0.200	26.03.2024.
41			133/25.03.2024	0.200	27.03.2024.
42			136/22.03.2024	0.200	26.03.2024.
Total				7.860	

20.6.1 Irregular payment without calling open tenders - Rs. 3.197 million

**Annexure 20.2
(Rs. in million)**

S. No.	Vendor Name	Cheque No	Date	H.O.A	F.Y	Amount
1	A R K Enterprises	2041032	08.11.2021	Stationery	2021-22	0.006
2	Smart Printers & Stationers	2041033	08.11.2021	Stationery	2021-22	0.016
3	Smart Printers & Stationers	2039175	20.12.2021	Stationery	2021-22	0.124
4	Smart Printers & Stationers	2041869	11.01.2022	Stationery	2021-22	0.011
5	M/s Bolan Equipment Services	2041870	11.01.2022	Stationery	2021-22	0.015
6	Smart Printers & Stationers	1991241	25.03.2022	Stationery	2021-22	0.198
7	A R K Enterprises	1990125	29.04.2022	Stationery	2021-22	0.015
8	Smart Printers & Stationers	1835542	24.06.2022	Stationery	2021-22	0.180
9	Smart Printers & Stationers	1845729	28.06.2022	Stationery	2021-22	0.035
10	A R K Enterprises	1845728	28.06.2022	Stationery	2021-22	0.014
11	M/S Bolan Equipment Services	1845730	28.06.2022	Stationery	2021-22	0.006
12	Aghaz Services Management Company	1845727	28.06.2022	Stationery	2021-22	0.031
						0.651
13	Smart Printers & Stationers	1842041	27.09.2022	Stationery	2022-23	0.200
14	A R K Enterprises	2153849	22.12.2022	Stationery	2022-23	0.014
15	Aghaz Services Management Company	2151905	13.12.2022	Stationery	2022-23	0.025
16	Aghaz Services Management Company	2151905	13.12.2022	Stationery	2022-23	0.037

S. No.	Vendor Name	Cheque No	Date	H.O.A	F.Y	Amount
17	M/S Bolan Equipment Services	2153858	22.12.2022	Stationery	2022-23	0.015
18	Smart Printers & Stationers	2153850	22.12.2022	Stationery	2022-23	0.184
19	A R K Enterprises	2146707	24.01.2023	Stationery	2022-23	0.015
20	Azr Enterprises	1945452	09.06.2023	Stationery	2022-23	0.061
21	Smart Printers & Stationers	1940429	14.04.2023	Stationery	2022-23	0.170
Total						1.370

Split of expenditure to avoid open tender for Furniture & Fixtures Rs. 0.599 million

S. No.	Vendor Name	Cheque No	Date	H.O.A	F.Y	Amount
1	M/S Mukhtar Saif Co.	1989309	10.03.2022	Furniture and fixtures	2021-22	0.199
2	Umer Farooq Enterprises	1845726	28.06.2022	Furniture and fixtures	2021-22	0.200
3	Umer Farooq Enterprises	1845726	28.06.2022	Furniture and fixtures	2021-22	0.200
Total						0.599

Split of expenditure to avoid open tender for Plant and Machinery Rs. 0.599 million

S. No.	Vendor Name	Cheque No	Date	H.O.A	F.Y	Amount
1	A R K Enterprises	1985582	03.03.2022	Plant and Machinery	2021-22	0.070
2	M/S Mukhtar Saif Co.	1985614	03.03.2022	Plant and Machinery	2021-22	0.200
3	A R K Enterprises	1837935	30.06.2022	Plant and Machinery	2021-22	1.228
Total						1.498

Impact Audit**Annexure 21.1**

S. No.	Location/ Name of WSS	Main Findings
Quetta		
1	WSS Naik Mohammad	Site visited /inspected on 18.10.2024. The scheme was situated inside a private housing society and was found operational. According to the staff/citizens interacted with, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The Scheme was found fully solarized. The infrastructure was found clean and well maintained. Solar system was found intact and solar accessories were available. The Scheme was community based. Residents of the area were mostly satisfied with water quality and quantity
2	WSS Killi Sabeel Samungli, District Quetta	Site visited /inspected on 18.10.2024. The scheme was situated inside a private housing society and was found operational. According to the staff/citizens interacted with, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found sour/ salty due to bad water source. The scheme was found fully solarized. Solar plates were found intact, but, inverter and other accessories available were found in very bad condition and placed in a room where another diesel generator of private owner was placed and operated, which was exposed to danger of short circuit. The scheme was PHE/community based. Residents of the area were rarely satisfied with water quality and quantity.

S. No.	Location/ Name of WSS	Main Findings
3	WSS Killi Samungli, District Quetta	Site visited /inspected on 18.10.2024. The WSS was found non-operational from last 02 months due to bore problems. According to the staff/citizens interacted with, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found sour/ salty. The Scheme was found fully solarized. The infrastructure was not found clean and was in un-hygienic condition. Solar plates were found intact but invertor and other accessories available were found in very bad condition, which were exposed to danger of short circuit. The Scheme was under administration and control of the PHE department. Residents of the area were not satisfied with water quality and quantity.
4	WSS Syed Qilla Air Port, District Quetta	Site visited/inspected on 18.10.2024. The scheme bore was situated inside a futsal ground and solar plates were installed on an adjoining building and was found operational. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized. Solar plates were found intact but invertor and other accessories available were found in very bad condition and placed in a room along with other equipment, which was exposed to danger of short circuit. Residents of the area were found mostly satisfied with water quality and quantity.
5	WSS Kuchlak bore-III, District Quetta	Site visited/ inspected on 18.10.2024. The scheme was found fully operational. According to the staff/citizens interacted with, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized. Solar plates were found intact but invertor and other accessories available were found in bad condition. According to the operator of the scheme,

S. No.	Location/ Name of WSS	Main Findings
		electricity transformer of the scheme was disconnected for more than 20 days. Residents of the area were found mostly satisfied with water quality and quantity.
6	WSS Shakarzai Syedan, District Quetta	Site visited /inspected on 18.10.2024. The scheme was situated inside a private housing society and was found un-operational at the time of visit of the inspecting team, after that the WSS was started and checked. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was found equal to 0.016 MGD (on average). Water taste was found good and normal. The scheme was found fully solarized. The infrastructure was found clean and well maintained. Solar system was intact and solar accessories were available on site. The scheme was found community based. Residents of the area were found mostly satisfied with water quality and quantity.
7	WSS Killi Umer, District Quetta	Site visited /inspected on 18.10.2024. The WSS was found operational. According to the staff/citizens interacted with, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized. Solar plates were found intact. Residents of the area were found mostly satisfied with water quality and quantity.
8	WSS Killi Sardar Nabi Baksh, Panjpai District Quetta	Site visited /inspected on 18.10.2024. The WSS was found operational. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized. Solar plates were found intact. Residents of the area were found mostly satisfied with water quality and quantity.

