



PERFORMANCE AUDIT REPORT
ON
EFFECTIVENESS OF WATER SUPPLY
AND SANITATION PROGRAM (WSSP) IN
PROVISION OF MUNICIPAL
SERVICES IN
DISTRICT SWAT

AUDIT YEAR 2020-21

AUDITOR GENERAL OF PAKISTAN

PREFACE

The Auditor General of Pakistan conducts audit in accordance with Article 169 and 170 of the Constitution of the 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 and Section-37 of the Khyber Pakhtunkhwa Local Government Act 2013. The Performance Audit of "Effectiveness of Water Supply & Sanitation Program (WSSP) in provision of Municipal Services at District Level" was carried out accordingly.

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa conducted Performance Audit of "Effectiveness of Water Supply and Sanitation Program (WSSP) in Provision of Municipal Services at district level" in District Swat during March 2021 for the FY 2019-20 with a view to report significant findings to stakeholders. Audit examined the economy, efficiency and effectiveness aspects of the services for provision of water supply facilities. Audit also assessed on test check basis, whether the management complied with the applicable laws, rules and regulations in providing and managing the services for provision of water supply facilities efficiently and effectively. The Audit report indicates specific actionable measures if taken, will help the management to realize the objectives accordingly.

Most of the observations included in this report were finalized in the light of written replies of the department. However, DAC meeting was not convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of the Article 171 of the Constitution of the Islamic Republic of Pakistan 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act 2013, for causing it to be laid before the appropriate forum.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
Key Audit Findings and Recommendations.....	iii
1. INTRODUCTION	1
1.2 Organizational Structure.....	2
2. AUDIT OBJECTIVE.....	2
3. AUDIT SCOPE AND METHODOLOGY	3
4. AUDIT FINDINGS AND RECOMMENDATION	5
4.1 Planning/Organization & Management Issues	5
5.2 Overall Assessment	19
6. CONCLUSION.....	20
7. RECOMMENDATIONS.....	21
ACKNOWLEDGEMENT	22
RESPONSE AND IMPLEMENTATION OF RECOMMENDATIONS.....	23

ABBREVIATIONS AND ACRONYMS

AGP	Auditor General of Pakistan
BOD	Board of Directors
DG	Director General
DO	District Officer
INTOSAI	International Organization of Supreme Audit Institutions
KP	Khyber Pakhtunkhwa
KPI	Key Performance indicators
LGA	Local Government Act
LGE&RDD	Local Government Election & Rural Development Department
MOU	Memorandum of Understanding
NC	Neighborhood Council
PC-1	Panning and Commmsion-1
SAMA	Services and Assets Management Agreement
SECP	Securities & Exchange Commission of Pakistan
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
UC	Union Council
VC	Village Council
WAPDA	Water & Power Development Authority
WSSC	Water Supply and Sanitation Company
XEN	Executive Engineer

EXECUTIVE SUMMARY

The Director General Audit, District Governments, Khyber Pakhtunkhwa conducted Performance Audit titled “Effectiveness of water supply & sanitation program (WSSP) in provision of municipal services at District level in District Swat in Khyber Pakhtunkhwa” during March & April 2021. The main objectives of audit were to evaluate the performance of WSSC in (a) Provision of safe drinking water and sanitation utility (b) Achievement of desired goals & targets of services and facilities (c) status of water supply schemes being functional and dysfunctional, reasons for dysfunctional and effectiveness of water supply schemes (d) the steps taken by the management for replacement or repair the porous supply pipe line (e) provision of filtered drinking water facilities for ensuring high standard of Public Health etc to residents of Swat. The audit was conducted in accordance to INTOSAI auditing standards as adopted by the “Department of the Auditor General of Pakistan”.

Water and Sanitation Services Company, Swat was established in the year 2017 as a corporate sector company owned by the Khyber Pakhtunkhwa Government. WSSC is governed by Board of Directors (BoD) headed by the Secretary to Government Khyber Pakhtunkhwa Local Government & Rural Development Department. They formulate the policies for adoption by the company. The company was created as separate entity out of the respective Tehsil Municipal Administrations to deliver integrated water supply, sanitation and solid waste management services through the signing of services and asset management agreements (SAMA) with the respective TMA in 09 urban union councils.

