



**AUDIT REPORT
ON
THE ACCOUNTS OF
GILGIT-BALTISTAN COUNCIL**

AUDIT YEAR 2023-24

AUDITOR-GENERAL OF GILGIT-BALTISTAN

PREFACE

Section-9 of the Auditor-General of Gilgit-Baltistan (Functions, Powers and Terms and Conditions of Service) Act, 2012 enacted under Gilgit-Baltistan (Empowerment and Self-Governance) Order, 2009 requires the Auditor-General of Gilgit-Baltistan to conduct audit of receipts and expenditure of Gilgit-Baltistan Council.

The Directorate General of Audit, Gilgit-Baltistan conducted audit of Gilgit-Baltistan Council and its attached departments during 2022-23 on test check basis with a view to reporting significant findings to the concerned stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of rupees one million or more. Relatively less significant issues are listed in Annexure-1 of the audit report. The audit observations listed in the Annexure-1 as MfDAC shall be pursued with the Principal Accounting Officer (PAO) at Departmental Accounts Committee (DAC) level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee (PAC) through the next year's audit report.

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 observations included in this report have been finalized in the light of written response and discussion in DAC meeting.

There are certain audit paras which were also reported in last year(s) Audit Report(s) for the financial year(s) 2019-20, 2020-21 and 2021-22. Recurrence of such irregularities is matter of concern and needs to be addressed.

The Audit Report is submitted to the Chairman of the Gilgit-Baltistan Council in pursuance of Section-8 of Auditor-General of Gilgit-Baltistan (Functions, Powers and Terms and Conditions of Service) Act, 2012 for causing it to be laid before the Council.

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

Islamabad
Dated:

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ABBREVIATIONS AND ACRONYMS

AGM	Annual General Meeting
APPM	Accounting Policies and Procedures Manual
CMA	Civil Miscellaneous Application
CPS	Contingent Paid Staff
DAC	Departmental Accounts Committee
DDO	Drawing & Disbursing Officer
FBR	Federal Board of Revenue
FTR	Federal Treasury Rules
GAAP	Generally Accepted Accounting Principles
GB	Gilgit-Baltistan
GBC	Gilgit-Baltistan Council
GFR	General Financial Rules
HBA	House Building Advnace
INTOSAI	International Organization of Supreme Audit Institutions
MCA	Motor Car Advance
MFDAC	Memorandum for Departmental Accounts Committee
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PPRA	Public Procurement Regulatory Authority
PTA	Pakistan Telecommunication Authority
SAP	System Application Product
USF	Universal Services Fund

EXECUTIVE SUMMARY

Section-98(1) of Government of Gilgit-Baltistan Order, 2018 provides that there shall be an Auditor-General of Gilgit-Baltistan who shall be appointed by the Governor on the advice of Prime Minister. Presently, the Auditor-General of Pakistan holds the office of the Auditor-General of Gilgit-Baltistan also. Section 9 of the Auditor-General of Gilgit-Baltistan (Functions, Powers and Terms and Conditions of Service) Act, 2012 mandates the Auditor-General of Gilgit-Baltistan to conduct audit of receipts and expenditure of Gilgit-Baltistan Council.

The Directorate General of Audit Gilgit-Baltistan is Field Audit Office of the Department of Auditor-General of Gilgit-Baltistan. Sanctioned strength of the office is 79 including 20 officers. For audit activities, 13 officers and 05 senior auditors were available having 3,880 man-days. Total budget allocated for the financial year 2023-24 is Rs.160.852 million. This office carries out audit of 01 PAO having 06 formations of Gilgit-Baltistan Council.

Scope of Audit

The audit universe of the Directorate General of Audit Gilgit-Baltistan is mandated to consist of 06 formations working under the one PAO of Gilgit-Baltistan Council. Total receipt and expenditure of these formations were Rs.2.038 billion and Rs.4.074 billion respectively for the financial year 2022-23.

Audit coverage relating to expenditure for the current audit year comprises of 04 formations of one PAO having a total expenditure of Rs.3.541 billion for the financial year 2022-23. In terms of percentage, the audit coverage for expenditure is almost 75% of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises of 06 formations of 01 PAO having a total receipt of Rs.2.038 billion for the financial year 2022-23. In terms of percentage, the audit coverage for receipt is 100% of auditable receipts.

In addition to this compliance audit report, DG Audit Gilgit-Baltistan also conducts Financial Attest Audit of Gilgit-Baltistan Council.