S. No.	Location/ Name of WSS	Main Findings
9	WSS Killi Kamaloo, District Quetta	Site visited /inspected on 18.10.2024. The scheme was found fully operational. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was fully solarized. Solar plates were found intact. Residents of the area were found mostly satisfied with water quality and quantity.
10	WSS Killi Ghaibzi Agbarg, District Quetta	Site visited /inspected on 18.10.2024. The scheme was found operational. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized. Solar plates were found intact. Residents of the area were found mostly satisfied with water quality and quantity. The Scheme was situated uphill on mountains surrounded by the mountains, which decreased the operational capacity of the solar system, besides it was not fairly possible for the operator to reach and operate the scheme on daily basis, as it took a lot of time and physical energy.
PISHIN		
11	WSS Barshor Bazar, District Pishin	Site visited /inspected on 19.10.2024. The scheme was found operational. During the visit staff/citizens explained that the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully functional on solar panel. Solar plates were found working perfect. Local people of the area were found mostly satisfied with water quality and quantity.
12	WSS Killi Qasim	Site visited /inspected on 19.10.2024. The WSS was found non-operational. According to locals, the scheme was out of order from last few months due to low discharge from bore. During the visit staff/citizens explained that the WSS operated from 3 –to- 4 hours daily with

S. No.	Location/ Name of WSS	Main Findings
	Bostan, District Pishin	water quantity supplied was equal to 0.016 MGD (on average). Water taste was checked which was found sour/saltish. The scheme was found fully solarized. The infrastructure of the scheme was found clean and in hygienic condition. Solar panels were found functional, the inverter and other accessories available were found in normal condition. The Scheme was found under operational control of the PHED department. Local Community of the area were not found fully satisfied with water quality and quantity.
13	WSS Khanozai Town, District Pishin	Site visited /inspected on 19.10.2024. The scheme was situated inside a Private Madrasa and was found operational. During the visit, staff/citizens explained that the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized. Solar panel were found fully functional but inverter and other accessories available were found in bad condition. Local community members present in the area were found mostly satisfied with water quality and quantity. The water supply scheme was found operational under ownership and control of the local community.
14	WSS Killi Huraizai, District Pishin	Site visited /inspected on 19.10.2024. The scheme was situated inside a boundary wall and was found operational. During the visit, staff/citizens explained that the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized. The infrastructure was found clean and well maintained. Solar panels were found functional and solar accessories were available. Local People of the area were found mostly satisfied with water quality and quantity. The scheme was found under the ownership and control of the local community members.
15	WSS Killi Toor Shah,	Site visited /inspected on 19.10.2024. The scheme was situated inside a boundary wall and found operational. During the visit, staff/citizens explained that the WSS operated from 3 -to-

S. No.	Location/ Name of WSS	Main Findings
	(Company Masque), District Pishin	4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found sour/saltish due to bad water source. The scheme was found fully solarized. Solar panels were found fully functional but inverter and other accessories available were found in very bad condition. The scheme was PHE/community based. Local people of the area were found rarely satisfied with water quality and quantity.
16	WSS Killi haji Sardar, Mohalla, District Pishin	Site visited /inspected on 19.10.2024. The scheme was situated inside a boundary wall and was found fully operational. During the visit, staff/citizens explained that the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found good/normal. The scheme was found fully solarized. The scheme was also operated on electricity. The infrastructure was found clean and well maintained. Solar Panels were found functional and solar accessories were available on site. The scheme was found community based. Residents of the area were mostly satisfied with water quality and quantity. The scheme was found operational under the ownership and control of the local community members. Most of the local people were found complaining against construction of high-rise buildings which decreased the operational capacity of the solar system of the water supply scheme.
17	WSS Killi Ali zai Zia Tareen Muhallah, District Pishin	Site visited /inspected on 19.10.2024. The scheme was situated inside a private housing society and was found fully operational. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found good/normal. The scheme was found fully solarized. The scheme was also running on electricity. The infrastructure was found clean and well maintained. Solar system was found in order and solar accessories were available. The scheme was found

S. No.	Location/ Name of WSS	Main Findings
		community based. Residents of the area were found mostly satisfied with water quality and quantity. The Scheme operated under control of the local community.
Mastung		
18	WSS Sardari Shar Kanak., District Mastung	Site visited /Inspected on 20.10.2024. The WSS was found operational on electricity. The solar system was found installed in adjacent degree college building and was found vulnerable to the risk of short circuit as the solar plates installed were not fenced and were found placed in the middle of college ground surrounded by classes. Further, the solar system was found non-functional due to disconnected wiring of the solar plates and inverter was not found available in pump room. According to the scheme operator, the reason for submersible pump being run on electricity was some malfunctioning developed in submersible pump and the executive engineer replaced the pump and installed a pump with of 50 HP, whereas the solar system installed was supportive for 40 HP pump and was under power to run a high-power motor of 50 HP. The inverter was found missing as it was taken by the operator in his custody due to the risk of theft. The solar plates were found layered with dust. According to the staff/citizens interacted with, the WSS operated from 2 -to- 3 hours daily with water quantity supplied was equal to 0.013 MGD (on average). Water taste was found normal. The Scheme was being operated under administration and control of the PHE department. Residents of the area were found mostly satisfied with water quality and quantity.
19	WSS Amach Dam Bore 1 Mastung., District Mastung	Site visited /inspected on 20.10.2024. The WSS was found operational on electricity on peak day time hours. According to the scheme operator, the scheme was run on electricity because the suction of pump on solar system was weak and it threw more water with electricity sourced power. The solar plates were found layered with dust due to which the efficacy of solar plates had subsided. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours

S. No.	Location/ Name of WSS	Main Findings
		daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. Solar system was found in order and solar accessories were found available on site. The Scheme was operational under administration and control of the PHE department. Residents of the area were found rarely satisfied with water quality but complained for less quantity of water supplied.
20	WSS Killi Sardar Ahmed Khan- 1 Sarparah Kirdgap, District Mastung	Site visited /inspected on 20.10.2024. The WSS was found operational at the time of visit. Plant operator was present. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. The scheme was found fully solarized and 36 Solar plates of 550 watts each were installed. The infrastructure was found clean and well maintained. Solar system was found intact and solar accessories were available. The Scheme was operational under administration of the PHE department. According to the scheme operator, the electricity-transformer of the scheme was disconnected since June, 2024. Residents of the area were found mostly satisfied with water quality and quantity.
21	WSS Amach Dam Bore 2 Mastung., District Mastung	Site visited /inspected on 20.10.2024. The WSS was found being run on electricity on peak day time hours. According to the scheme operator, the scheme was operated on electricity due to the fact that the suction of pump on solar system was weak and it threw more water on electricity. The solar plates were found layered with dust due to which the efficiency and productivity of solar plates had subsided. According to the staff/citizens interacted, the WSS operated from 3 -to- 4 hours daily with water quantity supplied was equal to 0.016 MGD (on average). Water taste was found normal. Solar system was found intact and solar accessories were found available on site. The Scheme operated by the PHE department. Residents of the

S. No.	Location/ Name of WSS	Main Findings
		area were found mostly satisfied with water quality but complained against the quantity as less quantity of water was supplied to the local residents.