The “Water Supply & Sanitation Companies” in Khyber Pakhtunkhwa have been mandated to provide municipal services under their jurisdiction. Local Government Department has made a mechanism for provision of different municipal services efficiently. The performance of WSSC in provision of municipal services including water supply facility, sanitation system, solid waste management etc were not according to expectations of people. Keeping in view

the issue of failure of WSSC in provision of municipal services, the Auditor General of Pakistan decided to conduct Performance Audit to assess the role of WSSC in provision of municipal services to the community.

The audit particularly focused on the issues that how effectively WSSC managed resources in provision of municipal services and the procedures used to provide basic services of water supply & sanitation to the citizens.

As far as analytical review is concerned, all the relevant analytical procedures were performed on the financial and non-financial data of audited entity to analyze the affectivity, sustainability and profitability of functional and proposed water supply schemes under WSSC.

Key Audit Findings and Recommendations

Key Audit Findings are as follows:

1. Failure to enhance capacity building of Water Supply Staff.
2. Failure to establish water quality testing laboratories and conducting water quality lab tests.
3. Non-availability of Water filtration plants facility.
4. Failure to enhance water supply.
5. Non recovery of outstanding water charges – Rs. 33.862 million.
6. Failure to functionalize Tube Wells.

Audit recommends that:

1. Arrange extensive capacity building trainings for staff in order to provide excellent service delivery to community.
2. Ensure laboratory tests of water supply schemes monthly, quarterly and biannually to supply pure hygienic water to public.
3. Installation of water filtration plant facility.
4. Steps may be taken to enhance water supply
5. Recover the outstanding water charges.

6. Functionalization of tube wells.

1. INTRODUCTION

1.1 Background

Access to drinking water is a basic human need and it is the responsibility of the Government to ensure its provision to all citizens. Water is a finite and essential resource, the use of which needs to be regulated to avoid wastage and misuse. Water allocation for drinking and other domestic uses like cooking, hygiene, basic sanitation and other domestic uses shall have priority over other uses. Protection of the environment, safeguarding of health and livelihood through integrated management of water resources shall be ensured.

Water and Sanitation Services Company, Swat has been established as a public sector company established by the Government of Khyber Pakhtunkhwa Government. WSSC Swat is governed by Board of Directors (BOD). They formulate the policies for adoption by the company. Currently the finances are catered by the government and the company also generates its revenue which is very nominal at present.

WSSC Swat is providing services to nine (09) urban Union Councils of Tehsil Babuzai (projected population is Approx: 0.3 million as per 2017 Census). WSSC Swat physically took over the water and sanitation sectors from TMA. Water supply through 70 tube wells is currently serving the population for drinking purpose, but due to lack of distribution network, certain areas are left unserved. Source of providing drinking water is tube well. Open wells, shallow wells, domestic bore holes, hand pumps etc. are used by the local inhabitants on their own. Water is supplied at average of 12 pumping hours per day in 3 shifts of 3-4 hours intervals every day to urban union councils of Tehsil Babuzai to total of 25,199 domestic and commercial registered consumers. Water tariff is Rs.200 per month for domestic consumers. For fulfilling/ achieving the desired objectives of the Company has incurred an expenditure of Rs.350.632 million against the Total Budget of Rs.404.422 million during the financial year 2019-20.

1.2 Organizational Structure

Water and Sanitation Services Company, Swat is an independent Public Sector Company headed by Chief Executive Officer. The Office of WSSC perform its functions as per following Organogram.



2. AUDIT OBJECTIVE

Objective of this audit is to find the Effectiveness of WSSC in provision of municipal services in district Swat. The following were main objectives of audit:

- Provision of safe drinking water and sanitation utility in the District Swat and adjoining Districts in Malakand Division, ensuring unremitting water, sanitation and solid waste management service delivery to the residents of the Malakand Division.
- Achievement of desired goals & targets of the provision of supervised services and facilities.
- To evaluate status of water supply schemes being functional and dysfunctional, reasons for dysfunctional and effectiveness of water supply schemes after solarisation.
- To evaluate the steps taken by the management for replacement or repair the porous pipe line.
- Access of every citizen to filtered drinking water facilities for ensuring high standard of Public Health

3. AUDIT SCOPE AND METHODOLOGY

3.1 Audit Scope

The Audit focused on the effectiveness of Water Supply and Sanitation Program in provision of Municipal Services by WSSC in Swat.

