



**PERFORMANCE AUDIT REPORT
ON
PUNJAB IRRIGATED-AGRICULTURE
PRODUCTIVITY IMPROVEMENT
PROJECT (PIPIP)
(AGRICULTURE SECTOR)
DISTRICT GOVERNMENT
RAHIM YAR KHAN**

Audit Year 2016-17

22nd April 2017

AUDITOR GENERAL OF PAKISTAN

PREFACE

The Auditor-General conducts audit subject to Articles 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 115 of the Punjab Local Government Ordinance 2001. The Performance Audit of "Punjab Irrigated-Agriculture Productivity Improvement Project" of District Rahim Yar Khan was carried out accordingly.

The Directorate General Audit, District Governments, Punjab (South), Multan conducted Performance Audit of Punjab Irrigated-Agriculture Productivity Improvement Project (PIPIP), Agriculture Sector Rahim Yar Khan, for the period 2011-16. The project aimed at achieving higher level of efficiency of irrigation system through construction of watercourses. Reducing wastage of water and attaining higher crop yields within available resources were its main objectives. The audit was carried out with a view to reporting significant findings to stakeholders. Audit examined the economy, efficiency and effectiveness of the project. In addition, audit also assessed on test check basis whether the management complied with applicable laws, rules and regulations in managing the project. The Audit Report indicates specific actions that, if taken, will help the management to realize the objectives of the project.

The observations included in this Report have been finalized in the light of written responses wherever conveyed.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

Table of Contents

ABBREVIATIONS AND ACRONYMS	iii
EXECUTIVE SUMMARY	v
1. INTRODUCTION	1
2. AUDIT OBJECTIVES	7
3. AUDIT SCOPE AND METHODOLOGY	8
4. AUDIT FINDINGS AND RECOMMENDATIONS.....	9
4.1 Organization and Management.....	9
4.2 Financial Management	19
4.4 Construction and Works	34
4.5 Monitoring and Evaluation.....	42
4.6 Environment	45
4.7 Sustainability	46
4.8 Overall Assessment	47
5. CONCLUSION.....	49
6. ACKNOWLEDGEMENT	50
ANNEX.....	51

ABBREVIATIONS AND ACRONYMS

APPM	Accounting Policies & Procedural Manual
DIC	District Implementation Committee
DRC	District Rate Committee
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DCO	District Coordination Officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DO	District Officer
FCR	Final Completion Report
GDP	Gross Domestic Product
GIS	Geographic Information System
HEIS	High Efficiency Irrigation System
ICR-I	Intermediate Completion Report-I
ICR-II	Intermediate Completion Report-II
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
MIS	Management Information System
MOU	Memorandum of Understanding
MRS	Market Rates Schedule
NESPAK	National Engineering Services of Pakistan
NPIW	National Program for Improvement of Watercourses
NGO	Non Governmental Organization
OFWM	On Farm Water Management
PC-I	Planning Commission Proforma-I
PCPL	Pre-cast Concrete Parabolic Lining
PCPS	Pre-cast Parabolic Segment
PDO	Project Development Objective
PIC	Provincial Implementation Committee
PISC	Project Implementation and Supervision Consultant
PPRA	Punjab Procurement Regulatory Authority
PSI	Pressure per square inch
PRSP	Punjab Rural Support Program
SUPARCO	Space & Upper Atmosphere Research Commission

T.S	Technical Sanction
WB	World Bank
WMO	Water Management Officer
WUA	Water Users Association
WC	Water Course

EXECUTIVE SUMMARY

Directorate General of Audit, District Governments Punjab (South), Multan conducted the Performance Audit of Punjab Irrigated-Agriculture Productivity Improvement Project (PIPIP) from 02.04.2017 to 23.04.2017 in District Rahim Yar Khan for the period 2011-12 to 2015-16 in accordance with INTOSAI Auditing Standards. Key objectives of PIPIP were:

- I. Improving productivity of irrigation water by efficient conveyance and its effective farm level use by adopting conservation agricultural practices.
- II. Producing more profitable crops through high efficiency irrigation systems (HEIS) for meeting up increased domestic demands and enhancing exports.
- III. Strengthening capacity and sustainability of private sector service delivery for supporting irrigated agriculture.
- IV. Capacity building of stakeholders in better managing irrigation water for attaining higher yield of crops with less cost of production.

The project has been selected for audit due to its social and economic impacts for the society in general and improved per acre yield in Punjab in particular.

The main objectives of the audit were to ascertain:

- i. Whether the project was implemented as per planning and there was no deviation from the approved PC-I of the project.
- ii. To what extent the objectives of PIPIP were achieved.
- iii. Whether the resources were acquired at lowest possible costs.
- iv. Whether the community was getting desired benefits from the project.

The Government of Punjab launched PIPIP in the District Rahim Yar Khan through District Officer (On Farm Water Management). Funds of Rs 993.565 million were allocated during 2011-12 to 2015-16, out of which expenditure of Rs 818.960 million was incurred till June, 2016. The project was initiated to improve all 1,824 unimproved watercourses in Rahim Yar Khan but upto the year 2015-16 only 344 watercourses could be improved with the cost of Rs 818.960 million. All the payments were released after verification of 3rd party i.e NESPAK. Improvement of watercourses was the main area where most of the

expenditure was incurred. The Executing Agency argued that funds amounting to Rs. 174.605 million were not used due to the reasons that funds were released on average cost estimates of watercourses and the balance of one year was spent in the next year. However closing balance at the end of each financial year as per expenditure statements for the financial year 2011-12 to 2015-2016 was due to the reason that the department did not efficiently used the funds in the relevant period.

Key audit findings include following important observations:

1. Inefficient planning and non establishment of District Implementation Committee (DIC)
2. Time overrun due to late completion of watercourses
3. Less improvement in different indicators despite incurring expenditure of Rs 818.960 million
4. Cost overrun due to late completion
5. Incurring expenditure of Rs.17.229 million on construction of watercourses without proper establishment of Water User Associations
6. Excess expenditure of Rs.3.360 million due to non completion of prescribed percentage of construction of watercourses
7. Unjustified payments to suppliers through WUAs 20.674 Million
8. Substandard construction of watercourses
9. Less collection of farmer's share amounting to Rs 390,777 by violating ratio prescribed in PC-I
10. Damages occurred due to negligence of WUA and wastage of Government funds Rs 2.892 million

Audit would make following recommendations to improve overall performance of the project:

- i. Responsibility for delays, losses and overpayments, as reported through different audit paras of this Report, be fixed on the persons at fault and efforts be made to avoid recurrence of such irregularities / losses in future.
- ii. Government funds should be utilized for the purposes for which they were approved and included in utilization plans of the project.

- iii. Purchases must be made in accordance with PIPIP Guidelines and observance of principles of economy, efficiency and effectiveness be ensured.
- iv. An adequate Management Information System (MIS) should be developed to strengthen the internal controls and to improve overall performance of the project.
- v. Comprehensive training programs should be chalked out for capacity building of relevant staff.

1. INTRODUCTION

The Director General Audit, District Governments Punjab (South), Multan conducted performance audit of Punjab Irrigated-Agriculture Productivity Improvement Project in District Rahim Yar Khan from 02.04.2017 to 23.04.2017. The project was launched w.e.f. 01.07.2011 in the Punjab through On Farm Water Management, Agriculture Department and Government of the Punjab. In District Rahim Yar Khan the Punjab Irrigated-Agriculture Productivity Improvement Project is being implemented through District Officer (OFWM).

1.1 Name of the Project

“Punjab Irrigated-Agriculture Productivity Improvement Project” Rahim Yar Khan

1.2 Background Information

Water is the most critical and precious input for crops production in arid and semi-arid areas. Growing physical scarcity of fresh water resources, snow balling, uncertainties associated with ongoing climate changes, economically inaccessible water, growing population and increasing competition for water amongst various sectors have threatened sustainability of agriculture in Pakistan.

Irrigated agriculture is the lifeline of Pakistan’s economy contributing almost 90 % of the total agriculture share (over 21 percent) in Gross Domestic Product (GDP) and employs approximately 48 percent of total labour force but on the other hand due to water shortage and its ever increasing consumption in agriculture, Pakistan is entering in the band of water scarce countries of the world.

Punjab is Pakistan’s agricultural and economic heart line contributing over 80 percent towards agricultural output and about 90 percent of it comes from irrigated areas. Despite its everlasting significance in this vital sector of country’s economy, the province is facing acute water shortages creating threats for food security of its people. Furthermore, miserably low irrigation efficiency at farm level is one of the major constraints in attaining potential production. (Source: PC-I)

Improving water productivity, through utilization modern water resource conservation technologies and practices, is the most viable option for maintaining long term integrity of agriculture resources.

There had been about 27 % increase in crop production during the years 1999-2000 to 2008-09. This growth can be attributed to improved irrigation management. The mega initiatives implemented during that period for the purpose included National Program for Improvement of Watercourses in Pakistan (NPIW).

It is the World Bank assisted project. The World Bank has a long history of partnership and collaboration with the Government of Punjab. It has provided support for several projects of On Farm Water Management and helped to introduce many innovations in irrigation. PC-1 of the Punjab Irrigated-Agriculture Productivity Improvement Project was approved during 2011-12 by Government of the Punjab by replacing National Program for Improvement of Watercourses (NPIW).

The project was implemented in entire province of the Punjab. The project cost was estimated at Rs 36,000.705 million including government share of Rs 21,249.997 million, however the cost of the improvement of watercourse in District Rahim Yar Khan was Rs 993.565 million. This Audit Report, however, is focused on District Rahim Yar Khan only. Watercourses improvement / renovation consists of completely demolishing community channels and its rebuilding / re-aligning to increase efficiency of watercourses by reducing seepage, evaporation and operational losses.

Tertiary level irrigation system in Rahim Yar Khan comprises about 5,230 watercourses. A significant portion of irrigation water (about 40%) is lost in these century old community watercourses because of their poor maintenance and ageing. This resulted in severe water shortage at farm level that is continuously aggravating due to increasing pressure on agriculture. Main causes of these losses are seepage, spillage and side leakage from the watercourses.

Upto the year 2011-12, out of 5,230 watercourses in Rahim Yar Khan, 3,406 (65.12%) watercourses were improved through NPIW (Punjab Component) leaving a balance of 1824 (34.88%) watercourses to be improved. The project was initiated to improve all 1,824 unimproved watercourses in Rahim Yar Khan but upto the year 2015-16 only 344 watercourses could be improved with the cost of

Rs 818.960 million. All the payments were released after verification of 3rd party i.e. NESPAK.

Detail is given below:

(Rupees in million)							
Sr. No.	Year	Tehsil Rahim Yar Khan	Tehsil Sadiq Abad	Tehsil Khan Pur	Tehsil Liaqat Pur	Total Watercourses Improved	Expenditure Incurred
1	2011-12	01	02	01	06	10	29.964
2	2012-13	27	35	27	31	120	236.965
3	2013-14	20	25	16	19	80	197.051
4	2014-15	23	33	28	25	109	196.088
5	2015-16	04	12	04	05	25	158.892
Total						344	818.960

1.3 Responsible Authorities

Directorate General Agriculture (Water Management) was responsible to supervise, operate and monitor the proposed project mainly through existing infrastructure. All activities envisaged under the proposed project were to be implemented by the District Governments with active participation of farming communities. Memorandum of Understanding (MOU) was signed between Government of the Punjab, Agriculture Department and District Governments for implementation of the project.

1.4 Project Details

1.4.1 Project Components

As per Clause 6(II) of PC-I the project comprises four components which consist of different sub components as detailed below:

A. Improving Water Productivity

A-1 Installation of High Efficiency Irrigation Systems (HEISs)

A-2 Strengthening of Precision Land Leveling Services in Private Sector

B. Upgrading Farm Level Irrigation Conveyance System

B-1 Improvement of Unimproved Canal Irrigated Watercourses

B-2 Completion of Partially Improved Watercourses -16-

B-3 Rehabilitation of Irrigation Conveyance Systems in Non-Canal Commanded Areas

C. Adoption and Promotion of Modern Irrigation Technologies, Practices, Monitoring and Evaluation

C-1 Adoption and promotion of modern irrigation technologies and practices

C-2 Monitoring and evaluation of project impacts

D. Project Management, Supervision, Technical Assistance, Training and Strategic Studies

D-1 Project implementation and management support

D-2 Implementation supervision and third party validation consultancies i.e. NESPAK

D-3 Strategic studies, technical assistance and training etc.