Annexure 21.2 (a)

Solarization Project (Main Project)					
S. No.	Years	2020-21	2021-22	2022-23	2023-24
A	Water Quantity supplied (MGD)	4751.136	4966.272	5153.76	5457.974
B	O&M (Electricity) cost incurred	126.606	168.808	230.939	307.918
C	O&M (POL) Cost incurred	7.324	36.576	64.33	108.496
D	Electricity and POL cost made	0	74.006	162.105	273.77

Annexure 21.2(b)

CDWA Project / rival cause					
S. No.	Years	2020-21	2021-22	2022-23	2023-24
A	Water Quantity Supplied (MGD)	143.64	145.635	214.98	217.332
B	O&M (Electricity) Cost incurred	7.584	11.376	21.858	28.98
C	O&M (POL) Cost incurred	8.213	12.69	17.782	24.962
D	Savings of Electricity and POL cost made	0	0	11.484	11.88

Annexure 21.3(a)

Incurrence of WBDs (Balochistan)

	2020-21	2021-22	2022-23	2023-24
Diarrhea	1,367,515	1,120,874	1,079,951	490,952
Typhoid	113,958	153,542	137,104	48,317
TB	2,512	2,662	2,779	2,166
Hepatitis-B	6,660	8,849	6,149	2,165
Hepatitis-C	3,775	6,775	5,323	1,249
Others	144,048	143,851	166,354	86,760
Total	1,638,468	1,436,553	1,397,660	631,609

Incurrence of WBDs (CDWA / rival cause)

Annexure 21.3(b)

	2020-21	2021-22	2022-23	2023-24
Diarrhea	491,673	659,492	632,347	277,514
Typhoid	72,826	100,105	86,622	26,879
TB	1,660	952	1,420	975
Hepatitis-B	5,323	6,659	3,834	1,024
Hepatitis-C	2,906	5,525	2,948	561
Others	89,480	83,526	98,613	51,682
Total	663,868	856,259	825,784	358,635

22.8.4 Unjustified expenditures by non-functional schools – Rs. 79.114 million

Annexure 22.1 (a)

BEMIS Code	School of Name	Exp: 2023-24	Employee Related Expenditure	Cluster Exp:	Staff Posted	Feeding Schools	Non-Functional Year
10690	GGHS Nohshera	0.934	0	0.934	0	0	0
7874	GGHS Baboo Muhallah Mach	1.378	0.684	0.694	0	0	2014
18259	GBHSS Shafi Muhammad Lehri Qambrani Road	23.083	23.083	0	11	0	2022
10507	GGHS Kooz Kach	4.634	4.634	0	2	0	2019
Total		30.029	28.401	1.628	13	0	

Annexure 22.2(b)

Personnel No.	Name of Employee	Amount
District Khuzdar		
20190287	BUSHRA MIR	1,021,161
20206116	ABDUL RASOOL	4,248,924
20206881	AYESHA	801,634
20206885	ABIDA	787,809
20207071	MAHDAIM	755,040
20207191	ABIDA BIBI	861,638
20208067	GHULAM HASSAIN	946,784

Personnel No.	Name of Employee	Amount
20208114	DHANI BAKSH	1,167,150
20214300	SOBIA MAJEED	738,954
20284426	GHAZALA JABEEN	958,493
20284497	ABDUL WAHEED	489,598
20329719	FAZILA SANA	459,448
20360165	FARZANA	455,295
Total		13,691,928
District Pishin		
20098005	SHERINA	766,341
20098132	PARI GUL WAHAB	623,065
20098185	KHADIJA	1,115,152
20098258	MUHAMMAD ASLAM KAKAR	1,324,373
20098307	NOOR UDDIN	1,235,910
20098771	SANAM JAN	1,034,020
20099398	ROZI KHAN	1,323,742
20101865	MUHAMAMD AKRAM	4,323,484
20102068	SHAUKAT ALI	4,433,613
20102125	NOOR ULLAH WATAN DOST	1,278,257
20103429	RAHAMAT ULLAH	1,271,058
20103894	HAYAT ULLAH	1,271,613
20104457	BAZ MOHAMMAD	1,313,710
20104516	MUHAMMAD ZAMAN	1,379,938

Personnel No.	Name of Employee	Amount
20105153	MUHAMMAD ESSA	721,215
20120111	FAZAL MUHAMMAD	330,854
20127660	JUMA KHAN.	1,234,507
20202201	MOHAMMAD NASEEM	585,243
20212297	MOHAMMAD TAHIR.	798,770
20274148	JAHANGER SHAH	288,396
20341097	NAHEEDA	333,966
20357356	MUHAMMAD MURTAZA	420,310
20358928	ZAIN ULLAH	421,310
20360146	MALALA ROZI KHAN	420,310
20363961	ROQIA BIBI	420,310
20364456	BIBI ARIFA	395,310
20366295	SALMA	439,857
Total		29,504,634
District Killa Saifullah		
20180600	RAZ MOHAMMAD	210,339
20263362	BI BI FATIMA	114,460
20264364	ABAID ULLAH	117,539
20264398	MUSA KALIM	99,292
20266641	FITMA	256,100
20267862	ZAHIR SHAH	63,266
20268461	SAYED MOHAMMAD	84,054

Personnel No.	Name of Employee	Amount
20313855	KHADIJA BI BI	82,428
20338346	TAYYABA BIBI	64,620
20338660	BIBI ROZH	65,620
20338669	BAKHT BIBI	65,620
20338685	TAHIRA BIBI	48,707
20338698	SARDAR BIBI	65,620
20364623	AMEEN ULLAH	68,780
Total		1,406,445
District Quetta		
20013080	NOOR JAHEN	595,584
20025023	MOHAMMAD AMJAD	2,164,459
20081099	SANA ULLAH	754,110
20279663	AZIZ UR REHMAN	547,716
20358999	NAIN TARA	421,454
Total		4,483,323
Grand Total:		49,086,330

22.8.5 Wasteful expenditure in schools with zero enrollment – Rs. 375.053 million

Annexure 22.2

BEMIS Code	DDO Code	School Name	Expenditure 2023-24	Employee Related Expenditure	Cluster Expenditure	Sanctioned Strength	Staff Posted	Enrollment
14392	AW7071	GGHS Shandi	17.364	14.602	2.762	31	20	0
9067	CM7119	GGHS Sui Karaiz	0.223	0.223	0	5	5	0
8258	DB7058	GBHS Shum Khairan	39.323	37.079	2.244	35	41	0
8281	DB7068	GGHS Bekar	17.612	15.416	2.196	17	21	0
9731	DB7076	GGHS Killi Pathan	12.668	11.075	1.593	19	15	0
8357	DB7104	GBHS Pitokh	21.381	20.244	1.138	26	18	0
5303	JF7080	GGHS Rojhan Jamali	25.636	21.573	4.063	35	27	0
10690	KI7111	GGHS Nohshera	0.934	0	0.934	2	0	0
7874	KI7112	GGHS Baboo Muhallah Mach	1.378	0.684	0.694	5	0	0
2513	KN7051	GBHSS Sarawan	26.501	22.829	3.672	23	20	0
12878	KN7061	GGHS Lijjay	8.553	6.643	1.910	15	10	0
3552	KR7101	GBHSs Chasma Zehri	16.619	14.707	1.913	25	20	0