3.2 Audit Methodology

The audit was conducted in accordance with International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards as adopted by the Department of the Auditor General of Pakistan. These standards require comprehensive planning to ensure that an audit of high quality is carried out in an economic, efficient and effective way within the planned time and cost. Data was collected as per methodology explained below:

Site Visits

The Audit team visited 15 units of water supply schemes on sample basis which is 23% of total water supply schemes. The objective of the inspection was

to observe physically the efforts made by these offices for effectiveness of Water Supply Schemes in their respective jurisdiction.

Interviews

A number of officers of WSSC were contacted and interviewed with a view to obtain information as to how they fulfilled their obligations towards water supply services to the local community.

Documents Review

Documents were reviewed to gain an understanding on the Effectiveness of Water Supply Schemes and the role played by offices of the ADLGE&RDD, PHE, TMA and WSSC in this regard. Some of the documents reviewed were;

- Laws, rules and regulations relevant to the subject of audit 2019-20
- Khyber Pakhtunkhwa drinking water policy 2015
- MOU of WSSC Swat
- PC-I
- Water quality monitoring laboratories reports
- Regularity Audit reports
- Websites of WSSC
- Khyber Pakhtunkhwa Environment Protection Act 2014
- Progress reports
- Environment impact reports

4. AUDIT FINDINGS AND RECOMMENDATION

The Audit Findings and recommendations of the Performance Audit on Effectiveness of Water Supply Schemes are given below.

4.1 Planning/Organization & Management Issues

4.1.1 Failure in establishment of water quality testing laboratories.

According to Khyber Pakhtunkhwa drinking Water Policy 2015, Para 7.10 (ii) each organization /department will establish water quality testing laboratories and arrange required staff and equipment to ensure regular water quality monitoring and provision of safe water to the communities.

During performance audit of Effectiveness of water supply and sanitation programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was observed that water quality testing laboratories were not established by the WSSCS in order to provide safe water to the community.

Non-establishment of water quality testing laboratories occurred due to weak managerial and administrative controls, which resulted in provision of unhygienic water to the community.

The matter was reported to the management in May 2021, stated that the WSSC has not its own building due to which the water quality testing laboratory could not established but, however, the water quality testing was being carrying out through Public Health Engineering Division Swat on regular basis. Reply was not convincing as the WSSC Swat must establish its own testing laboratory.

Audit recommends that efforts must be expedited for establishment of water quality testing laboratories.

4.1.2. Failure to functionalize tube wells.

According to Clause-3(i) of the Services and Assets Management Agreement (SAMA), WSSCS is exclusively responsible for operation and maintenance of water supply in the area of operations determined.

During performance audit of Effectiveness of water supply and sanitation programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that 04 No. water supply schemes/tube wells were under testing till the date of audit. Audit was of the view that just for a nominal reason of testing since long, the community was deprived from clean drinking water.

Non-functionalization of tube wells was due to weak administrative and managerial controls deprived the community from provision of clean drinking water.

The matter was reported to the management in May 2021, stated that the delay in operation of water supply scheme was due to non-energization of water supply scheme by PESCO. Now, all the schemes were functional and the people of the area were getting drinking water at their door step. Reply was not convincing as the schemes were not functional during the audit period.

Audit recommends immediate functionalization of tube wells and provision of water supply to the community.

4.1.3. Non-availability of Water filtration/Water treatment plants facility.

According to Clause-3(vii) of the Services and Assets Management Agreement (SAMA), WSSCM is responsible for taking all such steps necessary for safeguarding public health.

According to Serial No. 9 (iii) of Khyber Pakhtunkhwa Drinking Water Policy 2015. Efforts will be made to replicate and disseminate international best practices and technologies in drinking water and sanitation sector.

During performance audit of Effectiveness of water supply and sanitation programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that not even a single Water filtration plant has been installed by the WSSC in district Swat. No efforts have been taken to install water filtration plants in order to provide clean drinking water facility.

Non-installation of water filtration plant occurred due to weak management, which resulted deprivation of public from good health facilities.

The matter was reported to the management in May 2021, stated that Two (02)No. of water filtration plants were available in the area, one in Malookabad and the other in Gulkada. The proper space for the installation of filtration plant was not available due to which the installation of plants was not possible. Reply was not convincing as the WSSC must expedite to install water filtration plants to provide clean water to the public.