Recoveries at the instance of audit

Recovery of Rs.10.833 million has been pointed out in this report and no amount has been recovered till finalization of the report and verified.

Audit Methodology

Audit was conducted in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards as incorporated in Financial Audit Manual. Desk audit helped auditors in understanding the systems, procedures and environment of the audited entities before starting field activity. This was facilitated by access data, intranet, internet facility, and availability of permanent files. This greatly facilitated in the identification of high-risk areas for substantive testing in the field.

Comments on internal controls and Internal Audit Department

It was noticed that the internal audit unit was non-existent to the large extent. Instances of internal controls failures were also noted which have been highlighted in the Audit Report.

Key audit findings of the report

- i. Value for money and service delivery issues amounting to Rs.537.596 million were noted in 03 cases¹
- ii. Non-recovery amounting to Rs.10.833 million was noted in 01 case²

Audit paras for the audit year 2023-24 involving procedural violations, including internal control weaknesses and irregularities not considered worth reporting to PAC, have been included in MFDAC and incorporated in the report as **Annexure-1**.

Recommendations

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

¹Paras: 2.4.2, 2.4.3, 2.4.4

²Paras 2.4.1

Based on the findings of this audit report, the following recommendations are placed before the management of the audited entities and other stakeholders:

- i. Universal fund may be utilized for intended purposes in accordance with provision of the Act. Moreover, budget of the USF may be got approve. Power policy may be formulated and got approve from respective forum.
- ii. Recovery on account of HBA/MCA may be made from AGPR and credited into the Gilgit-Baltistan Council Fund.

CHAPTER-1

1. PUBLIC FINANCIAL MANAGEMENT ISSUES

1.1 Gilgit-Baltistan Council Public Financial Management 2022-23

Total receipts of Gilgit-Baltistan Council for the financial year 2022-23 were Rs.2,037.94 million, which included Grant from Federal Government.

(Rupees in million)

S. No.	Composition of Receipts	Amount	%age
1	Grant from Federal Government	808.27	39.661
2	GB Council's Own Collection (Tax)	850.60	41.738
3	Revenue and Other Receipts (Non-Tax)	354.65	17.402
4	Recovery of loans and advances	24.42	1.198
Total Receipt		2,037.94	100.00

In a total revenue of Rs.2,037.94 million, Gilgit-Baltistan Council received Rs.808.27 million from Federal Government as Grant which was 39.661% of its total receipts.

Total non-development expenditure for the financial year 2022-23 was Rs.4,074.10 million. However, there was no development expenditure during the year. The head wise expenditure was as under:

(Rupees in million)

S. No.	Head	Amount	%age
1	Salaries and employee benefits	703	17.255
2	Operating expenses	84.32	2.070
3	Transfer grants, Subsidies	3,271.08	80.290
4	Physical assets	0.68	0.017
5	Repairs and Maintenance	10.91	0.268
6	Loans and Advances	4.11	0.101
Total Expenditure		4,074.10	100.00

Out of total expenditure of Rs.4,074.10 million, an expenditure of Rs.703.00 million was incurred on salaries, which was 17.255% of the total expenditure. Similarly, an expenditure of Rs.84.32 million which constituted

2.070% of the total expenditure was incurred on operational activities. Besides, an expenditure of Rs.3,271.08 million was incurred under the head transfer grants and subsidies which is 80.290% of total expenditure. The expenditure under the head transfer grant includes an amount of Rs.3,265.829 million transferred to government of Gilgit-Baltistan. Similarly, an expenditure of Rs.10.91 million was incurred under the head repair and maintenance, which was 0.268% of the expenditure. Moreover, physical assets valuing Rs.0.68 million were created during the year, which was 0.017%.

It is pertinent to mention here that the budget of the Gilgit-Baltistan Council Secretariat was not approved by the Gilgit-Baltistan Council which was serious deficiency. Accordingly, an audit opinion (emphasis of matter) has already been issued to the management.

The audit highlighted certain systemic weaknesses in the budgetary utilization and resource allocation by the Council. Audit observations included in the report are indicators of these weaknesses, which arise from lack of implementation of standard operating procedures, weak internal control mechanisms that primarily arise from financial and administrative mismanagement of financial resources.

1.2 AUDIT PARAS

1.2.1 Non reconciliation of receipts and difference of Rs. 12.835 million between book and bank balances

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.