BEMIS Code	DDO Code	School Name	Expenditure 2023-24	Employee Related Expenditure	Cluster Expenditure	Sanctioned Strength	Staff Posted	Enrollment
3551	KR7103	GBHS Mishk Sar Aap	14.939	13.440	1.499	27	18	0
9257	KR7109	GGHS Noor Gama Zehri	20.224	17.502	2.722	35	26	0
9966	KR7189	GGHS Samwani	12.409	10.691	1.718	14	13	0
3838	MK7059	GBHS Khajoori Bazar	11.239	9.035	2.204	15	11	0
12276	MK7079	GGHS Kingri	7.746	6.766	0.980	17	11	0
7541	NB7083	GBHS Tambo	33.233	30.576	2.657	33	26	0
18259	QA7778	GBHSS Shafi Muhammad Lehri Qambrani Road	23.083	23.083	0	1	11	0
10507	QS7084	GGHS Kooz Kach	4.634	4.634	0	5	2	0
13029	SN7041	GGHS Ibrahim Khail	17.423	15.233	2.189	3	7	0

BEMIS Code	DDO Code	School Name	Expenditure 2023-24	Employee Related Expenditure	Cluster Expenditure	Sanctioned Strength	Staff Posted	Enrollment
4591	SN7048	GGHS Killi Alam Khan Kapeep	0.934	0	0.934	1	3	0
11198	SN7051	GGHS Zandi Malozai	3.629	3.064	0.565	3	3	0
5575	SP7019	GGHS Hair Din	17.955	15.364	2.591	10	11	0
5573	SP7070	GGHS Murad Ali	19.412	17.077	2.336	18	17	0
Total			375.052	331.540	43.514	420	356	

22.8.6 Unrealistic demand and excess printing of Text Books – Rs. 83.783 million

Annexure 22.3

S. No.	Name of Text Book	Class	Quantity Demanded	Quantity Printed	Quantity Diff	Price	Amount	Package No.
1	Mathematics	I	276,811	283,811	7,000	151	1.057	A
2	Urdu	II	199,928	214,928	15,000	159	2.385	A
3	Urdu	V	124,196	132,196	8,000	174	1.392	A
4	G. Science	V	124,196	132,196	8,000	159	1.272	A
5	Islamiyat	A	1,500	24,500	23,000	71	1.633	A
6	Islamiyat	B	1,500	31,500	30,000	121	3.630	A

S. No.	Name of Text Book	Class	Quantity Demanded	Quantity Printed	Quantity Diff	Price	Amount	Package No.
7	Science	C	1,500	31,500	30,000	170	5.100	A
8	Math	A	100	1,100	1,000	150	0.150	A
9	Math	B	100	1,350	1,250	161	0.201	A
10	Math	C	100	1,350	1,250	226	0.281	A
	Total Package A		729,931	854,431	124,500		17.103	
1	Islamiyat	III	163,662	171,662	8,000	113	0.904	B
2	Islamiyat	IV	141,817	149,817	8,000	136	1.088	B
3	Urdu	A	1,500	24,500	23,000	160	3.680	B
4	Urdu	B	1,500	31,500	30,000	209	6.270	B
5	Urdu	C	1,500	31,500	30,000	161	4.830	B
6	Social Studies	C	1,500	31,500	30,000	119	3.570	B
7	English	A	100	1,100	1,000	176	0.176	B
8	English	B	100	1,350	1,250	104	0.130	B
9	English	C	100	1,350	1,250	1,743	2.179	B
	Total Package B		311,779	444,279	132,500		22.827	
1	Math(TB)	A	1,500	16,500	15,000	410	6.150	C
2	Math	B	1,500	21,500	20,000	410	8.200	C
3	Math	C	1,500	21,500	20,000	410	8.200	C
4	Islamiyat	C	1,500	21,500	20,000	410	8.200	C
	Total Package C		6,000	81,000	75,000		30.750	
1	Islamiyat	VIII	73,504	73,604	100	158	0.016	D

S. No.	Name of Text Book	Class	Quantity Demanded	Quantity Printed	Quantity Diff	Price	Amount	Package No.
2	Mathematics	XII	3,437	3,497	60	643	0.039	D
3	English(TB)	A	1,500	24,500	23,000	162	3.726	D
4	English(TB)	B	1,500	31,500	30,000	166	4.980	D
5	English(TB)	C	1,500	31,500	30,000	106	3.180	D
6	Urdu(TG)	A	100	1,100	1,000	454	0.454	D
7	Urdu(TG)	B	100	1,350	1,250	140	0.175	D
8	Urdu(TG)	C	100	1,350	1,250	275	0.344	D
9	Social Studies(TG)	C	100	1,350	1,250	116	0.145	D
Total Package D			81,841	169,751	87,910		13.058	
Grand Total			1,129,551	1,549,461	419,910		83.738	

22.8.11 Non-retention of record for the financial years 2019-24

Annexure 22.4

S. No.	Name of School	DDO Code	District	Period
1	GBHS Kut Muhammad Shah	PI7064	Pishin	2019-24
2	Gbhs Saagi	PI7065	Pishin	2019-24
3	Gbhs Killi Abdullahjan Pishin	PI7070	Pishin	2019-24
4	Gbhs Tora Shah	PI7078	Pishin	2019-24
5	Gbhs Gangalzai	PI7080	Pishin	2019-24
6	Gbhs Karbala	PI7082	Pishin	2019-24
7	Gghs Qillah Viala	PI7098	Pishin	2019-24