Audit recommends installation of water filtration plant facility for good health of the public.

4.1.4 Deficit in water supply in jurisdiction of WSSC Swat.

According to serial No. 2 of the Services and Assets Management Agreement (SAMA), WSSCS shall provide the services in operational areas falling within the territorial jurisdiction of the District.

During performance audit of Effectiveness of water supply and sanitation programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was observed that there was deficit of 39%

in water supply in jurisdiction of WSSC Swat. The required daily demand of population was 10,840,200 Gallons while the available water was 6,656,000. Hence, there was a difference of 4,184,200 gallons in per day demand of the population. Detail of deficit is as under:

Populat ion	Requi red daily deman d	Populatio n Demand (Gal)	Max. Discharge/TW /Hr/Gal.	Max. Pumpi ng Hrs.	No . of T/ W	Availa ble Water (Gal)	Wate r Defici t (Gal)	T/W Requi red	Shortf all of T/W
361340	30	10840200	8000	13	64	6656000	4184200	113	44

Audit observed that such huge gap/deficit in water supply was due to weak administrative control, which resulted in deprivation of basic need.

The matter was reported to the management in May 2021, stated that 25 Nos. new pumping machines have been installed as well as number of tubewellshas been increased from 64 to 79 No. Due to installation of new pumping machines/Boring of new tubewells, the water quantity has been increased from 6,656,000 gallons to 7,000,000 gallons per day. While the efforts were being made to cope up the remaining short fall of water in the available resources.

Moreover, the water level of the area goes down day by day. So, keeping in view the crises of water in the near future, the initiative of greater gravity-based water supply has been taken and the same scheme was in pipeline. After completion this greater water supply scheme, the issue regarding shortage of water would be resolved. Reply was not convincing as the WSSC must make efforts to minimize the deficit in water supply.

Audit recommends that efforts must be expedited for coverage of gap/deficit in order to provide basic facilities to the community.

4.1.5 Failure to enhance capacity building of staff.

According to Clause-3(iii) of the Services and Assets Management Agreement (SAMA), WSSCS is responsible for expansion, enhancement, and improvement in organizational and operational capacity.

During performance audit of Effectiveness of water supply and sanitation programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was observed that no training program conducted for capacity building of staff to enhance their skill and operational capacities and performing their responsibilities effectively in provision of municipal services to the community.

Non-enhancement of capacity building of staff occurred due to weak managerial and administrative controls, which resulted in ineffectiveness in provision of municipal services to the community.

The matter was reported to the management in May 2021, stated that the training programs were regularly arranged by the company and the related staff are receiving training within the country as well as abroad also according to need. The company was focused on the enhancement of capacity building of staff since the establishment of the company and the staff has received different training in different fields related to water supply and sanitation programs. Reply was not convincing as no documentary proofs were provided during audit regarding capacity building of the staff related to water supply and sanitation.

Audit recommends extensive training programs needs to be arranged for capacity building of staff in order to provide excellent service delivery to the community.

4.2. Financial Management

4.2.1 In-effective system for recovery of water charges – Rs 33.862 million

According to Clause-3(ix) of the Services and Assets Management Agreement (SAMA), WSSCS is exclusively responsible for proposing and determining cost recovery measures for the services provided by or on behalf of the Company and suggesting actions regarding taxes, fees, user charges etc, receiving and appropriating all receipts and recoveries in respect thereof.

During performance audit of Effectiveness of Water Supply and Sanitation Programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that the local office did not determine the effective measures and actions to collect a huge amount of Rs 33,862,470 as water charges, which were outstanding to various consumers since long.

Water charges recovery system was ineffective due to lack of effective measures and action, which resulted in loss to the Government.

The matter was reported to the management in May 2021, stated that prior to taking over by WSSC, water charges were collected by TMA. However, there was no system for billing and recovery of water charges by TMA. TMA was processing all bills issuance and recovery manually through different contractors. The contractors had no concern with integrity of Customer Billing Data. Hence, Customer Billing Data taken over by WSSC from TMA, had serious Data integrity and consistency issues. Most of these customers (with heavy arrears/balances) couldn't be traced yet.