1.5 Goals and Objectives of the Project

Overall project development objective (PDO) of PIPIP was to improve water productivity i.e. producing more crops per drop. It was to be achieved through increasing efficiency, adopting improved irrigation practices, promoting crop diversification and effective application of non-water inputs. The PDO would contribute to increase agricultural production, more employment opportunities in rural areas, higher incomes from the farming, better living standards and improved environmental strategy for achieving the goals as listed below:

- I. Improving productivity of irrigation water by efficient conveyance and its effective farm level use by adopting conservation agricultural practices.
- II. Producing more profitable crops through High Efficiency Irrigation Systems (HEIS) for meeting increasing domestic demands and enhancing exports.
- III. Strengthening private sector service delivery, capacity and sustainability for supporting irrigated agriculture.
- IV. Capacity building of stakeholders in better managing irrigation water for attaining higher crop yields with less production costs.

1.6 Main Beneficiaries of the Project

- i. Farmers having farms on canal commanded and non canal commanded areas.
- ii. Local man power (skilled and unskilled) utilized in execution of works.
- iii. General public at large

1.7 Time Period of the Project

Time period of the project was 2011-12 to 2016-17.

1.8 Capital Cost of the Project

The capital cost of the project was Rs 36,000.705 million

1.9 Sources of Financing*

Provincial Government	59%
Farmers' Contribution	41%

*(Source: Page No. 84 of PC-I)

1.10 Financing Data

District Government Rahim Yar Khan received budget allocation of Rs 993.565 million out of which expenditure of Rs 818.960 million was incurred during 2011-16 which indicated that financial resources of Rs 174.605 million (18%) were not utilized. Detail of utilization of financial resources is given below:

(Rupees in million)				
Year	Total Budget	Expenditure	Balance	percentage of funds not utilized
2011-12	34.740	29.964	4.776	14
2012-13	241.188	236.965	4.222	1.74
2013-14	217.014	197.051	19.963	9.21
2014-15	247.973	196.088	51.885	21
2015-16	252.650	158.892	93.758	37
Total	993.565	818.960	174.605	18%

1.11 Stage of the Project

The project was initiated to improve all 1,824 unimproved watercourses in Rahim Yar Khan from the year 2011-12 to 2016-17 but upto the year 2015-16 only 344 watercourses were improved, therefore, the project is still “in progress”.

2. AUDIT OBJECTIVES

The objectives of the performance audit were to ascertain:

- a. Whether the project was being implemented as per planning and there was no deviation from the approved PC-I of the project.
- b. To what extent the objectives of PIPIP were achieved.
- c. Whether the resources were acquired at lowest possible cost (economy).
- d. Strengthening private sector service delivery capacity and sustainability for supporting irrigated agriculture.
- e. Capacity building of stakeholders in better managing irrigation water for attaining higher crop yields with less production costs (efficiency).
- f. Whether the community was getting desired benefits from the project (effectiveness).

3. AUDIT SCOPE AND METHODOLOGY

3.1 Audit Scope

Auditor General of Pakistan carried out performance audit of PIPIP under Articles 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. DO (OFWM) Rahim Yar Khan prepared its accounts upto June 30, 2016 and audit was also conducted upto that period. All record relating to financial management, planning and execution of works upto June 30, 2016 was scrutinized.

The project will be completed in June, 2017. Performance audit covered the period from 2011-16 and focused the activities of District Rahim Yar Khan.

3.2 Audit Methodology

Following audit methodology was adopted during performance audit:

- a) Review / scrutiny of bills, vouchers and other necessary record.
- b) Interviews with farmers, management and general public.
- c) Physical verification / inspection of related sites.
- d) Analytical review of data available with different government departments.

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization and Management

Organization and management refers to optimum utilization of resources through meticulous planning and control at the work place. Issues regarding management of resources with a focus on improving management, especially with reference to economy, efficiency and effectiveness in management of resources have been tried to bring into limelight. Issues of weakness of managerial and other internal controls have been analyzed and various observations/ findings are elaborated as under:

4.1.1 Construction of watercourses without approval of DDC - Rs 818.960 million

According to page No.62 of PC-I, the DIC was required to meet on monthly basis and its major functions would be to review physical and financial progress, ensure effective project implementation and oversee proper flow of funds to WUAs. According to Rule 30 and 31 (vi) of the Punjab District Government and TMA (Budget) Rules 2003, development projects are those which are under trial through development budget and their approval from Budget and Development Committee is necessary.

District Officer (OFWM) Rahim Yar Khan incurred expenditure of Rs 818.960 million on improvement of watercourses during 2011-16 without prior approval of District Development Committee (DDC). Further, any progress report regarding targets of watercourses in a particular year, physical review and recommendations of District Implementation Committee (DIC) were not on record. Detail is given below:

(Rupees in million)		
Financial Year	No. of watercourses improved	Expenditure
2011-12	10	29.964
2012-13	120	236.965
2013-14	80	197.051
2014-15	109	196.088
2015-16	25	158.892
Total	344	818.960

Audit is of the view that due to weak financial and managerial controls, expenditure was incurred without approval and recommendations of DDC.

Incurring expenditure without approval of DDC resulted in inefficient utilization of resources.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that PIPIP being World Bank funded project did not come under the purview of above rules. Reply was not tenable as the approval of the expenditure must be made from the District Development Committee. Moreover, the department did not provide the required evidence/ rules showing that above rules were not applicable to PIPIP (being World Bank funded project).

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.1.2 Inefficient planning and non establishment of DIC

According to page No.62 of PC-I, District Implementation Committee (DIC) is proposed to meet on monthly basis and its major functions would be as follows:

- i) Review physical and financial progress
- ii) Ensure effective project implementation
- iii) Oversee proper flow of funds to WUAs
- iv) Arrange transparent internal monitoring of project activities
- v) Make recommendations to PIC for improving pace of implementation

Contrary to the provision of PC-I, District Implementation Committee (DIC) was not established in District Rahim Yar Khan. Non establishment of DIC resulted in non completion of organizational hierarchy due to which monitoring and evaluation of the project could not be done at required level. The Department did not prepare any perspective plan for systemic implementation, therefore, flow of funds of Rs 993.565 million to WUAs and pace of work was not efficient. As a result, completion of watercourses was abnormally delayed. Owing to non-establishment of DIC, above mentioned functions could not be performed at district level. **(Annex – A)**

The matter was reported to DO (OFWM) in April, 2017. DDO replied that the District Coordination Officer Rahim Yar Khan constituted the DIC for District Rahim Yar Khan. Reply was not tenable as no meeting was convened at District level for establishment of DIC.

Audit is of the view that due to weak managerial controls, DIC was not established.

Owing to non-establishment of DIC, the project was not properly implemented.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that a DIC should be established with an objective to monitor and evaluate physical and financial progress.

4.1.3 Non implementation of sub components of the project

According to page No.17-25 of the PC-I, High Efficiency Irrigation Systems (HEIS) have six sub components for water and nutrient efficiency and their implementation is necessary.

High Efficiency Irrigation Systems (HEIS) was one of the main components of the project comprising of six sub components. District Officer (OFWM) did not achieve the desired targets of sub components of Drip Irrigation System. Detail is as below:

Sub Component	Year	Detail of Targets and achievements		Percentage Achievement
		Target	Achieved	
(Drip Irrigation)	2012-13	400	233	58 %
	2013-14	500	349	70 %
	2014-15	600	231	38.5 %
	2015-16	500	237	47 %
Total		1,603	945	53 %

Audit is of the view that due to lack of monitoring and supervision, all components of the project could not be implemented.

Non implementation of sub components resulted in non achievement of targets of the project.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that monitoring of progress was done regularly by authorities. Reply was not

tenable as minutes of meeting and review of physical / financial progress report was not provided.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that all components of the project be implemented to achieve the targets and objectives of the project, under intimation to Audit.

4.1.4 Irregular establishment of Water User Associations and construction of watercourses – Rs 22.526 million

According to Sub section (1) of Section 10 of the On Farm Water Management and Water Users' Associations Ordinance 1981, registration of an Association may be cancelled by the Field Officer if the membership of the Association has been reduced to less than fifty one (51) percent of the total number of irrigators on the watercourse.

District Officer (OFWM) Rahim Yar Khan made payment of Rs 22.526 million to the Water Users Associations for improvement of watercourses during 2011-16. The establishment / registration of Water Users Associations was made contrary to the Ordinance (the On Farm Water Management and Water Users' Associations Ordinance, 1981) as at least 51 % of farmers using water from each watercourse were not part of relevant WUAs. Detail is as below:

(Rupees in million)

Sr. No.	Watercourse No.	Village / Chak #	Tehsil	No. of Total Farmers on W/C	Required 51% No. of Members	No. of Total Farmers in WUAs	% of Members of WUAs	Amount of FCRs
1	21270-R	162-P	Sadiq Abad	36	18	7	19	4.321
2	11980-R	Qadir Pur	Sadiq Abad	17	9	5	29	0.975
3	29170-R	163-P	Sadiq Abad	21	11	7	33	2.395
4	95500-R	48/P	Rahim Yar Khan	17	9	7	41	1.175
5	1970-R	Kot Karam Khan	Rahim Yar Khan	39	20	5	13	0.805
6	17445-TR	Gulan Gul Kana	Khan Pur	16	9	5	31	2.236
7	17445-TC	Gulan Gul Kana	Khan Pur	44	23	5	11	2.094
8	49650-L	60-P	Khan Pur	20	11	5	25	1.734
9	18521-L	Murad Wah	Khan Pur	21	11	7	33	1.291
10	22450-R	Goth Mahi	Liaqat Pur	30	16	7	23	1.710
11	10270-R	Thul Hamza	Liaqat Pur	30	16	7	23	1.497
12	20645-L	Lal Shah	Liaqat Pur	25	13	7	28	1.601
13	13800-R	Kotla M.	Liaqat Pur	22	12	7	32	0.692
Total								22.526

Audit is of the view that due to weak management, WUAs were not established as per requirement.

Undue favour to WUAs and release of funds resulted in inefficient utilization of resources.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that registration of Water User Association was made after deposit of registration fee as per number of farmers. Therefore, more than 51% irrigators of that watercourse participated in registration of Water User Association. Reply was not tenable as no record was produced to confirm that at least 51 % irrigators were active participants of the WUA.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends getting the record verified and making compliance of rules and procedures in letter and spirit besides fixing responsibility on the persons at fault, under intimation to Audit.

4.1.5 Incurring expenditure without capacity building of farmers

According to page No.52 of PC-I, “ an extensive as well as intensive training program would be needed to train farmers about requirements and techniques of modern irrigated agriculture so as to efficiently utilize the scarcely available water that will boost agricultural, production, improve profitability of farming and ultimately increase farmer’s income.

Contrary to the provision of PC-I, DO (OFWM) did not prepare any plan to train the farmers for optimal utilization of the resources. Without provision of essential trainings, chances of increase in agricultural production and profitability of farming were reduced. As a result, the expected results of increase in production were not achieved.

Audit is of the view that due to weak managerial controls, training was not given to the farmers.

Non provision of essential training to farmers resulted in non-optimal utilization of resources and less increase in production.

The matter was reported to DO (OFWM) in May 2017. DDO replied that training was given to the staff by the Water Management Training Institute for new irrigation schemes. Reply of DDO was not tenable as mandatory / necessary training was not given to the staff and no such record was produced.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends initiation of an extensive as well as intensive training program for the farmers so that the expected results of capacity building be achieved.