S. No.	Name of School	DDO Code	District	Period
8	Gghs Warya (Rod Mullazai)	PI7104	Pishin	2019-24
9	Gghs Barshore Adah	PI7108	Pishin	2019-23
10	Gbhs Ghulam Jilani	PI7121	Pishin	2019-24
11	Gghs Sagi Toba Kakri	PI7127	Pishin	2019-24
12	Gbhs Shinghari	PI7152	Pishin	2019-24
13	Gghs Zimeztan	PI7165	Pishin	2019-24
14	Gghs Malikzai Tora Shah	PI7153	Pishin	2019-24
15	Gghs Bala Khan Zai	PI7164	Pishin	2019-24
16	Gghs Katkay Zai	PI7183	Pishin	2019-24
17	GBHS Nojko	KR7145	Khuzdar	2019-23
18	GBHS, Khand	KR7087	Khuzdar	2019-24
19	GBHS, Totak	KR7088	Khuzdar	2019-24
20	GBHS, Zeedi	KR 7089	Khuzdar	2019-24
21	GBHS, Grook	KR 7093	Khuzdar	2019-24
22	GBHS Maroki	KR 7094	Khuzdar	2019-24
23	GBHS Hazar Ganji	KR7095	Khuzdar	2019-24
24	GBHS Oranch	KR7097	Khuzdar	2019-24
25	GBHS, Chasma Zehri	KR 7101	Khuzdar	2019-24
26	GBHS Mishk Sar Ap	KR 7103	Khuzdar	2019-24
27	GBHS Noor Gama	KR 7104	Khuzdar	2019-24
28	GBHS GGHS Naal	KR 7107	Khuzdar	2019-24
29	GGHS Noor Gama Zehri	KR 7109	Khuzdar	2019-24
30	GBHS Hatachi Moola	KR 7148	Khuzdar	2019-24

S. No.	Name of School	DDO Code	District	Period
31	GBHS Sanchako	KR 7149	Khuzdar	2019-24
32	GBHS Samwani Zehri	KR 7150	Khuzdar	2019-24
33	GGHS Ornach	KR 7151	Khuzdar	2019-24
34	GGHS Chat Bal bal	KR 7153	Khuzdar	2019-24
35	GBHS Guni Gresha	KR 7167	Khuzdar	2019-24
36	GBHS Korasak	KR 7172	Khuzdar	2019-24
37	GGHS Samwani	KR 7189	Khuzdar	2019-24
38	GBHS Shah Noorani	KR 7203	Khuzdar	2019-24
39	GBHS Jahn Moola	KR 7204	Khuzdar	2019-24
40	GGHS City Khuzdar	KR 7205	Khuzdar	2019-24
41	GGHS Kahan	KR 7219	Khuzdar	2019-24
42	GGHS Salah Abad	KR 7220	Khuzdar	2019-24
43	GBHS GAZAN	KR 7233	Khuzdar	2019-24
44	GGHS Kahan	KR 7234	Khuzdar	2019-24
45	GGMODHS Khuzdar	KR 7106	Khuzdar	2019-24
46	DEO, DOEs, DDOEs and Schools of District Turbat did not provide record			
47	DEO, DOEs, DDOEs and Schools of District Killa Saifullah did not provide record			
48	DEO, DOEs, DDOEs and schools of District Quetta did not provide record			
49	Director, PITE Quetta did not provide the record			

22.8.12 Chronic Absenteeism from Official Duty

Annexure 22.5

S. No.	Personnel No.	Name	Designation	Name of Office	District
1	202341249	Najma Naz	EST	GGMS, Chasma Murad Khan, Khuzdar	Khuzdar
2	20356503	Liaqat Ali	EST	GBMS, Deh Zehri	Khuzdar
3	20249432	Musrat Nazir	JET	GGHS, Hazar Ganji	Khuzdar
4	20249425	Abdul Hakeem	JET	GBHS, Mishk Zehri	Khuzdar
5	20219160	Ghazi Khan	JET	GBHS, Mishk Zehri	Khuzdar
6	20254917	Ubaidullah	JET	GBHS, Baghbana	Khuzdar
7	20206864	Samiram	JVT	GGPS, Usmanabad	Khuzdar
8	20341272	Sajida	JVT	GGPS, Nadirabad	Khuzdar
9	20370836	Safoora	JVT	GGPS, Charzai	Khuzdar
10	20284359	Tehmina	JVT	GGMS, Dogan	Khuzdar
11	20284490	Samina	JVT	GGPS, Muradabad	Khuzdar
12	20225729	M. Alam	JVT	GBPS, Nabi baksh	Khuzdar
13	-	Shereen	SST	GGHS, Balbal	Khuzdar
14	-	Sahib Khatoon	NQ	GGMS, Doghan Zehri	Khuzdar
15	-	Bibi Lako	NQ	GGMS, Doghan	Khuzdar
16	-	Samina	JVT	GGPS, Murad abad	Khuzdar
17	-	Sibgatullah	Sweeper	GGMS, Doghan	Khuzdar
18	-	Saira Aslam	JET	GGHS, Norghma	Khuzdar
19	-	Naseer Ahmed	Lab Assistant	GBHS, Hazar Ganji Nall	Khuzdar
20	-	Saul Masih	Chowkidar	GBHS Paf Airbase	Quetta
21	-	Abdul Malik	Junior Clerk	GBHS Paf Airbase	Quetta

S. No.	Personnel No.	Name	Designation	Name of Office	District
22	-	Farooq Shah	Chowkidar	GBHSS Staff Collage Quetta	Quetta
23	-	Shafaq Nazeer	JVT	GGHS Killi Gul Muhammed	Quetta
24	-	Mehar Nigar	JET (General)	GGHS Killi Gul Muhammed	Quetta
25	-	Mohammad Naeem	Mali	GGHS P.A.F Samungli	Quetta
26	-	Arifa Kakar	JVT	GGHS Khany Zai Aghbarg	Quetta
27	-	Khalil Rehman ^{Ur}	Chowkidar	GGHS Mohafiz Colony Nawa Killi	Quetta
28	-	Shazia Nazeer	JVT	GGHS Chasma Khuddo	Quetta
29	-	Erum Shamshad	SST(Science)	GGHS Sardar Essa Khan	Quetta
30	-	Syed Muhammad	Junior Clerk	GGHS Balochi Street At Arif Road	Quetta
31	-	Ayesha Mazhar	SST(Science)	GGHS Ahmed Quarry Road	Quetta
32	-	Mohadisa	SST(Science)	GGHS Sardar Essa Khan	Quetta
33	-	Sobia Kiran.	SST(Science)	GGHS Bashirabad Nawa Killi Quetta	Quetta
34	-	Memona Tareen	JET(General)	GGHS Shafique Ahmed Khan Shaheed	Quetta
35	-	Sajjad Akhtar	Sweeper	GGHS Shafique Ahmed Khan Shaheed	Quetta
36	-	Gul B Adeen	Naib Qasid	GGCMPS New Kahan Quetta	Quetta
37	-	Muhammad Asgher	JVT	GBMIDS Railway Colony	Quetta
38	-	Khuda Bakhash	JVT	GBMIDS Sardar Nabi Bakhsh	Quetta
39	-	Syed Akhtar Shah	Mualim-Ul-Quran	GBMIDS Shaldara	Quetta

S. No.	Personnel No.	Name	Designation	Name of Office	District
40	-	Bibi Sidra	Mualim-Ul-Quran	GGMIDS Samkhail Kuchlak	Quetta
41	-	Palabo Khan Kakar	SST(General)	GGMIDS Chiltan Scheme	Quetta
42	-	Rubina	JVT	GGMIDS Killi Sarda	Quetta
43	-	Asia Bibi	Junior Arabic Teacher	GGMIDS Malezai Nasran	Quetta
44	-	Muhammad Naseem	JVT	GBPS Malik Raz Muhammad Kuchlak	Quetta