Certification audit of the Gilgit Baltistan Council for the financial year 2022-23 revealed that balance as per bank statement was Rs.5,644.045 million whereas balance appearing in the financial statement was Rs 5,644.045 million, which resulted in a difference of Rs 12.835 million, details are as under;

• Balance as per Bank Statement-	Rs. 1,144.045 million
• Investments	<u>Rs. 4,500.000 million</u>
• Total balance	Rs. 5,644.045 million

- | | |
|---|------------------------------|
| • Cash Balances as per Financial Statements | Rs. <u>5,631.210 million</u> |
| • Difference | Rs. 12.835 million |

Audit is of the view that variation in the closing balance was due to non-reconciliation with the bank.

Differences in book and bank balance question the reliability of financial statements.

The management replied that the case has been taken up with National Bank of Pakistan for provision of statement of account since the opening of the said account to reconcile the accounts.

The management has accepted the point of view of the audit.

The DAC in its meeting held on 23.10.2023 directed the management to reconcile the account.

Audit recommends that reconciliation of account should be carried out to settle the difference.

1.2.2 Un-authorized expenditure without approval of budget - Rs.4,074.99 million

Para 3.1.1.3 of Accounting Policies and Procedures Manual (APPM) states that “under the Constitution, the Federal/Provincial Government is required annually to lay before the National/Provincial Assembly, a statement of estimated receipts and expenditure for the forthcoming financial year. This is referred to as the Annual Budget Statement. This statement indicates separately the sums required to meet expenditure charged upon the Federal/Provincial Consolidated Fund and other expenditure to be made from the Federal/Provincial Consolidated Fund”.

As per Financial Statements of the Gilgit Baltistan Council Rs 2,037.93 million was collected as tax and non-tax receipts. As per appropriation account the Gilgit-Baltistan Council incurred an expenditure of Rs.4,074.99 million for the financial year 2022-23.

Audit observed that neither the revenue nor budget estimates were approved by the Gilgit-Baltistan Council.

Audit is of the view that non-approval of revenue and budget estimates by the Council was violation of Gilgit-Baltistan Council Rules of Procedures and Conduct of Business 2010 and the provisions of the APPM.

The management replied that the Federal Government filed a CMA in Supreme Court of Pakistan for seeking extension in implementation of GB Governance Reforms 2019 which is still under adjudication.

The reply was not accepted as the expenditure was made without the approval of Gilgit-Baltistan Council.

The DAC meeting was held on 23.10.2023. The DAC was of the view that case is sub-judice and therefore, decided to pend the Para till final decision of the Court.

Audit recommends revenue and budget estimates of the council may be got approved from the competent forum as soon as the case is decided.

1.2.3 Excess expenditure against allocated budget-Rs. 3,265.829 million

According to 4.2.2.2 of APPM “Officers holding authority to approve expenditure proposals must be held responsible for the exercise of due care and diligence, and should not incur expenditure (or enter into commitment) in excess of the amount appropriated by the National or Provincial Assembly”.

As per Appropriation Accounts for the Financial Year 2022-23 the Gilgit-Baltistan Council incurred an expenditure of Rs. 4,074.99 million whereas Federal Government provided funds of Rs.808.27 million. Thus an expenditure of Rs.3,265.829 million was made in excess of allocated grant.

Audit is of the view that expenditure over allocated grant and without the approval of the Council was violation of the provision of APPM.

The management replied that the consolidated funds of the Council was frozen after promulgation of the Government of Gilgit-Baltistan Order, 2018.

Section 121 of the GB Order provides a mechanism for regulating the Council frozen funds. Accordingly, the funds of Rs.3,265.829 million were transferred to Government of Gilgit Baltistan in accordance with the provision of Section 121 of the GB Order.

The reply was not satisfactory as the expenditure was in excess of approved budget grant provided by Federal Government.

The DAC in its meeting held on 23.10.2023 directed the management to obtain approval of the Council along with other expenditure once the case is finally decided.

Audit recommends implementation of DAC directives.

CHAPTER-2

2. GILGIT-BALTISTAN COUNCIL

2.1 Introduction

A. The Gilgit-Baltistan Council has been established under Section-60(A) of the Government of Gilgit-Baltistan Order, 2018. The Council consists of:

- i. The Prime Minister of Pakistan (Chairman of the Council)
- ii. The Governor (Vice Chairman of the Council)
- iii. Six members nominated by the Prime Minister of Pakistan from time to time from amongst Federal Ministers and members of Parliament; provided that the Federal Minister for Kashmir Affairs and Gilgit-Baltistan shall be an ex-officio member and Minister In charge of the Council.
- iv. The Chief Minister of Gilgit-Baltistan
- v. Six members to be elected by the Gilgit-Baltistan Legislative Assembly in accordance with the single non-transferable majority vote.