4.1.6 Non development and updation of database

According to page No.75 of PC-I, agriculture department in collaboration with SUPARCO has developed Geographic Information System (GIS) software and GIS laboratory for spatial database management of all information regarding water management activities. It is planned to support the activities to update and upgrade this database. The project will also assist in development of remote sensing techniques in conjunction with the existing database for improved and effective monitoring and planning of various OFWM projects.

District Officer (OFWM) Rahim Yar Khan did not update its database from time to time. As a result, necessary data regarding water management activities was not uploaded on the website of relevant department due to which stakeholders were not able to obtain required information.

Audit is of the view that due to weak management, the database could not be updated.

Non-updating of database resulted in both depriving the farmers from necessary awareness and non obtaining of necessary information by the stakeholder.

The matter was reported to DO (OFWM) during April 2017. DDO replied that the database at Provincial level was prepared and uploaded on relevant website. Reply of the department was not tenable as no supporting documents were produced for verification.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends updation of database as per procedures laid down in PC-I, so that the farmers and stakeholders may get the required information.

4.1.7 Less improvement in different indicators

According to page No.35 of PC-I, impact of watercourse improvement was targeted as increase in cropping intensity by nearly 20 percent and overall increase in crop yields by around 24 percent in addition to water savings.

District Officer (OFWM) Rahim Yar Khan incurred expenditure of Rs 912.719 million on construction of watercourses through PIPIP during 2011-16 but sufficient improvement was not observed in following areas:

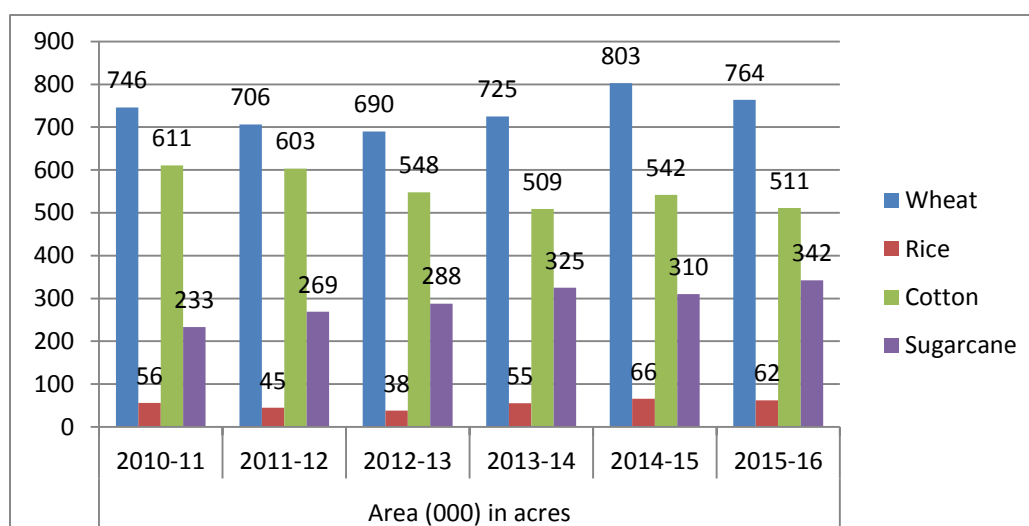
a) Crop Wise Cultivated Area

Area for wheat, rice and sugarcane increased about 2.41%, 10.71% and 46.78% respectively and for cotton it was decreased by 16.3% as compared to 2010-11. However, overall area for all the said crops increased about 2.004% in 2015-16 as compared to 2010-11.

Particulars	Area in (000) in Acres						Percentage of Increase (Decrease) from year 2010-11
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
Wheat	746	706	690	725	803	764	2.41 %
Rice	56	45	38	55	66	62	10.71 %
Cotton	611	603	548	509	542	511	-16.3 %
Sugarcane	233	269	288	325	310	342	46.78 %
Total	1646	1623	1564	1614	1721	1679	2.004 %

Source: - Directorate of Agriculture, Crop Reporting Service, Punjab, Lahore.

Source: - Bureau of Statistics, Punjab, Lahore.



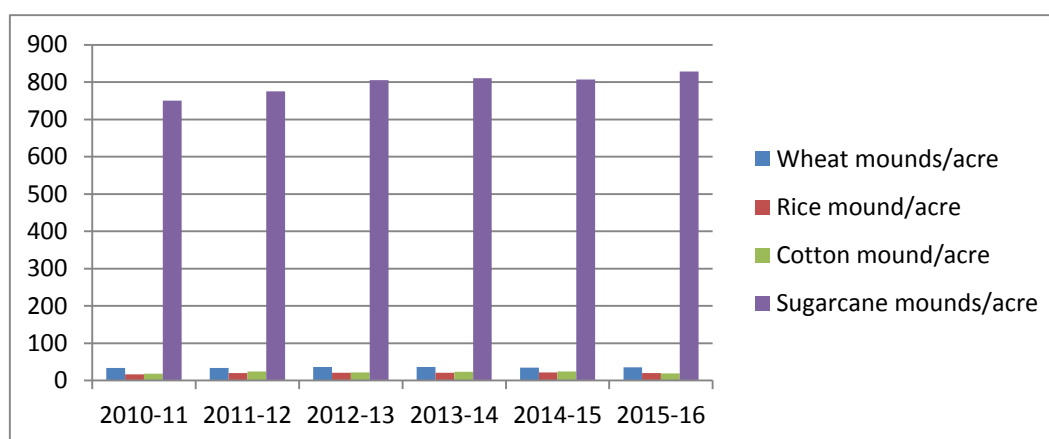
b) Per Acres Yield of Crops

Per acre yield of wheat, rice, sugarcane and cotton increased about 5.32%, 21.03%, 1.35%, and 10.4% in 2015-16 as compared to 2010-11. However, over all yield per acre for all the said crops increased about 10.20% as compared to 2010-11 and it was less than the rate of increase given in the PC-I.

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage of Increase over 2010-11
Wheat (mounds/acre)	33.83	33.67	36.11	36.53	34.22	35.63	5.32 %
Rice (mound/acre)	16.54	19.59	20.57	20.71	21.50	20.02	21.03 %
Sugarcane (mounds/acre)	18.47	24.00	21.45	23.00	24.54	18.72	1.35 %
Cotton mound/acre	750	775	805	810	807	828	10.4 %
Total	818.84	852.26	883.13	890.24	887.26	902.37	10.20 %

Source: - Directorate of Agriculture, Crop Reporting Service, Punjab, Lahore.

Source: - Bureau of Statistics, Punjab, Lahore.



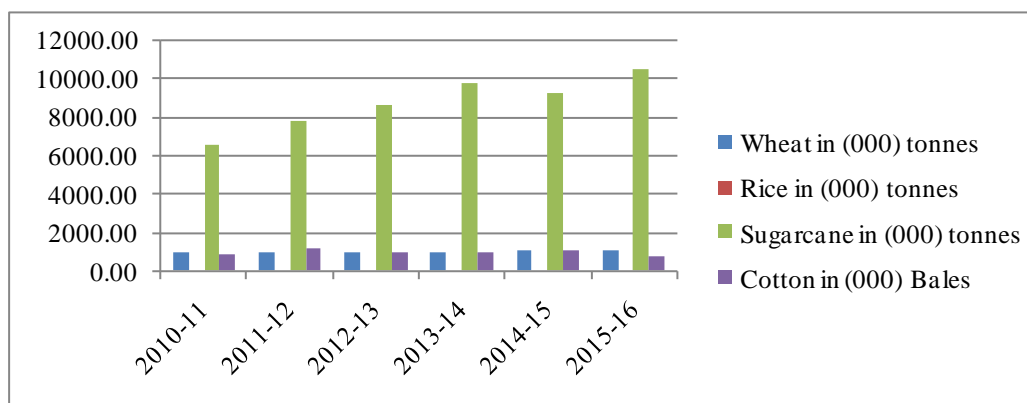
(C) Crop Wise Total Production of the District

Production for wheat, rice and sugarcane increased about 7.81%, 34.01% and 62.04% respectively and for cotton it was decreased about 15.2% in 2015-16 as compared to 2010-11.

Production	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage of Increase over 2010-11
Wheat (000) tons	941.97	887.24	929.98	988.51	1025.63	1,016.02	7.81 %
Rice (000) tons	34.57	32.90	29.18	42.51	52.96	46.33	34.01 %
Sugarcane (000) tons	6,522.47	7,781.24	8,653.33	9,825.69	9,337.49	10,569.42	62.04 %
Cotton (000) Bales	877.36	1,125.30	914.00	910.33	1,034.19	743.66	-15.2 %
Total	8,376.37	9,826.68	10,526.49	11,767.04	11,450.27	12,375.43	48 %

Source: - Directorate of Agriculture, Crop Reporting Service, Punjab, Lahore.

Source: - Bureau of Statistics, Punjab, Lahore.



No data was available regarding decrease in water losses. However, statements of some farmers were recorded / obtained in this regard which indicated that there was 5% to 10% decrease in water loss.

Audit is of the view that due to weak management, the desired results were not obtained despite huge expenditure of Rs 912.719 million.

Non achievement of targets resulted into improper utilization of resources.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that the observation depicted the overall district, however, overall watercourses of the district were not completed so far. So, the targeted production not achieved. Reply of department was not tenable as due efforts were not made by the department to achieve the target.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that due efforts, as specified in PC-I, should be made for achievement of assigned targets and desired objectives of the project.

4.1.8 Undue benefit to a sole beneficiary – Rs 1.750 million

According to Rule 2.10 (a) (4) of PFR Vol-I, Government revenues should not be utilized for the benefit of a particular person or section of the community.

District Officer (OFWM) Rahim Yar Khan made payment of Rs 1.747 million to seven (07) Water User Associations on account of construction of watercourses. Scrutiny of record revealed that benefit was provided to a sole beneficiary who was Chairman of all the seven watercourses. Further, watercourses were constructed in river areas which were effected by river almost

every year. Furthermore, physical inspection of watercourses revealed that berms were not maintained properly / as per standard and gap was noticed in watercourses and berms, trees were not removed, kacha khal was not maintained, substandard / broken PCPL were used and gap between PCPL was not properly filled by using cement sand of standard ratio. Detail is given below:

(Rupees in million)

Sr. No.	Watercourse No.	Place	Union Council	Tehsil	Name of Chairman	Cost as per FCR	Date of FCR
1	128/14/7	Mouza Sikandar Chachar	Machka	Sadiq Abad	Tahir Mushtaq S/O Mushtaq Ahmed	0.250	29.06.16
2	108-15-15	Mouza Sikandar Chachar	Machka	Sadiq Abad	Tahir Mushtaq S/O Mushtaq Ahmed	0.250	29.06.16
3	128-13-4	Mouza Sikandar Chachar	Machka	Sadiq Abad	Tahir Mushtaq S/O Mushtaq Ahmed	0.250	29.06.16
4	108-16-20	Mouza Sikandar Chachar	Machka	Sadiq Abad	Tahir Mushtaq S/O Mushtaq Ahmed	0.250	29.06.16
5	108-11-25	Mouza Sikandar Chachar	Machka	Sadiq Abad	Tahir Mushtaq S/O Mushtaq Ahmed	0.250	25.07.16
6	128-3-11	Mouza Sikandar Chachar	Machka	Sadiq Abad	Tahir Mushtaq S/O Mushtaq Ahmed	0.250	25.07.16
7	149-13-19	Mouza Bachal Shah	Machka	Sadiq Abad	Tahir Mushtaq S/O Mushtaq Ahmed	0.250	25.07.16
Total						1.750	

Audit is of the view that due to weak managerial control benefit was provided to a sole beneficiary.

Payment to a sole beneficiary resulted in irregular utilization of resources.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that the ultimate objective of water management was to decrease water losses, increase conveyance efficiency of irrigation water and to bring maximum area under cultivation so that Agricultural production may be increased. Reply was not tenable as all the benefits were delivered to a single farmer without ensuring the merit.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.2 Financial Management

Financial Management of a project deals with proper utilization of financial resources in such a manner as to accomplish its pre-defined goals and objectives. As the project, under discussion, aimed at improving water courses for reducing wastage of water and increasing crop yields, therefor, the performance of its financial management has been evaluated on the same criteria. During the course of audit, those areas have been highlighted where norms of financial discipline were violated. Observations regarding non utilization of funds, excess payment and less receipts have been analyzed and findings are elaborated as under:

4.2.1 Non utilization of funds - Rs 174.605 million

According to para (ii) of Section (B) of Memorandum of Understanding (MOU) among Provincial Government, Agriculture Department and District Government, funds will be provided for assigned targets which will be utilized timely and effectively during the specific financial year.