23.7 Synthesis of the Panelists' take on the project

Annexure 23.4

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
Was the project able to achieve the intended objectives of financially assisting and educating the farmers about kid/	Prima facie what PC-I stipulates is humanly impossible 06 Member team was tasked to supervise, inspect and weight 200	Based on the progress report shared with the proforma, it can be inferred that although the project was carefully designed by the planner, the execution did not align	I think the Project-completion was 91% If means that the Project achieved its indented objectives	The Livestock Department was tasked with visiting 200 assisting farmers and weighing 10,000 kids and lambs twice a month. The task was assigned to 6 officials,

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
lamb fattening, sheering, cleanliness and meditation? Can you identify factors responsible for success or failure of project and recommend improvement strategies, if any?	farmers 10000 animals twice a month, in view of distances involved it is impossibility sheering 10000 animals quarterly is again against set work.	with the intended goals. This could be due to various factors, including: 1. Inadequate and untimely financing of the project. 2. Insufficient follow-up on field activities. 3. Farmer selection that may not have followed established guidelines 4. Poor project supervision, monitoring, and evaluation. Furthermore, no project impact assessment was conducted to measure the economic and social effects of the project.	including quality and quantity of mutton and financial benefits to the Farmers. and There was no data regarding Poverty reduction and Transfer of technology.	despite the animals being spread across large distances. The process, involving identifying, weighing, and returning each animal, should take a minimum of five minutes per animal. This would require 50,000 minutes (833 hours) for all animals without any break, yet the staff claimed to finish in one day, averaging just 8.7 seconds per animal. This unrealistic timeframe raises serious doubts about the accuracy and integrity of the reported data,

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
				suggesting potential shortcuts or manipulation in the process, which compromises the program's evaluation. The project aimed to enhance both the quantity and quality of mutton production. However, farmers were paid only Rs. 16.70 per day for feeding each kid, this amount was insufficient and proved inadequate for effectively fattening and raising the animals. This insufficient funding significantly undermined the

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
				project's goals and compromised its overall success.
Can you enumerate some of the achievements of the Project?	The only achievement I can see is that some selected farmers benefited temporary.	The only achievement reflected in the project is the number of small ruminants, which is 290,000. This number represents the total count of animals that received treatment, as indicated in the attached report.	Improvement of Mutton in quantity quality.	Evaluating the project's impact is difficult due to the limited information available and the completion of activities in all the targeted districts. The lack of feedback from non-beneficiary community members, third-party validation, or documented outcomes further complicates efforts to fully evaluate its effectiveness. Furthermore, the selection of 200 farmers per district

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
				without established eligibility criteria raises significant transparency concerns. This lack of accountability allows political figures to favor their supporters, compromising the project's fairness and credibility. Evidence of this interference is evident in the tampering of approved beneficiary lists in District Lasbela and Killa Abdullah, further undermining trust in the process.
Was the project best suited for the area/ region?	One size fit all keeping in view topography,	More than 95% of the province is rangeland, and 90% of the rural	Almost the Project executed in 32 districts.	As above

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
	climatic condition, single approach is a of workable.	population raise livestock for their livelihood and sustenance. Additionally, herders from Afghanistan also bring their herds into Balochistan for grazing. Therefore, the suitability of the project for this area and region cannot be questioned.		
Which areas should we focus to gauge the performance of the project.	Proper study should have been conducted before launching it.	1. Complete profiles of beneficiaries should include their annual income and the number of livestock they keep. 2. The project should record the weight of the animals before and after treatment.	Naseer Abad, Kachi, & Killa-saifullah	Given the diverse topography and climate of the province, a single approach is unlikely to be effective. Tailored solutions that consider the unique environmental and geographical

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
		3. The criteria used to select farmers and animals should be clearly stated. 4. The stock registers should provide detailed information about the treatments. 5. It is important to explain how funds were transferred to beneficiaries, including the mechanism used and any certifications obtained from the recipient.		conditions of each region would be more suitable.
Was the Technology (including equipment Rs. 77 million and vaccines amounting to Rs.	Only post project evaluation by 3 rd teaching evaluation can determine, farmer who got the	Without studying the PC-I and project methodology specifically, it would not be justified to comment on the	The funds were insufficient management found hardles to complete the project in limited funds.	The equipment and medicines were procured as per the PC- I provision. With the project now complete, a post-evaluation can be

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
53 million) and fund transfer amounting to Rs. 480 million effective to uplift the livelihood of the farmers?	benefit provide correct feedback.	effectiveness of the project. Therefore, no comments.		conducted by gathering feedback from both beneficiary and non-beneficiary farmers to assess its overall impact and effectiveness.
Was the procurement of equipment and vaccines/ medicines undertaken in a transparent manner?	Can not be answered without random site visit.	This is something that the audit needs to verify after reviewing the procurement procedure and related documents. No comments.	The PD applied all codal formalities including BPRA rules.	No comments
Was the operational cost amounting to Rs. 17.8 million, which becomes 2.9% of the project cost, sufficient and well spent?	Not at all ridiculous.	The operation cost seems to be on the lower side. Therefore, with such a meager amount, it would not be possible for the project staff to visit the sites and effectively monitor	T insufficient fund for Operational cost.	It is important to assess the adequacy and utilization of the es 2.9% of allocated funds. Although 2.9% seems reasonable for and well operational expenses, its

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
		the progress of activities.		sufficiency depends on the specific needs of the project. The livestock authorities allocated the operational costs in the PC-I based on their requirements.
What breed of sheep and goats was procured/ suggested, if any? Was its adjustment with local environment suitable?	Papers are silent about selection and procurement process, how and from where kids in such large number were procured in not known. Local and cross breed accmpted to district would be better choice.	No comments.	No any Breed was Purchase Targeted animals were Property of Farmers Breed include, balochi, etc.	Kids and lambs were not procured but rather selected from Was Its the existing stocks held by farmers. However, the records maintained by the Deputy Directors in all districts were lacking in details regarding the specific breed of kids and lambs chosen for fattening. The absence of documentation

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
				makes it impossible to provide any meaningful assessment.
What strain is fast growing that could deliver the best output-input ratio?		No Comments.	No Comments.	The best fast-growing strain for delivering the best output- input ratio in livestock depends on the species.
Can you guage the capacity of the project regarding uplifting the livestock in the province? What could be done to get better results?	One cannot make a hunch unless studies on ground after one year completion.	We cannot comment on the effectiveness of the project e without access to specific data on project achievements and failures.	Planning to initiate Phase II of The Project with the realistic amount.	Evaluating the project's impact is difficult due to the in the completion of project activities in the province and limited to get information. Without feedback from non-beneficiary community members/third-party