Audit profile of the Gilgit-Baltistan Council

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2022-23 (Rs. in million)	Revenue/Receipts audited FY 2022-23 (Rs. in million)
1.	Formations	7*	4	3,542.02	2,037.93
2.	<ul style="list-style-type: none">• Assignment Accounts• SDAs	0	0	-	-
3.	Authorities/ Autonomous Bodies under the PAO	0	0	-	-
4.	Foreign Aided Projects	0	0	-	-

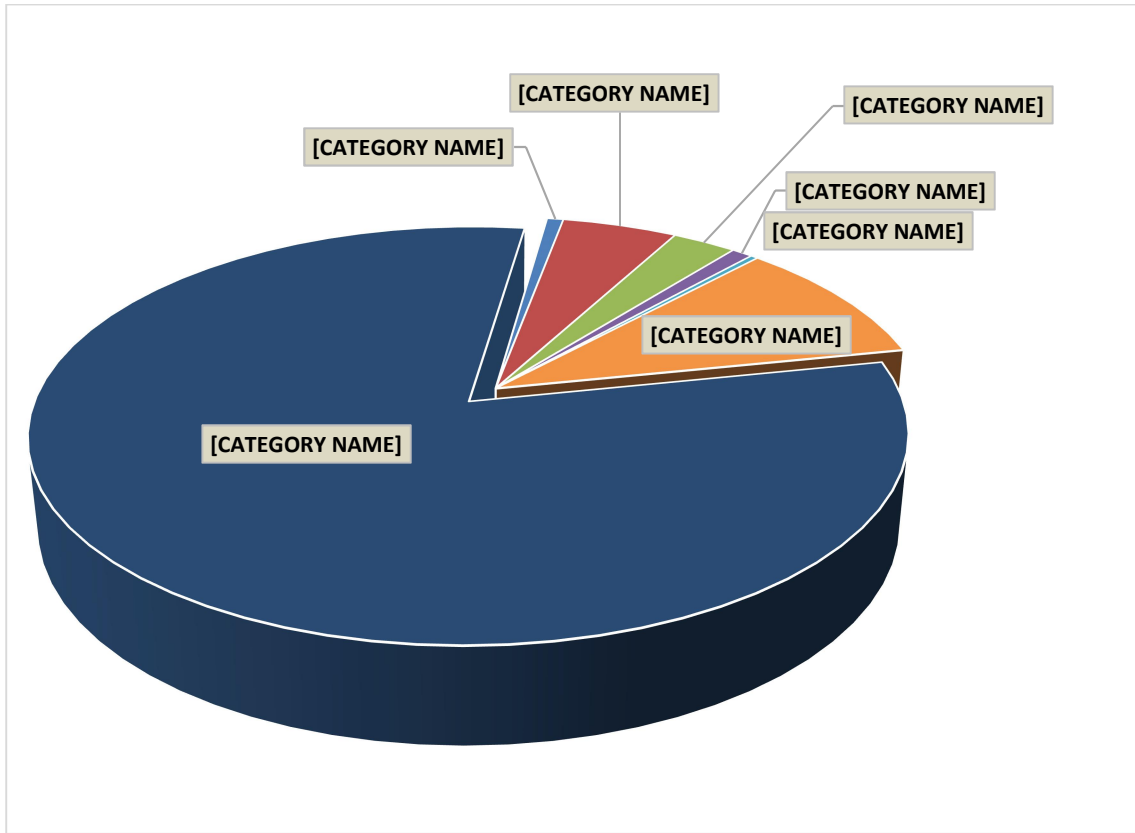
* Includes Directorate General Audit (Gilgit-Baltistan)

B. Comments on Budget & Accounts (Variance Analysis)

Budget allocation and expenditure of Gilgit-Baltistan Council for the Financial Year 2022-23 was as under:

(Rupees in million)