District Officer (OFWM) Rahim Yar Khan received budget allocations of Rs 993.565 million during 2011-16 out of which Rs 818.960 million was utilized and remaining 174.605 million (17 % of budget allocations) remained unutilized in account of DDO during that period. As a result, desired activities could not be performed which adversely effected implementation of the project. Detail is given below:

(Rupees in million)				
Year	Total Budget	Expenditure	Balance	percentage of funds not utilized
2011-12	34.740	29.964	4.776	14 %
2012-13	241.188	236.965	4.222	1.74 %
2013-14	217.014	197.051	19.963	9.21 %
2014-15	247.973	196.088	51.885	21 %
2015-16	252.65	158.892	93.758	37 %
Total	993.565	818.960	174.605	17 %

Audit is of the view that due to weak financial mismanagement, funds were not utilized.

Non utilization of funds resulted in non achievement of targets and increase in cost of construction of the watercourses. Thus, economy of the project effected.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that funds were released on average cost estimates of watercourses. Moreover, the balance of one year was spent in the next year. Reply of the department was not tenable as the expenditure statements showed closing balance at the end of each financial year which resulted into non utilization of funds.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that allotted funds be utilized timely and the practice of carrying over watercourses be avoided besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.2.2 Payments without Pre-audit – Rs 818.960 million

According to sub para (vi) of Section (E) of Memorandum of Understanding (MOU) among Provincial Government, Agriculture Department and District Government, “ the audit of all expenditures made by the District Government will be got done timely from concerned authority by the District Officer (OFWM)”.

District Officer (OFWM) Rahim Yar Khan received funds of Rs 993.565 million on simple receipt forms for construction of watercourses during 2011-16. District Accounts Officer passed bills and transferred payments to the accounts of WUAs amounting to Rs 818.960 million without pre-audit of claims. Moreover, the function of pre-audit was also not performed in the office of District Officer (OFWM) Rahim Yar Khan. Detail is given below:

(Rupees in million)		
Year	No. of watercourses improved	Expenditure
2011-12	10	29.964
2012-13	120	236.965
2013-14	80	197.051
2014-15	109	196.088
2015-16	25	158.892
Total	344	818.960

Audit is of the view that due to financial mismanagement payments were made without pre-audit.

Non conduction of pre-audit resulted in irregular payments on construction of watercourses.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that it was crystal clear from the record of ICR-I that all the funds were released after verification by the Supervisor, Deputy District Officer and Consultant. Reply was not tenable as the authority for conducting pre-audit of the expenditure rests with the District Accounts Office Rahim Yar Khan who transferred the payment in the accounts of WUAs without conducting pre-audit of the expenditure.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that pre-audit should be carried out before making payments to relevant suppliers and irregularity be got condoned from the competent authority under intimation to Audit.

4.2.3 Payments before technical sanction – Rs 10.075 million

According to Annexure-IV of the Memorandum of Understanding among Provincial Government, Agriculture Department and District Government, following procedures should be followed for improvement of watercourses:

- i) Registration of Water User Association
- ii) Opening of Joint Bank Account by WUAs
- ii) Executing Agreement with DO (OFWM) by WUAs
- i) Conducting Engineering Survey, Preparation of Design and Cost Estimates and according technical sanction by competent authority.

District Officer (OFWM) Rahim Yar Khan transferred funds of 1st installment amounting to Rs 10.075 million to 15 Water User Associations during 2011-16. The expenditure was unauthorized as relevant ICR-I was verified before the dates of technical sanctions. Detail is given below:

(Rupees in million)

Sr. No.	W/C No.	Village / Chak #	Tehsil	Amount of TS	Date of Technical Sanction	Date of 1st Installment	Amount of 1 st Installment
1	11980-R	Qadir Pur	Sadiq Abad	0.987	05.03.2013	28.11.2012	0.376
2	29170-R	163-P	Sadiq Abad	2.698	22.10.2012	06.10.2012	1.079
3	7447-R	95-P	Rahim Yar Khan	3.434	08.11.2012	23.10.2012	1.374
4	10145-R	Wali Sultan	Rahim Yar Khan	1.495	05.03.2013	20.10.2012	0.538
5	1970-R	Kot Karam Khan	Rahim Yar Khan	0.898	05.03.2013	01.02.2013	0.342
6	7930-L	M.Wali Qureshian	Rahim Yar Khan	1.280	01.04.2013	06.10.2012	0.443
7	17445-TR	Gulan Gul Kana	Khan Pur	2.378	10.12.2012	11.10.2012	0.950
8	17445-TC	Gulan Gul Kana	Khan Pur	2.421	31.05.2013	15.05.2013	0.969
9	49650-L	60-P	Khan Pur	2.030	07.12.2012	28.11.2012	0.812

Sr. No.	W/C No.	Village / Chak #	Tehsil	Amount of TS	Date of Technical Sanction	Date of 1st Installment	Amount of 1 st Installment
10	20700-L	Amir Pur	Khan Pur	1.005	01.11.2012	17.09.2012	0.371
11	18521-L	Murad Wah	Khan Pur	1.292	10.12.2012	28.11.2012	0.517
12	29409-L	Ghous Abad	Liaqat Pur	1.282	01.11.2012	28.01.2015	0.705
13	22600-TR	Ahmadabad	Sadiq Abad	1.764	09.02.2015	28.01.2015	0.705
14	35000/L	Muhammad Murad Dahr	Sadiq Abad	1.327	06.02.2015	30.01.2015	0.531
15	20360-L	Rajan pur Khurd	Rahim Yar Khan	1.052	06.02.2014	31.01.2014	0.363
Total							10.075

Audit is of the view that due to weak financial management payments were made to WUAs before according technical sanctions.

Release of funds before technical sanctions of the estimates resulted in irregular expenditure on relevant watercourses.

The matter was reported to DO (OFWM) in April 2017. DDO replied that due to clerical mistake, date of technical sanction was written wrong. Reply of DDO was not tenable as the department made payment without observing the rules.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that procedure laid down in PC-I and MOU be followed, undue favor to the WUAs be avoided and expenditure be got regularized from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.2.4 Loss due to less receipt of farmer's share and excess contribution by Government – Rs 6.014 million

According to Annexure-I (1) of the PC-I, the prescribed ratio for improvement of watercourses are described below:

Cost Sharing Percentage for Improvement of Unimproved Canal Irrigated Watercourses (Brick Lined) Annexure-I-1		
Item		Percentage
Cost of Material	Government.	61%
Cost of Labour for Earthen Construction	Farmer's share	13%
Cost of Labour for Lining	Farmer Share	13%
Cost of Masons		13%

District Officer (OFWM) Rahim Yar Khan collected only 24% farmer's share instead 39% from farmers during 2011-16 which resulted in less collection

of Rs 6.014 million. Owing to non collecting complete farmer share from WUAs, an important part of project could not be certified/actualized; i.e. constructing three feet bed/ berms on both sides of the watercourses as per requirement of the PC-I.

This practice of the management resulted in following losses:

- (i) This practice actually showed that technical estimates were intentionally made at higher amount just to benefit the farmers by collecting lesser amount which meant that actual cost of project was equal to amount of TS and 24% actually deposited by WUAs. In these situations the Government share was increased from the prescribed ratio of 61% to 76% and Government sustained a loss of Rs 6.014 million in shape of excess contribution.
- (ii) Entire Government share/contribution was utilized/consumed for purchase of material (i.e. cement, bricks, & nakkas etc.) while farmer's share was to be consumed / utilized for:
 - a. Demolishing old watercourse,
 - b. Developing bed of required dimension,
 - c. Making payment for labor and masons,

As factor "a" & "c" were inescapable, so point "b" was bargained. This less collection of farmer's share led to compromised development / construction of watercourse bed upto required dimension (physical inspection report attached) and entire project cost (Government share + WUAs share) was put at risk in shape of minimizing the optimized life of the watercourses. Detail is given below:

Sr. No.	w/c No.	Total Estimate Cost	Farmer share				less deposit (%)	Less deposit in Rupees
			Actually received	To be received	% of received amount	% to be as per rule		
1	57539-R1	4,820,916	845,435	1,880,157	0.18	0.39	0.21	1,034,722
2	90310-L	1,546,245	391,980	603,036	0.25	0.39	0.14	211,056
3	90670-R	1,665,724	491,525	649,632	0.30	0.39	0.09	158,107
4	2000-R	665,625	196,414	259,594	0.30	0.39	0.09	63,180
5	12400-L	3,167,147	803,410	1,235,187	0.25	0.39	0.14	431,777
6	22600-TR	1,763,719	447,191	687,850	0.25	0.39	0.14	240,659
8	147074-R	1,883,855	477,825	734,703	0.25	0.39	0.14	256,878
9	35000-L	1,327,094	336,420	517,567	0.25	0.39	0.14	181,147
10	32209-R	1,900,840	482,002	741,328	0.25	0.39	0.14	259,326
11	6000-L	1,722,238	507,586	671,673	0.29	0.39	0.10	164,087
12	31311-L	2,329,577	591,458	908,535	0.25	0.39	0.14	317,077
13	48100-TR	3,075,684	756,494	1,199,517	0.25	0.39	0.14	443,023
14	83725-R	2,447,436	722,194	954,500	0.30	0.39	0.09	232,306
15	86240-R	2,285,348	591,000	891,286	0.26	0.39	0.13	300,286
16	13200-R	4,079,249	1,034,804	1,590,907	0.25	0.39	0.14	556,103
17	6000-R	2,178,668	536,965	849,681	0.25	0.39	0.14	312,716
18	75814-R	2,374,820	602,450	926,180	0.25	0.39	0.14	323,730

Sr. No.	w/c No.	Total Estimate Cost	Farmer share				less deposit (%)	Less deposit in Rupees
			Actually received	To be received	% of received amount	% to be as per rule		
19	18160-TF	3,451,196	817,262	1,345,966	0.24	0.39	0.15	528,704
Total		42,685,381	10,632,415	16,647,299				6,014,884

Audit is of the view that due to poor financial management, the farmer's share was not collected completely and Government funds were utilized in excess.

Less collection of farmer's share and excess utilization of the Government funds resulted in loss of funds. It adversely affected both efficiency and economy of the project

The matter was reported to DO (OFWM) in April, 2017. DDO did not submit reply.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter besides recovery of the excess amount under intimation to Audit.

4.2.5 Less collection of farmer's share than prescribed ratio – Rs 390,777

According to Annexure-I (1, 2, 3, 4 and 6) of the PC-I, the prescribed ratio for improvement of watercourses are described below:

Cost Sharing Percentage for Improvement of Unimproved Canal Irrigated Watercourses (Brick Lined) Annexure-I-1		
Item		Percentage
Cost of Material	Government.	61%
Cost of Labour for Earthen Construction	Farmer share	13%
Cost of Labour for Lining	Farmer Share	13%
Cost of Masons		13%
Cost Sharing Percentage for Improvement of Unimproved Canal Irrigated Watercourses (PCPL Lined) Annexure-I-2		
Item		Percentage
Cost of Material	Government.	59%
Cost of Labor for Earthen Construction	Farmer share	14%
Cost of Labor for Lining	Farmer Share	17%
Cost of Masons		10%
Cost Sharing Percentage for Improvement of Completion of Partially Improved Watercourses (Brick Lined) Annexure-I-3		
Item		Percentage
Cost of Material	Government	55%
Cost of Labor for Earthen Construction	Labor Cost	22%

Cost of Labor for Lining	Farmer Share	12%
Cost of Masons		11%
Cost Sharing Percentage for Improvement of Completion of Partially Improved Watercourses (PCPL Lined) Annexure-I-4		
Item		Percentage
Cost of Material	Government	52%
Cost of Labor for Earthen Construction	Labor Cost	23%
Cost of Labor for Lining	Farmer Share	15%
Cost of Masons		9%
Cost Sharing Percentage for Improvement of Conveyance Systems in Non-Canal Commanded Areas (PCPL Lined) Annexure-I-6		
Item		Percentage
Cost of Material	Government	55%
Cost of Labor for Earthen Construction	Labor Cost	21%
Cost of Labor for Lining	Farmer Share	17%
Cost of Masons		7%

District Officer (OFWM) Rahim Yar Khan constructed 04 watercourses by obtaining less farmer's share of Rs 390,777 against the ratios prescribed in PC-I for each type of watercourse e.g. unimproved, partially improved and non-canal commanded area and for type of bricks, pipe and Pre-Cast Parabolic (PCPL).