WSSCS was making its continuous efforts to either trace these customers by correcting the provided TMA Billing Record or excluded these customers and their arrears from Billing System after conducting due verifications and approvals of the competent authority. Reply was convincing as the WSSC must make

efforts to recover outstanding amount of arrears as the water charges was the main source of income.

Audit recommends appropriate actions against the defaulters for early recovery of long outstanding water charges.

4.3. Monitoring & Evaluation Issues

4.3.1 Non-coverage of population with access to improved sanitation services.

According to serial No 2 of the Services and Assets Management Agreement (SAMA), WSSCS shall provide the services in operational areas falling within the territorial jurisdiction of the District and as per serial No 3(vii) of the agreement; WSSCS must take all necessary steps for effective management of the services in order to safeguard public health. To ensure that municipal services is effectively managed, waste water and solid waste is reduced, recycled or disposed-off in environment friendly manner and promoting safety standards.

During performance audit of Effectiveness of Water Supply and Sanitation Programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that total population in jurisdiction of WSSC Swat was 358,610 against which population of 185,400 was covered with access to improved sanitation services which in terms of percentage was 51.70%. Audit held that 49.30% population was not covered by the company and were deprived from the sanitation services of the company. Moreover, the percentage of population coverage with access to improved sanitation services was 55.62% in the year 2018-19. Audit was of the view that the population coverage percentage was decreased during the year 2019-20.

Non-coverage of population with access to improved sanitation services was due to weak internal controls, which resulted adverse environmental impacts on the community.

The matter was reported to the management in May 2021, stated that WSSCSwat has started sanitation operation in January 2018. Initially the company has the sanitation staff transferred from TMA Babuzai through SAMA Agreement. The staff was insufficient than the total required for the overall coverage of the population. The company launched three (03) months cleanliness campaign in April 2018 to remove permanent dumps from the city. Later, in October 2018, the company engaged more than 100 sanitary workers on daily

wages for two (02) months to remove permanent dumps from the city and clean the drains across the city. The company was gradually increasing manpower to increase population coverage and uplift the life standards of the citizens of the city. Reply was not tenable as the huge number of Population was deprived of the improved services of sanitation.

Audit recommends efforts shall be made to cover the remaining population to eliminate the water borne diseases and to provide safe environment to the community.

4.3.2 Non-sweeping of roads.

According to serial No. 2 of the Services and Assets Management Agreement (SAMA), WSSCS shall provide the services in operational areas falling within the territorial jurisdiction of the District.

During performance audit of Effectiveness of Water Supply and Sanitation Programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that total the length of roads having different width within the jurisdiction of WSSC swat was 187,792 meters against which 62,000 meters roads were swept which in terms of percentage was 33%. Audit held that 67% length was not swept by the company and the community of those areas which remained un-swept were deprived from the sanitation services of the company.

Non-coverage of population with access to improved sanitation services was due to weak internal controls, which resulted adverse environmental impacts on the community.

The matter was reported to the management in May 2021, stated that WSSCSwat has swept approx. 15 km of streets and roads across the city on daily basis. To swept all the roads of the city, company needs more than 100 dedicated workers for this purpose, which the company could not afford and would achieve

it gradually. Reply was not tenable as the huge percentage of roads has not been de-silted by the company.

Audit recommends efforts shall be made to improve aesthetics, and to provide safety for the moving/travelling of public across the city.

4.3.3. Failure to develop Business Plan and Annual Developmental Plan.

According to KPIs of WSSCS, the local office was required to develop Business Plan and Annual Operating Plan within Nine (09) months of signing of SAMA, subject to availability of policy guidelines and finances.

During performance audit of Effectiveness of Water Supply and Sanitation Programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that Business Plan and Annual Operating Plan were not developed after lapse of 4 years in order to provide and deliver the effective services in the area under jurisdiction. Non development of the both plans badly affected the services delivery in the area.

Non-development of plans occurred due to weak managerial and administrative controls, which resulted in ineffectiveness in provision of municipal services to the community.

The matter was reported to the management in May 2021, stated that the updated five (05) years Business Plan based on projections as well as annual procurement plan, has been prepared and attached for the kind information of audit which was used by the management/directors in planning and making decisions of the company.

The detailed business plan would be prepared by the professional expert/consultants as a component of the Khyber Pakhtunkhwa City Improvement Project and the company was already focused on this point. Reply was not convincing as the Business Plan and Annual Developmental Plans were not provided to audit by the company.