S. No.	Department	Original Budget	Re-appropriation (+/-)	Supplementary Grant	Surrender	Final Grant	Actual Expenditure
1	Members GB Council	28.66	-	-	-	28.66	28.66
2	Gilgit Baltistan Council Secretariat ISB	203.08	-	-	-	203.08	203.08
3	Director General Audit, GB Gilgit	113.76	-	-	-	113.76	113.76
4	Tax Department GB, Gilgit	37.13	-	-	-	37.13	37.13
5	AG Gilgit Baltistan (Sub-office) Islamabad	13.08	-	-	-	13.08	13.08
6	AG Gilgit Baltistan Gilgit	402.06	-	-	-	402.06	402.06
7	Pension, Loans & Grants by GB Council	3,276.33	-	-	-	3,276.33	3,276.33
Total		4,074.10	-	-	-	4,074.10	4,074.10

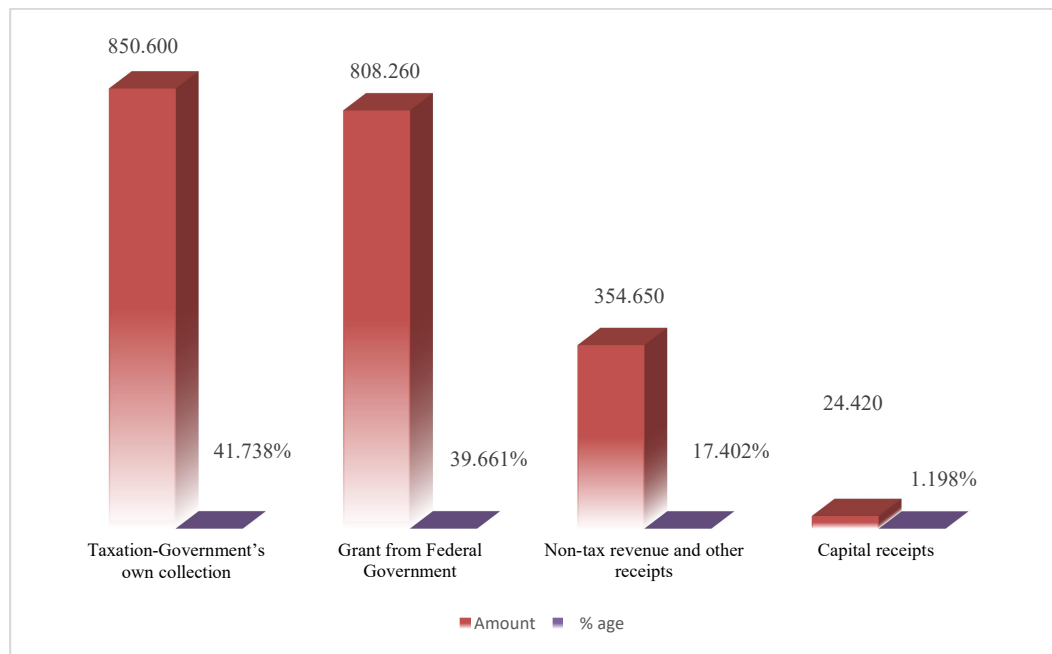


C. Sectoral analysis

The financial management system of Gilgit-Baltistan Council determines the objectives, formulates the policies, lays out the procedures, implements the programmes, and allocates the budgets for all financial activities of Gilgit-Baltistan Council. A streamlined financial management practice, ensure availability of sufficient funds and maintenance of a balance between income and expenses to ensure financial stability.

Total revenue of Gilgit-Baltistan Council for the financial year 2022-23 was Rs.2,037.93 million including grant of Rs.808.260 million from Federal Government. Details are as under:

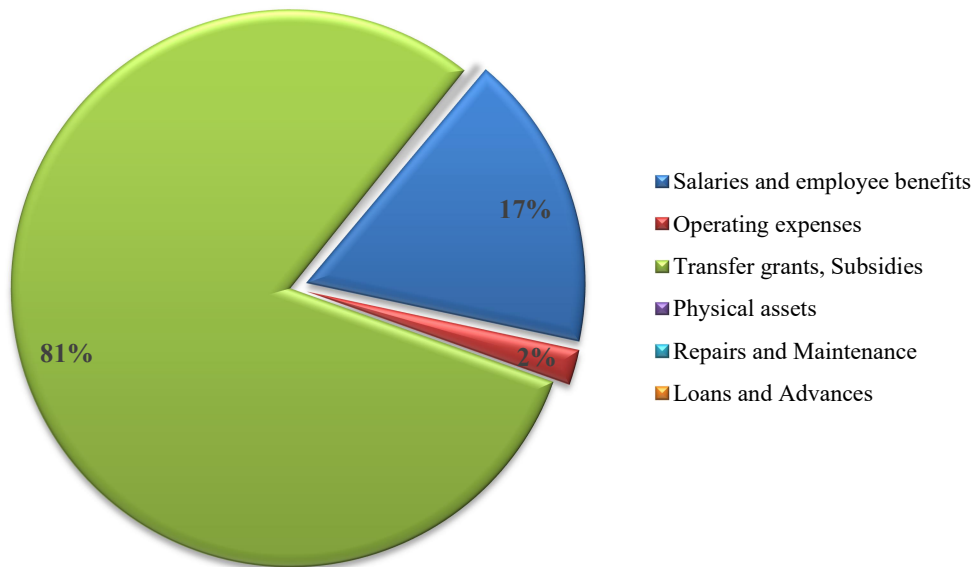
S. No.	Head	Rs. in million	% age
1.	Taxation-Government's own collection	850.600	41.738
2.	Grant from Federal Government	808.260	39.661
3.	Non-tax revenue and other receipts	354.650	17.402
4.	Capital receipts	24.420	1.198
Total Receipt		2,037.930	100.000