Detail is given below:

(Amount in Rupees)								
Sr. No.	Year	Type	Class	W/C No.	Mauza	Farmer share as per PC-I	Total WUA Share	Amount Less Collected
1	2011-12	REG	PCPL	31010-L	Shams Abad	440,481	325,000	114,481
2	2011-12	REG	PCPL	59250-L	41-A	486,000	450,000	36,000
3	2011-12	REG	PCPL	15655/L	I-AL	409,722	206,000	203,722
4	2011-12	REG	PCPL	20500-R	90-IL	408,574	372,000	36,574
Total						1,744,777	1,353,000	390,777

Audit is of the view that due to poor financial management, the farmer's share was not collected as per ratios prescribed in PC-I.

Non collection of farmer's share as per prescribed ratio resulted in less collection of farmer's share and less consideration of the element of economy of the project.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that the department had to collect only 18% of the total farmer's share pertaining to the skilled labour for lining and installation of water control structures. Reply was not tenable as farmer's share was not collected as per ratios prescribed in PC-I i.e. 52% to 59%.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that farmer's share should be collected as per ratios prescribed in PC – I along with recovery of balance amount.

4.2.6 Overpayment on accounts of bricks – Rs 1.332 million

As per Government of Punjab, Finance Department letter No. 16(61)/P&D/2004 Vol-VI dated 08.06.2009, number of bricks to be used in 1 Cubic meter of construction of a watercourse is 477.

DO (OFWM) Rahim Yar Khan made excess payment of Rs 1.332 million on construction of 25 watercourses by using 500 bricks for construction of 1m³ of brick masonry instead of 477 bricks. (**Annex – B**).

Audit is of the view that due to financial in-discipline, instructions of the Finance Department were not observed.

Non observing the instructions issued by the Finance Department resulted in loss to the Government and casted negative impacts on overall performance of the project.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that the bricks utilized in the construction of watercourses were charged according to Annexure-I-1 of approved PC-I. Reply of the department was not tenable as the Annexure-I-1 does not deal with number of bricks to be used in one cubic meter. Moreover, brick were not utilized as per specifications issued by the Finance Department, Government of the Punjab.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of excess payment from the concerned WUAs.

4.2.7 Excess payment due to excess usage of cement – Rs 851,407

According to Government of Punjab, Finance Department, chapter “Mortar” of MRS, 6.49 bags of cement were required for preparing 1 cubic meter of wet (ready) mortar and 0.25m³ sand-cement mortar was required for construction of 1m³ of bricks masonry.

DO (OFWM) Rahim Yar Khan made excess payment of Rs 851,407 on construction of 25 watercourses by using 0.2475 bags of cement in excess of required 1.6225 bags per 1m^3 of brick masonry. (**Annex – C**)

Audit is of the view that due to financial in-discipline, instructions of the Finance Department were not observed.

Non observing the instructions issued by the Finance Department resulted in loss to Government.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that the bags of cement utilized in the construction of watercourses were according to Annexure-I-1 of approved PC-I. Reply of the department was not tenable as the Annexure-I-1 did not deal with number of cement bags to be used in one cubic meter. Moreover, cement was not utilized as per specifications issued by the Finance Department, Government of the Punjab.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of excess payment from the concerned WUAs.

4.2.8 Overpayment on account of Sand – Rs 251,742

According to chapter “Mortar” of MRS, 0.9 cubic meter of sand was required for preparing 1 cubic meter of wet (ready) mortar and 0.25 cubic meter sand-cement mortar was required for construction of 1 cubic meter of brick masonry [0.225m^3 (0.9×0.25)] cubic meter of sand was required for construction of 1 cubic meter of brick masonry.

DO (OFWM) Rahim Yar Khan made excess payment of Rs 251,741 on construction of 25 watercourses by using 0.26 m^3 of sand for construction of 1 cubic meter of brick masonry instead of using 0.225 m^3 . (**Annex – D**)

Audit is of the view that due to financial in-discipline, instructions of the Finance Department were not observed.

Non observing the instructions issued by the Finance Department resulted in loss to Government. Economy of the project suffered due to such violations.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that the sand used in the construction of watercourses was charged according to

Annexure-I-1 of approved PC-I. Reply of the department was not tenable as the Annexure-I-1 did not deal with the quantity of sand to be used in 1 cubic meter of brick masonry. Moreover, cement was not utilized as per specifications issued by the Finance Department, Government of the Punjab.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of excess payment from the concerned WUAs.

4.2.9 Delay in completion of watercourses due to delay in release of funds – Rs 912.719 million

According to para (ii) of Section (B) of Memorandum of Understanding (MOU) among Provincial Government, Agriculture Department and District Government, funds will be provided to assigned targets which will be utilized timely and effectively during the specific financial year.

District Government received funds amounting to Rs 912.719 million from Provincial Government and released / transferred the same to DO (OFWM) Rahim Yar Khan. The funds were neither released timely by Provincial Government nor by District Government to DO (OFWM) due to which construction of watercourses was delayed. Delay in completion of watercourses resulted in increase of construction cost which affected economy and efficiency of the project. Required time for construction of watercourses was 90 days but funds were released after expiry of first quarter of the year by Provincial Government and three to four months delay was observed in release of funds from District Government to DO (OFWM). (**Annex – E**)

Audit is of the view that due to improper financial management budget was not released in time.

Delay in release of funds resulted in late completion of watercourses. Thus, efficiency of the project declined.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that the Provincial Government passed direction to the State Bank to release the proposed funds in to the account of different Districts, usually to all Districts of the Punjab. Moreover, the department achieved all its targets every year and did not face any shortage of funds as the sufficient funds were available at the time of

release of funds. Reply of DDO was not tenable as the funds were not released on time due to which construction of watercourses was delayed.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that financial procedures be improved to avoid abnormal delays.

4.3 Procurement and Contract Management

Procurement planning and contract management of every project is necessary for achievement of desired goals. Procurement planning in the project involves consulting key stakeholders to define requirements of construction of watercourses, analyzing the available suppliers who will supply the inputs for construction of watercourses, assessing best option keeping in view all the factors i.e economy, efficiency, effectiveness and ultimately defining the best procurement strategy to meet the department's goal.

Procurement and Contract Management issues have been analyzed and findings are elaborated as under:

4.3.1 Unjustified payments to Suppliers through WUAs - Rs 20.674 million

As per letter No. 12207-37/DGA/WM/Dev.: DA/1 Director General Agriculture (Water Management) Punjab, Lahore Dated 19.08.2010, it is responsibility of the Water User Association to call tenders of construction material, such as bricks, cement and sand etc. and approve rates in consultation with purchase committee in the light of rates fixed by the DRC for that area.

DO (OFWM) transferred Rs 20.674 million to eleven (11) Water User Associations' accounts. WUAs neither called tenders nor comparative statements were prepared. Rather all the purchases were made at the maximum rates fixed by the DRC. No role of purchase committee was evident for all the procurement.

(Rupees in million)

Sr. No.	Watercourse No.	Village / Chak #	Tehsil	Amount of TS	Date of Technical Sanction	Dates of FCRs	Total Amount of FCRs
1	21411-R	Naseer Abad	Sadiq Abad	2.613	19.09.2012	14.02.2013	2.612
2	17445-TC	Gulan Gull Kana	Khan Pur	2.421	31.05.2013	17.07.2013	2.094
3	22450-R	Goth Mahi	Liaqat Pur	1.714	08.11.2012	11.07.2013	1.710
4	10270-R	Thul Hamza	Liaqat Pur	1.761	04.09.2012	11.07.2013	1.496
5	20645-L	Lal Shah	Liaqat Pur	1.986	03.05.2012	10.07.2013	1.601
6	35429-L	Sardar Garh	Rahim Yar Khan	2.115	04.05.2012	10.07.2013	2.004
7	12747-L	Kotla Murad	Liaqat Pur	1.327	21.11.2013	24.07.2014	1.280
8	52370-L	Kotla Kharay	Liaqat Pur	2.694	17.03.2014	23.07.2014	2.599
9	3470-L	Kotla Khan Lar	Khan Pur	2.744	30.04.2014	07.06.2014	2.501
10	20722-L	4-P	Khan Pur	1.596	28.12.2013	05.08.2014	1.532
11	15165R	Loun wala	Liaqat Pur	1.312	15.04.2013	01.07.2013	1.245
Total							20.674

Audit is of the view that due to weak managerial controls, tenders were not called for purchasing construction materials.

Purchasing without tender resulted in un-economical purchases which adversely affected economy and efficiency of the project.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that District rate Committee was constituted to fix the rate at tehsil level. All the WUAs were bound to make payment within the ceiling limit fixed by DRC. Reply of DDO was not tenable as no record in support of reply was produced at the time of record verification.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends to take up the matter for non adopting the tender process for procurement and expedite recovery if any overpayment was involved.

4.3.2 Distribution of laser land leveling without following the criteria - Rs 30.845 million

According to Section (b) of PC-I (cost sharing arrangements) page No. 54 “ It is pointed out that eligible beneficiary is required to own a tractor capable of operating LASER unit and submit valid document/proof for the purpose. The current price of such a tractor should be over Rs 1,000,000.

District Officer (OFWM) Rahim Yar Khan distributed 57 units of laser land leveling amounting to Rs 30.845 million to the farmers without estimation of the valuation of the tractor of the farmer as per prescribed requirements in the PC-I. Due to non observing the condition of the PC-I, the chances of unjustified distribution of Laser Land Leveling increased. **(Annex – F)**

Audit is of the view that due to ineffective management laser land leveling were distributed without observing the criteria of PC-I.

Distribution of laser land leveling without observing the criteria of PC-I resulted in less benefits to the community.

The matter was reported to DO (OFWM) in April 2017. DDO replied that eligibility criteria for provision of Laser Units was that farmer should have his own tractor. Moreover, District Officer OFWM was not supposed to make any estimation or valuation of tractor price regarding provision of laser units on

subsidy basis. Reply of DDO was not tenable as valuation of the tractor was initially the responsibility of the District Officer OFWM which was not made by the concerned DDO owing to which the distribution of the tractor was made without observing the condition of the PC-I.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that the irregularity be got condoned from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.3.3 Non submission of vouched accounts by Water User Associations

Clause 14 (1) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, states that "the Auditor General shall in connection with the performance of his duties under this ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts. Further, according to section 115(6) of the Punjab Local Government Ordinance 2001 "All officials shall afford all facilities and provide record for audit inspection and comply with the requests for information in as complete a form as possible and with all reasonable expedition".

District Officer (On Farm Water Management), Rahim Yar Khan incurred expenditure of Rs 818.965 million on schemes of watercourses under PIPIP program. However, vouched accounts were not obtained / submitted by Water User's Associations. Owing to non-submission / production of vouched accounts, Audit could not ensure whether:

- i) Payment by WUAs was made through cross cheques
- ii) Payment was made by the bank on advice of Deputy District Officer (OFWM)
- iii) Procurement of material was made through procurement committee according to prescribed procedure
- iv) Unspent balance was correctly determined and recovered
- v) Payment was made to labor according to Muster roll / attendance sheet
- vi) Required amount of WUAs share was deposited in bank account

vii) Compliance of agreement clause “adjustment of construction material price” was made or not?

viii) PCPS material procured from authorized suppliers and approved rate

Audit is of the view that due to weak internal controls, vouched accounts were not submitted by WUAs.