Audit recommends development of both plans in order to provide excellent service delivery to the community.

4.3.4. Non availability of demographic data.

According to Clause-3(ix) of the Services and Assets Management Agreement (SAMA), WSSCS is exclusively responsible for proposing and determining cost recovery measures for the services provided by or on behalf of the Company and suggesting actions regarding taxes, fees, user charges etc, receiving and appropriating all receipts and recoveries in respect thereof.

During performance audit of Effectiveness of Water Supply and Sanitation Programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that the local office did not determine the effective measures and actions to collect information regarding actual number of households to whom water supply connection could be made as the water charges was the main source of income of WSSC Swat. Moreover, data regarding actual number of households by whom solid waste has been generated as a large number of households were still without access with improved solid waste management.

The matter was reported to the management in May 2021, stated that Customer Baseline Survey was one of the important tasks and was considered soon after takeover by WSSC Swat. However, detailed analysis revealed that the desired baseline survey involved heavy resources in terms of man power, finance, tools and expertise to accomplish this important task which was not feasible in the current situation wherein the TMA has not provided the funds to WSSC Swat as per SAMA.

WSSC Swat has also taken up this matter with donor agencies, but they were hesitant to invest in this sector.

Considering the above facts, WSSCS Management has come to the conclusion that, Customer Baseline Survey was essential for the better delivery and economic viability of the company and should be accomplished on priority on the availability of required resources. Reply was not convincing as the WSSC Swat shall expedite to collect the required demographic data of its customers.

Audit recommends strenuous efforts shall be made to collect actual data regarding number of households for better management of water charges and sanitation services.

5. Environmental Issues

5.1.1 Non- collection of solid waste.

According to serial No 2 of the Services and Assets Management Agreement (SAMA), WSSCS shall provide the services in operational areas falling within the territorial jurisdiction of the District and as per serial No 3(vii) of the agreement; WSSCS must take all necessary steps for effective management of the services in order to safeguard public health. To ensure that municipal services is effectively managed, waste water and solid waste is reduced, recycled or disposed-off in environment friendly manner and promoting safety standards.

During performance audit of Effectiveness of Water Supply and Sanitation Programs in provision of municipal services provided by Water & Sanitation Services Company Swat (WSSCS), it was noticed that 63,360 Tons solid waste was generated against which 40,740 tons solid waste was collected which in terms of percentage was 64.30%. Audit held that 22,620 tons solid waste which in terms of percentage was 35.70% was not collected by the company which was injurious to the health and caused discomfort to the inhabitants. Moreover, the percentage of solid waste collection was 64.51% in the year 2018-19. Audit was of the view that the percentage of solid waste collection was decreased during the year 2019-20.

Non-collection of solid waste was due to weak internal controls, which resulted adverse environmental impacts on the community.

The matter was reported to the management in May 2021, stated that before WSSC Swat, the collection of waste from the city was around 38 %. WSSC Swat increased waste lifting and disposal from the city to 70 %. However, due to limited resources, 100 % disposal of waste was not possible. The company was gradually increasing its resources to increase its lifting capacity and enhance the living standard of the citizens of the city.

The company is also in the process of bringing of Integrated Solid waste management project through ADB. The project included 84 new vehicles for the 100 % waste removal/ disposal from the city, construction of engineered landfill site for the safe disposal of waste and material recovery facility for recycling/reuse of waste. Reply was not tenable a huge area of population was left unserved for collection of solid waste which was injurious to the health of the public.

Audit recommends improving waste management practices through implementing community-based waste management collection and recycling and supporting the community to design cost-effective systems to collect and dispose of garbage and other solid wastes.