In total receipt of Rs.2,037.93 million, Gilgit-Baltistan Council received Rs.85.600 million from taxation-Government's own collection, which was almost 41.738% of its total receipt. The Gilgit-Baltistan Council also received grant-in-aid of Rs.808.260 million from Federal Government which constitute 39.661% of the total receipt. The non-tax revenue contribution comes to Rs.354.650 million which is 17.402% of the total receipt followed by capital receipt which is 1.198% of the total receipt.

Total non-development expenditure for the financial year 2022-23 was Rs.4,074.10 million. The breakup of non-development expenditure is as under:

(Rupees in million)			
S. No.	Head	Amount	%age
1	Salaries and employee benefits	703	17.255
2	Operating expenses	84.32	2.070
3	Transfer grants, Subsidies	3,271.08	80.290
4	Physical assets	0.68	0.017
5	Repairs and Maintenance	10.91	0.268
6	Loans and Advances	4.11	0.101
Total Expenditure		4,074.10	100.00



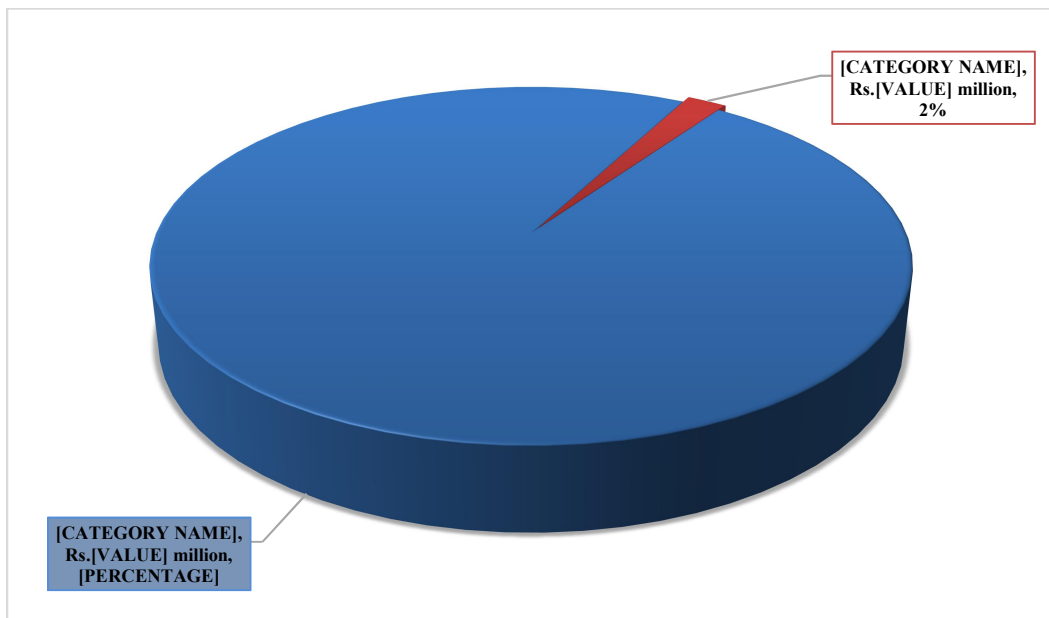
The above table shows that an expenditure of Rs.703 million was incurred on salaries and employee related expenditure, which is almost 17.255% of the total spending. The Council made an expenditure of Rs.84.32 million on operational activities which is 2.070% of the total expenditure. Grants/subsidies amounting to Rs.3,271 million were granted during the year which is 80.290% of the total expenditure. Similarly, physical assets worth Rs.0.68 million were acquired besides expenditure of Rs.10.91 million on repair and maintenance which is 0.017% and 0.268% respectively of the total expenditure.