Owing to non production of vouched account, expenditure incurred could not be authenticated.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that all the record was produced during audit. Reply was not tenable as the record was not produced despite repeated requisitions for production of the same.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility for non provision of vouched accounts of Water User Association, under intimation to Audit.

4.4 Construction and Works

Construction starts with planning, designing and financing and it continues till completion of the project. In PIPIP, District Rahim Yar Khan, the department normally made planning about the need of watercourses in different areas of the whole District after doing surveys. Those involved with the design and execution must consider zoning requirements, environmental impact of the job scheduling, budgeting, construction-site safety, availability and transportation of construction materials, logistics and inconvenience to the public caused by construction.

Construction and Works issues have been analyzed and findings are elaborated as under:

4.4.1 Unauthorized execution of brick lining instead of Pre-Cast Parabolic Segments – Rs 28.759 million

According to Project Implementation Supervision Consultant letter No.PSC/MA/02/1514 dated 14.10.2014, it is to inform you that the World Bank Mission during its recent Project Review of PIPIP has emphasized for construction of watercourses with Pre-Cast Parabolic Segments (PCPS) instead of brick lining technology. The Project Management has accordingly decided to construct / improve watercourses with PCPS in the districts where PCPS yards exist. At the same time none-of the watercourse will be constructed using bricks in 100 KM (Revised 50 KM dated 12.12.2014) radius of PCPS yards. You are hereby advised not to approve any design of watercourse (Regular, Additional, Irrigation Scheme) with brick lining in the districts having PCPS yards and the district / Tehsil failing within 100 km (Revised 50 KM dated 12.12.2014) radius of such yards “for strict compliance.”

District Officer (On Farm Water Management) Rahim Yar Khan executed watercourses of brick lining for Rs 28.759 million instead of Pre-Cast Concrete Parabolic lining in violation of above rule. (**Annex – G**)

Audit is of the view that due to weak managerial controls, works were executed through brick lining instead of pre-Cast Parabolic Segment.

Execution of work through brick lining instead of Pre-Cast Parabolic Segment resulted in un-economical use of funds and it affected effectiveness of the project in the long run.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that segments were not available and noted watercourses were already taken up for improvement with brick lining. Reply was not tenable as no record was produced in support of the reply.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of matter from competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.4.2 Payment of bricks without quality testing reports – Rs 21.335 million

As per Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Further, according to Superintending Engineer Provincial Building Circle, Faisalabad No.44-M/109-G/1021-25/G-II, dated 13th March,2001, due to non-availability of 2000 per square inch(PSI) bricks, the utilization of the bricks having crushing 1700 PSI was allowed with recovery @ 0.30 per brick PSI from all running/final bills of the contractors. Moreover, as per chapter 7 of MRS (Remarks) the composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

District Officer (OFWM) Rahim Yar Khan made payments of Rs 21.335 million to Water User Associations for purchase of bricks but quality of bricks was neither evaluated nor any laboratory test reports were on record / produced to Audit. **(Annex – H)**

Audit is of the view that due to improper management, payments were made without verification / laboratory test reports.

Brick work without quality tests resulted in poor quality of work. Thus, effectiveness of the project would be at risk.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that there was no binding regarding Lab Test of bricks and a qualified person could observe quality check which do not relate with the lab test. Reply was not tenable as no record was produced in support of the reply.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of matter from the competent authority besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.4.3 Delay in execution of work on watercourses of registered WUAs – Rs 8.751 million

According to Section (f) of PC-I (impact of delays on project cost / viability), any delay in implementation of proposed interventions may result in irreversible losses besides increase in project costs due to price escalation of equipment/materials. According to Annexure-IV of the Memorandum of Understanding among Provincial Government, Agriculture Department and District Government, following procedures should be followed for improvement of watercourses:

- i) Registration of Water User Association
- ii) Opening of Joint Bank Account by WUAs
- iii) WUAs execute Agreement with DO (OFWM)

District Officer (OFWM) Rahim Yar Khan constructed five watercourses which were registered four or five years before the date of agreement. Owing to delay in execution of work on watercourses, the cost of those watercourses increased. The detail is given below:

(Rupees in million)

Sr. No.	YEAR	Watercourse No.	Village / Chak No.	Date of Registration		Date of Agreement	FCR Amount Verified
				No.	Date		
1	2013-14	22335/L	142/NP	2083	14.09.2009	09.04.2014	1.192
2	2013-14	20360/L	Makhan Bela	1564	21.09.2007	31.01.2014	0.712
3	2013-14	14700/L	Fazal Abad	2784	03.11.2011	30.11.2011	1.554
4	2013-14	5176/L	80/NP	660	23.09.2005	01.11.2013	3.024
5	2013-14	51230/L	Goth Mahi	2811	21.12.2011	26.10.2013	2.269
Total							8.751

Audit is of the view that due to negligence, watercourses were not executed timely.

Delay in execution of work deprived the community to get desired benefits of the project.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that until & unless agreement was signed none of the party was bound to other i.e. farmers and the department. Reply of DDO was not tenable as procedure was specified in the MOU and watercourses were not taken up timely.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that work on watercourses be started in time and abnormal delays be avoided in future besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.4.4 Loss due to doubtful execution of Watercourses – Rs 1.992 million

Rule 2.10 (a) (1) of PFR Vol-1, says that “same vigilance should be exercised in respect of expenditure incurred from Government Revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.”

DO (OFWM) execute three works on improvement of watercourses during 2015-16 in doubtful manner. The record showed that two estimates were prepared at the same time, one for brick lining and other for pre-cast parabolic segment (PCPS) by showing less amount of materials cost for brick lining and more for other PCPS. Further, it was also observed during verification of the record that payment of ICR-I of all the watercourses were made according to work of brick lining but afterwards TS were revised for PCPS work having more cost than brick lining without giving any justifications. In this way, excess payment of Rs 1.992 million was made deliberately. The detail is given below:

(Rupees in million)

WC number	Amount of TS of brick lining	Amount of TS of PCSP	Excess payment	Date of 1 st TS	Date of 2 nd TS	Date of Revised Cost
8300-L	3.145	3.885	0.741	22.01.16	26.05.16	27.01.16
16845-TR	2.803	3.265	0.462	11.12.15	24.06.16	24.11.15
46036/L	3.772	4.561	0.789	16.12.15	18.06.16	15.06.16
Total	9.720	11.711	1.992			

Audit is of the view that due to negligence, excess payment was made without keeping in view the original TS Estimate.

Payment without observing the original TS Estimate resulted in excess payment.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that due to ban on construction of brick lining imposed by the World Bank PCPL segments were used. Reply of DDO was not tenable as balance payment was made for PCPL Lining instead ICR-I was made in brick lining.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides strict action against the concerned under intimation to Audit.

4.4.5 Excess expenditure due to non completion of prescribed percentage of construction of watercourses – Rs 3.360 million

According to Condition No. 10 of TS Estimate “the length of lining should be done strictly according to specific criteria of lining percentage and should not exceed from prescribed budget of the said watercourse”.

District Officer (OFWM) Rahim Yar Khan made excess payment to WUAs of Rs 3.360 million. Scrutiny of FCRs revealed that DDO made payments to the WUAs with different ratio for the same length of different watercourses so executed. (**Annex – I**)

Audit is of the view that due to weak managerial control the terms of TS were not observed.

Non observing of terms of TS Estimate resulted in loss to Government.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that cost of Nakkas, volume of Nakkas and culverts etc. was not included in the estimate of length of lining. It was mentioned separately in the cost estimate and then in final completion report. Reply was not tenable as complete lining was not made as per lining percentage achieved and as per expenditure made.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of the amount from the concerned WUAs besides fixing responsibility on the person(s) at fault, under intimation Audit.

4.4.6 Defective construction of watercourses – Rs 1.693 million

As per Clause B-1.3 (f) “WUAs will carry out civil works in accordance with standards and specifications under the supervision of OFWM field staff”

During physical inspection of watercourse No. 32195-R Tehsil Rahim Yar Khan (a complaint lodged by stakeholder namely Mr. Pervez Iqbal having CNIC No. 31303-4048645-9), it was noticed that the farmers were facing problems in

watering process. The watercourse was newly built in 2015-16 without proper survey of the cultivated area. Following problems were found during physical inspection:

- i) Sudden drop of about 06" was unnecessarily given in the bed level of the watercourse without proper survey of the cultivated area.
- ii) Owing to giving sudden drop, the level of the bed of watercourse decreased which resulted into permanent overflows of water especially at tail linings for which mud support was laid.
- iii) Owing to overflow of water, berms were totally damaged and resulted in wastage of water as well as loss of public money.
- iv) As per complaint, the matter was brought into the notice of the water management department at the early stage (at the time of construction of said watercourse) but no corrective action was taken at that initial stage.

Detail is given at (**Annex – J**).

Audit is of the view that due to weak financial management, the entire expenditure was incurred without proper survey of the technical staff.

Construction of watercourse without ensuring level of the cultivated area resulted in non-achievement of desired targets.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that watercourse was constructed on a specific design, considering all technical aspects of watercourse. Reply was not tenable as the physical inspection report, complaint from the farmers and snapshots show that construction of watercourse was not made after proper survey due to which the berms damaged.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends investigating the matter and fixing responsibility against the person(s) at fault, under intimation to Audit.

4.4.7 Substandard construction of watercourses

According to Clause No. 9 of the agreement deed, second party i.e. Water User Association will be held responsible for any damage if so occurred during or after completion of the work due to mismanagement or negligence of the Water User Association or due to natural calamities like rain, floods etc.

District Officer (OFWM) made payment on construction of watercourses without observing the standard of construction. The construction work was not upto the mark, substandard bricks were used and plaster was not properly done. Similar condition was also observed during physical inspection of watercourses. This indicated that the whole process was not monitored by District and Tehsil Officers (OFWM) and WUAs. Similarly, NESPAK consultants verified the ICRs without proper survey. **(Annex – K)**

Audit is of the view that due to poor monitoring, substandard work was carried out.

Execution of substandard works resulted in wastage of funds. Further, it adversely affected the objectives of economy and effectiveness of the project.

The matter was reported to DO (OFWM) during April, 2017. DDO replied that construction of watercourses, look after of the civil work and purchase of good quality material was the responsibility of WUAs. Government did not have any administrative control on private people. The reply of the department was not tenable as the payment of all the installments was made to WUAs after complete verification of NESPAK, then substandard culvert, plaster and trees at the bank of the watercourse were the result of poor management.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends execution of work according to the prescribed standards and avoiding undue favour to WUAs.

4.4.8 Installation of less number of nakkas than mentioned in cost estimates

According to page No.38 of PC-I (Watercourses Renovation Components), the precast nakkas would be installed at all junctions and authorized outlets to reduce channel deterioration, seepage loss and to improve water control.

DO (OFWM) Rahim Yar Khan did not install the estimated number of nakkas at the relevant watercourses. The installed nakkas at the watercourses were less than the quantity of nakkas mentioned in cost estimates / design of watercourses. Installation of less number of nakkas increased the chances of tampering of watercourse. **(Annex – L)**

No. of watercourses	No. of Nakkas installed	No. of Nakkas to be installed	Less No. of Nakkas
71	2,577	3,557	990

Audit is of the view that due to negligence of the department nakkas were not installed as TS Estimate.

Non- installation of nakkas as per TS Estimate resulted in less achieving the outcome of the project.

The matter was reported to DO (OFWM) during April 2017. DDO replied that nakkas were installed with the consultation of farmers and in most cases the nakkas included in cost estimate were installed. Reply of the department was not tenable as the quality compromised due to non fixing the actual material as per cost estimates / design in construction of watercourse.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that quantity of nakkas mentioned in cost estimates be installed in order to deliver the water to the farms efficiently.

4.5 Monitoring and Evaluation

Monitoring and evaluation is a process that helps the management to improve the performance of a project and to achieve desired results. Its goal is to improve current and future management of outputs, outcomes and impact.