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
				validation, or documented outcomes, its achievements cannot be gauged.
How would you rank the Monitoring and Evaluation of the Project? Can you offer some suggestions in this regard?	Weakest area	Based on the available report, it appears that no proper monitoring and evaluation were conducted during the project's execution. It is recommended that result-based monitoring be implemented in similar projects.	M&E should be more Comprehensive to going to out of the Project in District and Divisional level.	The monitoring and oversight visits conducted by the Divisional Director and Deputy Directors of the respective districts were damaged by inadequate documentation, notably the absence of tour notes or other supporting records. This lack of proper record-keeping not only undermines the credibility of their efforts but also raises

Questions	Comments of the Mr. Mahfooz Ali Khan	Comments of the Mr. Irfan Ali Bakhtiari	Comments of the Mr. Ghulam Rasool Taj	Comments of the Mr. Akber Ali
				serious concerns about the overall transparency and accountability of the monitoring process. Without clear evidence, it becomes difficult to assess the thoroughness of their evaluations.
Do you know about any parallel/similar projects? How do you rate the standing of this project as compared other such projects?	10 years back on such project was launched which failed to achieve targets.	Unfortunately, we do not have access to such information, so we cannot provide any comments.	Comparatively in field in KLFP was better than the similar Project like Backyard Poultry.	In 2005, the Livestock and Dairy Development Department ending of initiated a fattening project to enhance livestock productivity er such and improve local farmers' livelihoods. However, the project failed to achieve its objectives and targets.

PANELLIST QUESTIONNAIRE
KID / LAMB FATTENING IN BALOCHISTAN PROJECT

Respected Penal Members,

We kindly request your expertise and insights in evaluating the Kid/Lamb Fattening Project in Balochistan. As members of the Citizen Participatory Audit (CPA) panel, your contribution is invaluable in ensuring the project's transparency, accountability, and effectiveness.

To facilitate your review, we have prepared a series of questions that aim to assess the project's objectives, implementation, impact, and overall performance. Besides, there is a descriptive portion of the Questionnaire designed for you to express your views about the overall progress, performance and effectiveness of the project. We kindly request your thoughtful consideration and responses to these questions.

Note: *Please tick the relevant column and attach extra sheets where needed.*

Markers: *SD = Strongly Disagree. D = Disagree. N = Neutral.*
A = Agree. SA = Strongly Agree.

Q. No.	Questions	SD	D	N	A	SA
		1	2	3	4	5
1.PROJECT OBJECTIVES AND IMPLEMENTATION						
1.1	The project successfully achieved its primary objectives.					
1.2	The project contributed to the overall development and sustainability of the livestock sector.					
1.3	The project was able to achieve its objectives within the allocated budget and timeframe?					

2.IMPACT ON LIVESTOCK FARMERS					
2.1	The project brought measurable improvements in farmers' livelihoods, income levels, and quality of life.				
2.2	The project's interventions are sustainable in the long run.				
3.TECHNOLOGY TRANSFER					
3.1	The project made transfer of technology to livestock farmers in sufficient quantity.				
3.2	Farmers were able to adopt the new practices and technologies introduced through the project without hesitation and complications.				
4.POVERTY REDUCTION					
4.1	Project contributed to poverty reduction among livestock farmers in the target areas.				
4.2	Poverty reduction benefits achieved through the project are sustainable in the long run.				
5.MONITORING AND EVALUATION					
5.1	Project's monitoring and evaluation (M&E) system has been effective in tracking progress, measuring outcomes and advising corrective actions.				
5.2	M&E system been implemented consistently and effectively?				
6.OVERALL ASSESSMENT					
6.1	Project meet the criteria for success in line with its intended objectives.				

Annexure 23.6

23.8 Feedback from beneficiary farmers

Name of District: Kholu	Name of District: Khuzdar
Name of Beneficiary / Farmer: Pervaiz Ali Age: 26 Years	Name of Beneficiary / Farmer: Jan Muhammad Age:69 Years
CNIC: 55202-0816406-9 Mobile Number: 03336673097	CNIC: 51401-5691915-7 Mobile Number: 03377072689
Name of Beneficiary / Farmer: Mir Ghoram Age:33 Years	Name of Beneficiary / Farmer: Sanaullah Age:49 Years
CNIC: 55202-2471716-5 Mobile Number: 03338877224	CNIC: 51401-1532431-3 Mobile Number: 03322761841
Name of Beneficiary / Farmer: Jalil Ahmed Age:29 Years	Name of Beneficiary / Farmer: M Ashraf Age:40 Years
CNIC: 55202-6378755-7 Mobile Number: 03333373710	CNIC: 51401-8482393-7 Mobile Number: 03342317876
Name of Beneficiary / Farmer: Mir Shahbaz Age:49 Years	Name of Beneficiary / Farmer: Ghulam Rasool Age:49 Years
CNIC:55202-2149462-1 Mobile Number: 03347179606	CNIC: 51401-2052029-9 Mobile Number: 03327869641
Name of Beneficiary / Farmer: Najeeb Ullah Age:49 Years	Name of Beneficiary / Farmer: M Ali Age: 64 Years
CNIC: 55202-2149462-1 Mobile Number: 03347179606	CNIC: 51401-0183687-1 Mobile Number: 03368343107
Name of Beneficiary / Farmer: M Din Age: 69 Years	Name of Beneficiary / Farmer: Manzoor Ahmed Age: 48 Years

Name of District: Kholu	Name of District: Khuzdar
CNIC: 55202-0410818-7 Mobile Number: 03366224619	CNIC: 51401-1021956-7 Mobile Number: 03337981172
Name of Beneficiary / Farmer: Mir Khurshid Ali Age: 40 Years	Name of Beneficiary / Farmer: M Ismail Age: 38 Years
CNIC: 55202-8457605-1 Mobile Number: 03334544426	CNIC: 51401-3643261-1 Mobile Number: 03322792205
Name of Beneficiary / Farmer: Mero Khan Age: 49 Years	Name of Beneficiary / Farmer: Allah Dad Age: 58 Years
CNIC: 55202-0413441-9 Mobile Number: 03324583915	CNIC: 51401-2285483-5 Mobile Number: 03322405735
Name of Beneficiary / Farmer: Sher Shah Age:27 Years	Name of Beneficiary / Farmer: M Aslam Age: 39 Years
CNIC: 55202-5329551-5 Mobile Number: 03334281664	CNIC: 51401-4590844-5 Mobile Number: 03337979949
Name of Beneficiary / Farmer: Haji Bashir Ahmed Age:70 Years	Name of Beneficiary / Farmer: Muhammad Age: 21 Years
CNIC: 55203-2159312-1 Mobile Number: 03354614860	CNIC: 51401-3404397-3 Mobile Number: 03313821361
Name of Beneficiary / Farmer: Gul Khan Age:64 Years	Name of Beneficiary / Farmer: Muhammad Age: 46 Years
CNIC: 55202-0411343-9 Mobile Number: 03346679744	CNIC: 51401-9154857-9 Mobile Number: 03318482869
Name of Beneficiary / Farmer: Ja Mir Khan Age:50 Years	Name of Beneficiary / Farmer: M Abbas Age: 39 Years