There was no development expenditure during the year 2022-23.

2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs.548.430 million were raised in this report during current audit of Gilgit-Baltistan Council. This amount also includes recoveries of Rs.10.834 million. Summary of the audit observations classified by nature is as under:

S. No.	Classification	Amount (Rs. in million)
1.	Value for money and service delivery issues	537.596
2.	Recovery	10.834
Total		548.430



2.3 Comments on the status of compliance with PAC directives

No meeting of Public Accounts Committee (PAC) was held to discuss audit paras of Gilgit-Baltistan Council.

2.4 AUDIT PARAS

2.4.1 Non-recovery of advances -Rs-10.833 million

Rule 06(v) of the GB Council System of Financial Control and Budgeting Rule 2010, provides that, in the matter of receipts pertaining to the wings, departments and subordinate offices, the PAO is expected to ensure that adequate machinery exists for due collection and bringing to account of all receipts of any kind, connected with functions of the wings, departments and subordinate offices under his control.

During audit of Gilgit-Baltistan Council Secretariat for the Financial Year 2022-23, It was noted that House Building Advances and Motor Car Advances amounting to Rs.10.883 million respectively were granted by Council to various officers/officials posted on deputation basis in the council.

Audit observed that the concerned officers did not deposit the monthly recovery into GB Consolidated fund after their repatriation to their parent offices.

Audit is of the view that non-recovery of advances not only shows poor internal control but resulted in loss to the council.

The irregularity was pointed out during September 2023. The management replied that the GB Council Secretariat has time and again requested Accountant General of Pakistan Revenues (AGPR) and the parent offices for recovery of the outstanding advances.

The reply indicates that no recovery has been made so far.

The DAC meeting was held on 11.01.2024. The DAC directed to review the policy regarding grant of long-term advances to the deputationist in order to ensure the recovery of advances within deputation period. It was further directed to coordinate with AGPR for transferring the recovered amount of advances to Council Consolidated fund by June, 2024.

Audit recommends that amount of advances should be recovered from officers/officials without further delay and deposited into Gilgit-Baltistan Council

Consolidated fund. Further, advances may not be granted unless an undertaking is given by the officer/official that he will deposit the balance amount in Gilgit-Baltistan Council Consolidated Fund.

Note: *The issue was reported earlier also in the Audit Reports for the Audit Years 2020-21, 2021-22 and 2022-23 vide para number 2.5.5, 2.4.7 and 2.4.6 having financial impact of Rs.13.702 million, Rs.14.740 million and Rs.13.740 million respectively. Recurrence of same irregularity is a matter of serious concern.*

AP-900/2023-24

2.4.2 Non-execution of schemes for provision of telecom services under universal service fund-Rs.531.902 million

Section 33B (2) of the Pakistan Telecommunication (Re-organization) Act, 1996 adopted by GBC states that the Universal Services Fund (USF) shall be utilized exclusively for providing access to the telecommunication services to people in the un-served, under-served, rural and remote areas and other expenditure to be made and incurred by the Federal Government in managing USF.

During audit of Gilgit-Baltistan Council Secretariat for the Financial Year 2022-23, It was noted that the management has neither identified nor executed any project in the GB despite having mandate, resources and a full-fledged company for provision of telecom services to the people in the un-served and rural and remote areas of the GB.

Audit is of the view that purpose for which the USF was established has not been achieved as the management has not identified any project and consequently the people of un-served and rural areas were deprived from the benefits of telecom facilities.

The irregularity was pointed out in September 2023. The management replied that the provisional Provincial status of Gilgit-Baltistan is under consideration of the Federal Government. All the constitutional issues including extending the jurisdiction of Pakistan USF in Gilgit-Baltistan region will automatically be resolved once Gilgit-Baltistan is given provisional provincial status.

The management has accepted the point of view of the audit.

The DAC meeting was held on 11.01.2024. The management apprised the DAC that hiring of technical team is in process, once the technical team is hired the utilization of fund and execution of projects would be initiated accordingly. The DAC directed the management that option of deputation may also be searched if rules allow as the recruitment process will take time.

Audit recommends that the USF may be utilized in accordance with Pakistan Telecommunication (Re-organization) Act, 1996.