Monitoring and Evaluation issues have been analyzed and findings are elaborated as under:

4.5.1 Non completion of watercourses of last year within stipulated time and carrying over to the next year – Rs 24.075 million

According to clause 4 of the agreement executed between the District Officer (OFWM) and water user association that the watercourse shall be completed within 210 days after execution of agreement.

DO (OFWM) Rahim Yar Khan did not get the watercourses of Rs 24.075 million completed through WUAs within time limit of 210 days as agreed between the parties. (**Annex – M**)

Audit is of the view that due to weak monitoring, works were not got completed within stipulated time period.

Non- completion of schemes within stipulated time placed the Government funds at stake and also resulted in violation of Government rules.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that there were several issues which created hurdles in the execution of civil work and earthen improvement of watercourses. Sometimes, keeping in view the farmers problems, works were stopped causing delay in completion. Reply of the department was not tenable as the agreement between the department and WUAs was signed keeping in view all the stakeholders and all the situations. Resultantly, late completion was not justified.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility on the person(s) at fault, under intimation to Audit.

4.5.2 Damages occurred due to negligence of WUA and wastage of Government funds – Rs 2.892 million

According to Clause No. 9 of the agreement deed, second party i.e. Water User Association, will be held responsible for any damage if so occurred during or after completion of the work due to mismanagement or negligence of the Water User Association or due to natural calamities like rain, floods etc.

Three watercourses constructed with cost of Rs 2.892 million were damaged at different places. Instead of repairing the watercourses, the farmers created holes and started irrigating their fields by demolishing pacca brick work at different places. DO (OFWM) did not take action either to get the watercourses repaired or to recover the loss from WUAs in violation of terms and conditions of the agreement deed. (**Annex – N**)

Following points were also observed during physical inspection of selected watercourses:

- i) Berms at both sides of the watercourse were less than standard specifications.
- ii) Removal of trees was not properly made at numerous places. There were trees at the banks of katcha as well as Pakka Khal/Watercourse.
- iii) The Improvement of “Katcha Khal” was not existed at site and it depicted that it was never improved.

Audit is of the view that due to poor monitoring standard work was not ensured.

Non ensuring of standard resulted into putting the Government funds at sake of wastage.

The matter was reported to DO (OFWM) in April, 2017. DDO replied that as per laid down policy of Government, after verification of FCR, it was the prime responsibility of WUAs to maintain and look after the hydraulic structures and back earth filling along the watercourse. Reply was not tenable as it was responsibility of the department to check the accuracy of the earthen improvement and its berms at the time of preparation of watercourses but no any document was shown to audit in which the accuracy of the berms as well the earthen improvement was checked at the time of preparation of watercourses (both the department and by the NESPAK).

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends making legislation regarding damages to watercourses and taking action against the responsible, under intimation to Audit.

4.5.3 Defective works

Rule 2.10 (a) (1) of PFR Vol-1, says that “same vigilance should be exercised in respect of expenditure incurred from Government Revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.”

District Officer (OFWM) Rahim Yar Khan did not ensure completion of berms of watercourses constructed during 2011-15. Physical examination of watercourses (snaps attached) revealed that berms were not completed and no earth work was done due to which the Government share (61%) was placed at risk and there were chances that life of the watercourse would be reduced and purpose would not be achieved. (**Annex – O**)

Audit is of the view that due to negligence, berms were not constructed as per prescribed dimension..

Non construction of berms as per prescribed dimension resulted in sub standard work and wastage of funds.

The matter was reported to DO (OFWM) in April, 2017. DDO did not submit the reply.

DAC meeting was not convened despite efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends appropriate actions against the concerned besides remedial measures under intimation to Audit.

4.6 Environment

Improvement in watercourses has positive effect on controlling waterlogging, rising water tables, reducing drainable surplus and reducing soil salinity risks. However, appropriate record was not available to substantiate the above statement. Further, during execution of work, trees at the banks of watercourses were removed as a requirement. As plantation is necessary for rehabilitation and improvement of environment, this element / aspect of the project has adverse effects on environment.

Audit recommends that proper mechanism may be formulated to ensure that plants were planted in replacement of removed trees from berms of watercourses, so that the environment could not be effected due to removal of trees.

4.7 Sustainability

Responsibility of organization and management of watercourses was entrusted to the WUAs and life of the watercourses was supposed to be 20 years. However, no mechanism was framed to conduct any periodical inspections/ supervisory visits by DO (OFWM) or any other relevant staff. Moreover, no record was available to confirm whether the watercourses were being maintained by the WUAs, as desired in PC-1. Further there were no sources to confirm whether the watercourses would be beneficial upto 20 years or not?

4.8 Overall Assessment

For evaluation of the objectives of the project, overall assessment is necessary for improvement and removal of deficiencies.

i) Relevance

The project was highly relevant to the vision and mission of the Government of Punjab as it aimed at increasing agriculture productivity through increasing cultivated areas, reducing water losses and increasing per acre yield of crops.

ii) Efficacy / Effectiveness

Although the project was very beneficial for community, its efficacy was not upto the mark as a slight improvement was observed in crop wise cultivated areas and per acre yield. Moreover, appropriate data / record was not available to confirm that water losses were reduced or not. Furthermore, appropriate measures were not taken to make the project effective for longer period of time as some of the newly constructed watercourses were damaged. Targeted community could not be completely benefitted due to non improvement of desired watercourses

iii) Efficiency

Improvement of 525 watercourses was planned within a period of 6 years i.e. 2011 to 2017. Goals of the project could not be achieved efficiently as only 196 watercourses were improved till June 2015. It depicted that 37% of the target was achieved after 4 years. Furthermore, time overrun of 201-976 days was also observed in completion of many watercourses.

iv) Economy

Procurement of construction material was uneconomical as no tenders were called. Materials were procured on maximum rates fixed by DRC. Moreover, taxes were not deducted from the payments made to suppliers. In addition to that, farmer's share was less recovered in some cases.

vi) Compliance with Rules

Prescribed procedures and relevant rules were not complied with in letter and spirit as evident from different audit observations i.e. expenditure incurred beyond administrative approval and technically sanctioned estimate, less recovery of farmer's share, less execution of planned work, non implementation of sub components of the project, according technical sanctions before registration of WUA, payments without conducting pre-audit of claims etc.

vii) Performance rating of the Project

Performance of the project was "Moderately Satisfactory" as some of the assigned targets were achieved but appropriate mechanism was not developed to avoid damages and to ensure timely repair of watercourses. Progress of achieving targets was extremely slow and some important components of the project were not started / executed.

viii) Risk Rating of Project

Substantial

5. CONCLUSION

If we measure the performance of PIPIP against each stage of the project, we can see that management expressed negligence at most of the stages of this project. At **Identification** stage, arid agricultural areas and establishment of small dams were not focused. Moreover, the management did not consider the part of work executed through other institutions simultaneously i.e. PRSP, NGOs and a coordinated approach of achieving the goals was avoided. At **Preparation, Appraisal** and **Presentation** stages, the project was not framed to cover all portions of watercourses and only 30% and 15% area was planned for brick work. Moreover, unimproved watercourses of NPIWC were focused in this project. Hence, all the irrigated area could not be benefited. At **Implementation** stage, only 37% watercourses were constructed despite availability of funds and availing the time of 4 years. At **Monitoring** and **Evaluation** stages, the PIC and DIC never took notice of slow progress of implementation of the project which resulted in non-achievement of desired target of 525 watercourses. Furthermore, actions were not taken against the persons who damaged some watercourses. In addition to that, payments were made to suppliers without conducting pre-audit of claims.

Lessons identified:

- i. Only integrated planning and complete system produce desired & sustainable results.
- ii. Clear understanding of the issues is extremely important for proper planning.
- iii. Related Government functionaries should be made clear about details of the projects and their role, responsibilities and accountability mechanism.
- iv. Merit based selection and capacity building of staff is crucial for implementation of a plan.
- v. Sustainability and smooth running of PIPIP is not possible without training, proper supervision, strengthening of internal controls and awareness of the community.

6. ACKNOWLEDGEMENT

We wish to express our appreciation to the Management i.e. Deputy Director Agriculture (OFWM) and relevant staff for the assistance and cooperation extended to the auditors during this assignment.

ANNEX

Annex – A
[Para 4.1.2]

Inefficient planning and non establishment of DIC

(Rupees in million)

Sr. No.	Year	Total Available Budget	Actual Expenditure	Balance
1	2011-12	34.740	29.964	4.776
2	2012-13	241.188	236.965	4.222
3	2013-14	217.014	197.051	19.963
4	2014-15	247.973	196.088	51.885
5	2015-16	252.650	158.892	93.758
Total		993.565	818.960	174.605

Annex – B
[Para 4.2.6]

Overpayment on accounts of bricks – Rs 1.332 million

(Rupees in million)

Sr. No.	WUA	TS Year	Masonry work (cubic meter)	Bricks Used @ 500/m3	Rate / 1000	Bricks to be used @ 477/m3	Excess bricks used	Amount Overpaid on bricks
1	31930/L	2012-13	273.97	136,900	6,400	130683.7	6,216	0.040
2	17445/TL	2012-13	302.57	151,000	6,400	144325.9	6,674	0.043
3	80000/L	2012-13	693.3	346,500	6,400	330704.1	15,796	0.101
4	11888/L	2012-13	433.11	216,500	6,400	206593.5	9,907	0.063
5	17445/TR	2012-13	513.47	256,500	6,400	244925.2	11,575	0.074
6	17445/TC	2012-13	485.95	242,900	6,400	231798.2	11,102	0.071
7	85780/R	2012-13	415.49	207,700	6,400	198188.7	9,511	0.061
8	49650/L	2012-13	403.89	201,900	6,400	192655.5	9,244	0.059
9	63566/L	2012-13	323.6	161,500	6,400	154357.2	7,143	0.046
10	20700/L	2012-13	199.59	99,700	6,200	95204.43	4,496	0.028
11	10200/L	2012-13	210.84	105,400	6,400	100570.7	4,829	0.031
12	18521/L	2012-13	298.54	149,000	6,400	142403.6	6,596	0.042
13	20933/R	2012-13	445.24	222,500	6,400	212379.5	10,121	0.065
14	20000/TC	2012-13	598.47	299,000	6,250	285470.2	13,530	0.085
15	9010/TR	2012-13	228.16	114,000	5,550	108832.3	5,168	0.028
16	36570/R	2012-13	169.81	84,900	6,400	80999.37	3,901	0.025
17	13850/L	2012-13	358.28	179,000	6,400	170899.6	8,100	0.052
18	28420/R	2012-13	456.99	228,400	6,400	217984.2	10,416	0.067
19	7582/L	2012-13	267.34	133,100	6,400	127521.2	5,579	0.036
20	12230/L	2012-13	282.21	141,000	6,400	134614.2	6,386	0.041
21	11123/L	2012-13	584.34	292,000	6,400	278730.2	13,270	0.085
22	13552/R	2012-13	302.63	151,000	6,400	144354.5	6,645	0.042
23	7180/R	2012-13	169.77	84,500	6,400	80980.29	3,520	0.022
24	29658/R	2012-13	605.68	302,800	6,400	288909.4	13,891	0.089
25	51150/R	2012-13	257.57	128,500	6,400	122860.9	5,639	0.036
Total								1.332

Annex – C
[Para 4.2.7]

Overpayment due to excess usage of cement – Rs 0.851 million

(Amount in rupees)