5.2 Overall Assessment

The overall performance of WSSC, Swat in Effectiveness of water supply & sanitation program (WSSPs) in provision of municipal services at District level in Khyber Pakhtunkhwa District Swat were not upto the mark due to poor planning, assets management and absence of master plans of Water Supply and Sanitation Program for the area under command. The objective criteria for rating the company role in provision of municipal services are as under:-

- i. **Relevance:** The overall process of provision of municipal services was in line with the Government Policy.
- ii. **Efficacy:** WSSC was unable to achieve the basic objectives and purposes to overcome the shortage of municipal services of water supply & sanitation in different areas of the Swat.
- iii. **Efficiency:** The management of WSSC Swat struggled to overcome the lack of municipal services within appropriate budget provision and given time line.
- iv. **Economy:** The Company failed in provision of municipal services in the provided budget.
- v. **Effectiveness:** The overall performance was not satisfactory and targeted municipal services have not been successfully achieved.
- vi. **Compliance with Rules & Regulations:** In most of the cases the rules and regulations were followed as per policy of Government of Khyber Pakhtunkhwa and agreement signed between company and Government.
- vii. **Performance Rating:** The overall performance of the WSSC role in provision of municipal services was not satisfactory.
- viii. **Risk Rating:** The risk rating of the WSSC regarding provision of municipal services was medium.

6. CONCLUSION

The overall conclusion of performance audit of “WSSC Role in Effectiveness of water supply & sanitation program (WSSPs) in provision of municipal services at District level in Khyber Pakhtunkhwa District Swat” in is as under:-

6.1 Key issues for future: The main issue hampered the performance of WSSC in provision of municipal services is lack of planning, funds and weak assets management and non-coordination of activities with line departments.

6.2 Lesson Identified: In view of the observations, it is concluded that WSSC Swat failed in provision of municipal services economically, efficiently and effectively. The failure to non-provision of municipal services was occurred due to ill planning, inappropriate allocation of funds and weak assets management. The ill planning, mismanagement, weak internal controls, weak monitoring for provision of services resulted in dumps of garbage, poor sanitation, non-availability of water treatment plants. It is recommended that the deficiencies pointed out in the report may be kept in mind while planning for the provision of municipal services in future.

7. RECOMMENDATIONS

1. Arranging extensive capacity building trainings for staff in order to provide excellent service delivery to community.
2. To ensure laboratory tests of water supply schemes monthly, quarterly and biannually to supply pure hygienic water to public.
3. Installation of water filtration plant facility.
4. Steps may be taken to enhance water supply
5. Audit suggests to recover the outstanding water charges.
6. Functionalization of tube wells.

ACKNOWLEDGEMENT

We wish to express our appreciation to the management of WSSC Swat in District Swat for the assistance and cooperation with the auditors during this Performance Audit.

RESPONSE AND IMPLEMENTATION OF RECOMMENDATIONS

Para No	Recommendations	Accepted Yes/No	Implementation date	Client Comments
4.1.1	Audit recommends that efforts must be expedited for establishment of water quality testing laboratories.	Yes	Nil	Not responded to the observation
4.1.2	Audit recommends immediate functionalization of tube wells and provision of water supply to the community.	Yes	Nil	Not responded to the observation
4.1.3	Audit recommends installation of water filtration plant facility for good health of the public.	Yes	Nil	Not responded to the observation
4.1.4	Audit recommends that informative and educational campaigns for awareness about safe hygiene practices in the community shall be arranged.	Yes	Nil	Not responded to the observation
4.1.5	Audit recommends that efforts must be expedited for coverage of gap/deficit in order to provide basic facilities to the community.	Yes	Nil	Not responded to the observation
4.1.6	Audit recommends extensive training programs needs to be arranged for capacity building of staff in order to provide excellent service delivery to the community.	Yes	Nil	Not responded to the observation
4.2.1	Audit recommends appropriate actions against the defaulters for early recovery of long outstanding water charges.	Yes	Nil	Not responded to the observation
4.3.1	Audit recommends efforts shall be made to cover the remaining population to eliminate the vector borne diseases and to provide safe environment to the	Yes	Nil	Not responded to the observation

	community.			
4.3.2	Audit recommends efforts shall be made to improve aesthetics, and to provide safety for the moving/travelling of public across the city.	Yes	Nil	Not responded to the observation
4.3.3.	Audit recommends development of both plans in order to provide excellent service delivery to the community.	Yes	Nil	Not responded to the observation
4.3.4	Audit recommends strenuous efforts shall be made to actual collect data regarding number of households for better management of water charges and sanitation services.	Yes	Nil	Not responded to the observation
5.1.1	Audit recommends improving waste management practices through implementing community-based waste management collection and recycling and supporting the community to design cost-effective systems to collect and dispose of garbage and other solid wastes.	Yes	Nil	Not responded to the observation