Note: *The issue was reported earlier also in the Audit Reports for the Audit Years 2021-22 and 2022-23 vide para number 2.4.1 and 2.4.1 having financial impact of Rs.144.689 and Rs.398.935 million respectively. Recurrence of same irregularity is a matter of serious concern.*

AP-903/2023-24

2.4.3 Irregular expenditure without the approval of the USF Board-Rs.1.622 million

Rule 16 of the Universal Service Fund Rules,2006 states that the Board shall, in respect of each financial year, prepare and approved its budget. The Board shall also prepare budge of the Fund and submit it for approval of the Government/Council.

During audit of Gilgit-Baltistan Council Secretariat for the Financial Year 2022-23, It was noted that the Universal Service Fund (USF) Company incurred an expenditure of Rs. 1.622 million on employee related expenditure during financial year 2022-23. The funds of Rs.33.938 million were available in the accounts of the Company as on 30.06.2023.

Audit observed that the management has neither prepared budget nor obtain the approval of expenditure made from Board.

Audit is of the view that non-preparation of budget and expenditure without the approval of the board was irregular.

The irregularity was pointed out during September 2023. The management replied that the salary structure was approved by the Chairman USF and the salaries were paid accordingly. In the next Annual General Meeting the expenditure will be placed before the USF Board for regularization.

The reply was not accepted as neither the salary structure was approved by the Board nor budget and expenditure of the company was approved by the Board so far.

The DAC meeting was held on 11.01.2024. The DAC directed that budget estimates of the Board may be prepared and got approved from the USF Board alongwith previous years expenditure.

Audit recommends that budget may be got approved from Board.

Note: *The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 vide para number 2.4.2 having financial impact of Rs.2.050 million. Recurrence of same irregularity is a matter of serious concern.*

AP-905/2023-24

2.4.4 Non-achievement of objectives & wasteful expenditure -Rs.4.072 million

Section 8 of the Gilgit Baltistan Power Development Board Act, 2012 empowered the Board to prepare a comprehensive plan for the development and utilization of the power and energy resources of the Gilgit-Baltistan besides framing schemes for generation of power. The Board shall also make policies for power generation in collaboration with the private sector based on the national and international best practices.

During audit of Gilgit-Baltistan Council Secretariat for the Financial Year 2022-23, It was noted that the Board incurred an expenditure of Rs. 4.072 million on account of pay and allowances.

Audit observed that since its establishment the Board prepared draft policy for installation of captive power generation projects in GB in July, 2015 and GB Power Generation Policy, 2019. Both policies prepared have not attained the finality being un-approved from competent forum.

Despite great hydro power generation potential in Gilgit-Baltistan no plan has been framed for utilization power resources of GB in order to meeting increasing energy requirements of region as well as of National Grid.

Audit is of the view that the Board could not achieve the laid down objectives regarding development of power resources of GB.

The irregularity was pointed out in September 2023. The management replied that the policies once approved by the Board shall be submitted to GB Council for the final approval. The Federal Power Generation Policy, 2015 has been extended to Gilgit-Baltistan w.e.f 04.08.2023 on the approval of Prime Minister of Pakistan/Chairman GB Council through GB Council.

The management has accepted the point of view of the audit.

The DAC meeting was held on 11.01.2024. The DAC directed that the Gilgit-Baltistan Power Development Board (GBPDB) to involve with Private Power Infrastructure Board (PPIB), Government of GB and other stake holders to increase its efficiency.

Audit recommends that the policies may be got approved from competent forum.

Note: *The issue was reported earlier also in the Audit Reports for the Audit Years 2020-21, 2021-22 and 2022-23 vide para number 2.5.3, 2.4.3 and 2.4.3 having financial impact of Rs.4.00 million, Rs.3.453 million and Rs.3.122 million respectively. Recurrence of same irregularity is a matter of serious concern.*

AP-906/2023-24

Annexure-I MfDAC Paras

S No.	Para #	Year	Subject	Rs. in million	Formation
1.	907	2023-24	Irregular expenditure on account of contingent paid staff	14.747	Commissioner Inland Revenue Gilgit-Baltistan
2.	908	2023-24	Irregular expenditure on account of POL and repair & maintenance charges	8.665	Commissioner Inland Revenue Gilgit-Baltistan
3.	910	2023-24	Non-appointment of officers/ allied staff	0	Commissioner Inland Revenue Gilgit-Baltistan