Name of District: Kholu	Name of District: Khuzdar
CNIC: 55202-0412844-1 Mobile Number: 03335096471	CNIC: 51401-6173611-5 Mobile Number: 03332062645
Name of Beneficiary / Farmer: Hameed Khan Age:58 Years	Name of Beneficiary / Farmer: Rasool Bux Age: 47 Years
CNIC: 55202-0409801-3 Mobile Number: 03336672079	CNIC: 51401-3828744-1 Mobile Number: 03355021167
Name of Beneficiary / Farmer: Mir Muhammad Age:54 Years	Name of Beneficiary / Farmer: M Baqa Age: 49 Years
CNIC: 55202-4062924-9 Mobile Number: 03360898145	CNIC: 51401-7414415-3 Mobile Number: 03312809146
Name of Beneficiary / Farmer: Dare Khan Age: 29 Years	Name of Beneficiary / Farmer: Atta Ullah Age: 36 Years
CNIC: 55202-5147914-7 Mobile Number: 03351274026	CNIC: 51401-0716694-9 Mobile Number: 03328089486
Name of Beneficiary / Farmer:Mir M Amin Age: 33 Years	Name of Beneficiary / Farmer: Bashir Ahmed Age: 36 Years
CNIC: 55202-5713087-1 Mobile Number: 03337935621	CNIC: 51401-8301078-5 Mobile Number: 03337975209
Name of Beneficiary / Farmer: Salal Ahmed Age: 34 Years	Name of Beneficiary / Farmer: Ali Age: 34 Years
CNIC: 55202-9643127-1 Mobile Number: 0333408505	CNIC: 51401-9366570-9 Mobile Number: 03331298114
Name of Beneficiary / Farmer: Mir S Jung Age: 46 Years	Name of Beneficiary / Farmer: Abdullah Age: 59 Years

Name of District: Kholu	Name of District: Khuzdar
CNIC: 55202-0415977-7 Mobile Number: 03337816869	CNIC: 51401-5148707-9 Mobile Number: 03332094660
Name of Beneficiary / Farmer: Serwer Khan Age: 35 Years	Name of Beneficiary / Farmer: Umar ud din Age: 56 Years
CNIC: 55202-3380747-5 Mobile Number: 03337869539	CNIC: 51401-4341385-9 Mobile Number: 03318905719
Name of Beneficiary / Farmer: Shah Faisal Age: 25 Years	Name of Beneficiary / Farmer: M Hayat Age: N/A
CNIC: 55202-8781201-3 Mobile Number: 03337614364	CNIC: 51401-8893730-1 Mobile Number: 03337970359

ر _____ نام کا مالک کے جانوروں _____ نام کا ضلع

عمر _____ نمبر موبائل _____ CNIC: _____

کارکردگی، نفاذ، کام، کا اس میں جس ہے، گیا کیا تیار لیے کے لینے جائزہ کا پروجیکٹ "بلوچستان کرنا، موٹا بکرے / بچے" سوالنامہ یہ گا۔ جائے لیا جائزہ کا حصول کے مقاصد اور صداقت

کیا؟ منتخب بعد کے سروے نے کمیٹی انتخاب کو مالک کے جانوروں کیا۔ 01 نمبر سوال

- ہاں (الف)
- نہیں (ب)

تھے؟ بکرے / بچے 50 کے عمر کی ماہ 7 سے 6 دوران کے وقت کے پروجیکٹ پاس کے مالک کے جانوروں کیا۔ 02 نمبر سوال

- ہاں (الف)
- نہیں (ب)

کیے؟ دستخط پر معاہدہ پہلے سے (دن 90) آغاز کے پروجیکٹ نے مالک کے جانوروں کیا۔ 03 نمبر سوال

- ہاں (الف)
- نہیں (ب)

ہوئے؟ وصول روپے -/75,000 کیا۔ 04 نمبر سوال

- ہاں (الف)
- نہیں (ب)

گئی؟ کی ذریعے کے چیک کراس یا نقد ادائیگی کیا۔ 05 نمبر سوال

- ہاں (الف)
- نہیں (ب)

کی؟ وصول رقم سے طرف کی آپ نے اور کسی یا کی، وصول رقم خود نے آپ کیا۔ 06 نمبر سوال

- ہاں (الف)
- نہیں (ب)

کی؟ فراہم ویکسین اور دوا نے جات مویشی ڈائریکٹر ڈپٹی کا جانوروں کیا۔ 07 نمبر سوال

- ہاں (الف)
- نہیں (ب)

گئے؟ مر جانور کتنے تو ہوا ایسا اگر اور پھیلی، بیماری کوئی دوران کے مدت کی دن 90 کیا۔ 08 نمبر سوال

- ہاں (الف)
- نہیں (ب)

گئے؟ ہو موٹے جانور کیا بعد کے ہونے مکمل دن 90۔ 09 نمبر سوال

- ہاں (الف)
- نہیں (ب)

گیا؟ کیا فروخت میں مارکیٹ مقامی کو جانوروں کیا۔ 10 نمبر سوال

- ہاں (الف)

- نہیں (ب)

آئی؟ کمی میں سطح کے غربت کے خاندان سے مدد مالی کی پروجیکٹ -11 نمبر سوال

- ہاں (الف)

- نہیں (ب)

دستخط کا مالک کے جانوروں

Questionnaire for Beneficiaries/Stockman

Name of District: _____

Name of Beneficiary / Farmer: _____ **Age:** _____

CNIC: _____ **Mobile Number:** _____

This questionnaire is designed to assess the "Kid/Lamb Fattening, Balochistan" project, evaluating its working, execution, performance, authenticity, and achievement of targeted goals.

Question No. 01. Was the beneficiary selected by the Selection Committee after a survey?

- A) Yes
- B) No

Question No. 02. Did the beneficiary possess 50 kid/lambs aged 6 to 7 months during the project timeframe?

- A) Yes
- B) No

Question No. 03. Did the beneficiary sign an agreement before the start of the project (90 days)?

- A) Yes
- B) No

Question No. 04. Were Rs. 75,000/- (Seventy-five thousand) funds received?

- A) Yes

- B) No

Question No. 05. Was the payment made in cash or by cross-check?

- A) Yes
- B) No

Question No. 06. Did you personally receive the money, or did someone else receive it on your behalf?

- A) Yes
- B) No

Question No. 07. Were medicine and vaccinations provided by the Deputy Director of Livestock?

- A) Yes
- B) No

Question No. 08. Were there any diseases spread during the 90-day period, and if so, how many animals died?

- A) Yes
- B) No

Question No. 09. After the completion of 90 days, were the animals fattened?

- A) Yes
- B) No

Question No. 10. Were the animals sold in the local market?

- A) Yes
- B) No

Question No. 11. The project's financial assistance helped to reduce the poverty level of the family.?

- A) Yes
- B) No

Signature of the Stockman