Sr. No.	WUA	TS Year	Volume Executed (As per FCR)	Cement Used	Rate/Bag	Cement required @ 1.6225 /m3	Excess Used	Total payment made	Amount Overpaid
1	31930/L	2012-13	273.97	495	460	444.5	50.5	0.228	23,222
2	17445/TL	2012-13	302.57	550	460	490.9	59.1	0.253	27,177
3	80000/L	2012-13	693.3	1270	460	1124.9	145.1	0.584	66,756
4	11888/L	2012-13	433.11	805	460	702.7	102.3	0.370	47,048
5	17445/TR	2012-13	513.47	945	460	833.1	111.9	0.435	51,472
6	17445/TC	2012-13	485.95	880	460	788.5	91.5	0.405	42,111
7	85780/R	2012-13	415.49	750	460	674.1	75.9	0.345	34,899
8	49650?L	2012-13	403.89	730	460	655.3	74.7	0.336	34,357
9	63566/L	2012-13	323.6	590	460	525.0	65.0	0.271	29,881
10	20700/L	2012-13	199.59	365	460	323.8	41.2	0.168	18,936
11	10200/L	2012-13	210.84	380	460	342.1	37.9	0.175	17,440
12	18521/L	2012-13	298.54	554	460	484.4	69.6	0.255	32,025
13	20933/R	2012-13	445.24	825	460	722.4	102.6	0.379	47,195
14	20000/TC	2012-13	598.47	1090	460	971.0	119.0	0.501	54,732
15	9010/TR	2012-13	228.16	400	460	370.2	29.8	0.184	13,713
16	36570/R	2012-13	169.81	310	460	275.5	34.5	0.143	15,862
17	13850/L	2012-13	358.28	645	460	581.3	63.7	0.297	29,298
18	28420/R	2012-13	456.99	835	460	741.5	93.5	0.384	43,026
19	7582/L	2012-13	267.34	475	460	433.8	41.2	0.218	18,971
20	12230/L	2012-13	282.21	515	460	457.9	57.1	0.237	26,273
21	11123/L	2012-13	584.34	1,065	460	948.1	116.9	0.490	53,778
22	13552/R	2012-13	302.63	555	460	491.0	64.0	0.255	29,432
23	7180/R	2012-13	169.77	310	460	275.5	34.5	0.142	15,892
24	29658/R	2012-13	605.68	1,110	460	982.7	127.3	0.511	58,551
25	51150/R	2012-13	257.57	460	460	417.9	42.1	0.212	19,363
Total								7.778	851,407

Annex – D
[Para 4.2.8]

Overpayment on account of Sand – Rs 0.252 million

(Rupees in million)

Sr. No.	WUA	TS Year	Volume Executed (As per FCR)	Sand used @ 0.26 m3	Rate/CM	Sand Required @ 0.225 m3	Excess Used	Amount Overpaid on Sand
1	31930/L	2012-13	273.97	71.2	775	61.64	9.59	0.007
2	17445/TL	2012-13	302.57	78.7	775	68.08	10.59	0.008
3	80000/L	2012-13	693.3	180.3	775	155.99	24.27	0.019
4	11888/L	2012-13	433.11	112.6	775	97.45	15.16	0.012
5	17445/TR	2012-13	513.47	133.5	775	115.53	17.97	0.014
6	17445/TC	2012-13	485.95	126.3	775	109.34	17.01	0.014
7	85780/R	2012-13	415.49	108.0	775	93.49	14.54	0.011
8	49650/L	2012-13	403.89	105.0	775	90.88	14.14	0.011
9	63566/L	2012-13	323.6	84.1	775	72.81	11.33	0.009
10	20700/L	2012-13	199.59	51.9	775	44.91	6.99	0.005
11	10200/L	2012-13	210.84	54.8	775	47.44	7.38	0.006
12	18521/L	2012-13	298.54	77.6	775	67.17	10.45	0.008
13	20933/R	2012-13	445.24	115.8	775	100.18	15.58	0.012
14	20000/TC	2012-13	598.47	155.6	775	134.66	20.95	0.016
15	9010/TR	2012-13	228.16	59.3	775	51.34	7.99	0.006
16	36570/R	2012-13	169.81	44.2	775	38.21	5.94	0.005
17	13850/L	2012-13	358.28	93.2	775	80.61	12.54	0.010
18	28420/R	2012-13	456.99	118.8	775	102.82	15.99	0.012
19	7582/L	2012-13	267.34	69.5	775	60.15	9.36	0.007
20	12230/L	2012-13	282.21	73.4	775	63.50	9.88	0.008
21	11123/L	2012-13	584.34	151.9	775	131.48	20.45	0.016
22	13552/R	2012-13	302.63	78.7	775	68.09	10.59	0.008
23	7180/R	2012-13	169.77	44.1	775	38.20	5.94	0.005
24	29658/R	2012-13	605.68	157.5	775	136.28	21.20	0.016
25	51150/R	2012-13	257.57	67.0	775	57.95	9.01	0.007
Total			9280.81		775	2,088.18	324.83	0.252

Annex – E
[Para 4.2.9]

**Delay in completion of watercourses due to delay in release of funds –
Rs 912.719 million**

(Rupees in million)

Punjab Government To District Government			District Government to DO (OFWM)		
Date of Release	No.	Amount	Date of Release	No.	Amount
26-10-2011	FD(W&M)-31/2011-12/154	12.74	17.12.2011	EDO/F&P/RYSK/4769-73	12.74
14-02-2012	FD(W&M)-31/2011-12/198	5	31.03.2012	EDO/F&P/RYSK/956-60	5
17-04-2012	FD(W&M)-31/2011-12/227	7	12.05.2012	EDO/F&P/RYSK/1860-64	7
03-05-2012	FD(W&M)1-31/2011-12/241	10	04.06.2012	EDO/F&P/RYSK/7113-17	10
Total Financial Year 2011-12 (A)		34.74	-	-	34.74
12-09-2012	FD(W&M)1-31/2012-13/126	34.618	03.10.2012	EDO/F&P/RYSK/3143-48	34.618
20-10-2012	FD(W&M)1-31/2012-13/153	65.314	26.11.2012	EDO/F&P/RYSK/3403-08	65.314
11-01-2013	FD(W&M)1-31/2012-13/184	14.573	18.02.2013	EDO/F&P/RYSK/458-63	14.573
26-02-2013	FD(W&M)1-31/2012-13/206	13	13.03.2013	EDO/F&P/RYSK/683-87	13
12-03-2013	FD(W&M)1-31/2012-13/220	1.5	05.04.2013	EDO/F&P/RYSK/880-84	1.5
23-04-2013	FD(W&M) 1-31/2012-13/239	67.407	14.05.2013	EDO/F&P/RYSK/1117-22	67.407
24-05-2013	FD(W&M) 1-31/2012-13/252	40	11.06.2013	EDO/F&P/RYSK/1335-39	40
Total Financial Year 2012-13 (B)		236.412	-	-	236.412
04-09-2013	FD (W&M)1-31/2013-14/113	16.732	30.10.2013	EDO/F&P/RYSK/2200-05	16.732
24-09-2013	FD (W&M)1-31/2013-14/116	45.58	30.10.2013	EDO/F&P/RYSK/2206-11	45.58
20-12-2013	FD(W&M)1-31/2013-14/139	53.521	13.01.2014	EDO/F&P/RYSK/58-63	53.521
26-03-2014	FD(W&M)1-31/2013-14/190	46	09.04.2014	EDO/F&P/RYSK/541	46
23-05-2014	FD(W&M)1-31/2013-14/236	50.959	07.06.2014	EDO/F&P/RYSK/826	50.959
Total Financial Year 2013-14 (C)		212.792	-	-	212.792
21-10-2014	FD(W&M)1-31/2014-15/136	67.035	13.11.2014	EDO/F&P/RYSK/7290	67.035
07-01-2015	FD(W&M)1-31/2014-15/190	55.018	20.02.2015	EDO/F&P/RYSK/159	55.018
15-04-2015	FD(W&M)1-31/2014-15/302	51.749	25.05.2015	EDO/F&P/RYSK/841	51.749
23-05-2015	FD(W&M)1-31/2014-15/365	54.208	16.06.2015	EDO/F&P/RYSK/966	54.208
Total Financial Year 2014-15 (D)		228.01	-	-	228.01
10-11-2015	FD(W&M)1-31/2015-16/177	89.324	26.12.2015	EDO/F&P/RYSK/1462	89.324
20-01-2016	FD(W&M)1-31/2015-16/225	60.707	25.02.2016	EDO/F&P/RYSK/175	60.707
26-05-2016	FD(W&M)1-31/2015-16/450	50.734	18.06.2016	EDO/F&P/RYSK/615	50.734
Total Financial Year 2015-16 (E)		200.765	-	-	200.765
Grand Total (A:E)		912.719	-	-	912.719

Annex – F
[Para 4.3.2]

**Distribution of Laser Land leveling without following the criteria -
Rs 30.845 million**

(Rupees in million)

Sr. No.	Year	Name of Allottee	Tractor Model/company	Cost of Tractor	Laser Cost	Tractor Owner Name
1	2015-16	Javed Iqbal S/O Muhammad Muneer	FIAT	-	0.510	Javed Iqbal S/O Muhammad Muneer
2	2015-16	Muhammad Nadeem S/O Muhammad Muneer	MF 385	-	0.510	Muhammad Nadeem S/O Muhammad Muneer
3	2015-16	Muhammad Ameen S/O Muhammad Shareef	FIAT Ghazi	-	0.560	Muhammad Ameen S/O Muhammad Shareef
4	2015-16	Hidayat Ullah S/O Khair Muhammad	MF 385	-	0.560	Hidayat Ullah S/O Khair Muhammad
5	2015-16	Irshad Mehmood S/O Abdul Kareem	NH-480	-	0.535	Irshad Mehmood S/O Abdul Kareem
6	2015-16	Habib Ullah S/O Lal Bukhsh	MF-385	-	0.560	Habib Ullah S/O Lal Bukhsh
7	2015-16	Muhammad Abid Mushtaq S/O Mushtaq Ahmad	MF-375	-	0.505	Muhammad Abid Mushtaq S/O Mushtaq Ahmad
8	2015-16	Abdul Kareem S/O Hakim Ali	MF-375	-	0.560	Abdul Kareem S/O Hakim Ali
9	2015-16	Allah Nawaz S/O Khawand Bukhsh	MF-385	-	0.560	Allah Nawaz S/O Khawand Bukhsh
10	2015-16	Sajjad Haydar S/O Ghulam Haydar	MF-375	-	0.560	Sajjad Haydar S/O Ghulam Haydar
11	2015-16	Majeed Amanat Ali S/O Amanat Ali	FIAT/GHAZI	-	0.490	Majeed Amanat Ali S/O Amanat Ali
12	2015-16	Muhammad Hanif S/O Barkat Ali	MF-375	-	0.510	Muhammad Hanif S/O Barkat Ali
13	2015-16	Sabir Ali S/O Molve Noor Ahmed	MF-375	-	0.490	Sabir Ali S/O Molve Noor Ahmed
14	2015-16	Maqbool Akbar S/O Muhammad Azam	IMT/IM-549	-	0.545	Maqbool Akbar S/O Muhammad Azam
15	2015-16	Atta Ur Rehman S/O Abdul Rehman	FIAT-480	-	0.560	Atta Ur Rehman S/O Abdul Rehman
16	2015-16	Jamal Din S/O Imam Bux	MF/385	-	0.490	Jamal Din S/O Imam Bux
17	2015-16	Bashir Ahmed S/O Rasheed Ahmed	MF-375	-	0.495	Bashir Ahmed S/O Rasheed Ahmed
18	2015-16	Tariq Mehmood S/O Abdul Rehman	MF-385	-	0.560	Tariq Mehmood S/O Abdul Rehman
19	2015-16	Shazia Batool W/O Saeed Ahmed	MF-240	-	0.585	Shazia Batool W/O Saeed Ahmed
20	2015-16	Ahsan Shabir S/O Shabir Ahmed	MF-240	-	0.490	Ahsan Shabir S/O Shabir Ahmed
21	2015-16	Ch. Muhammad Boota S/O Umar Dean	FIAT-640	-	0.560	Ch. Muhammad Boota S/O Umar Dean
22	2015-16	Muhammad Nawaz S/O Ahmed Ali	MF-240	-	0.470	Muhammad Nawaz S/O Ahmed Ali
23	2015-16	Ghulam Hussain S/O Ali Muhammad	MF-240	-	0.475	Ghulam Hussain S/O Ali Muhammad
24	2015-16	Javed Ali S/O Ahmad Khan	MF-375	-	0.560	Javed Ali S/O Ahmad Khan

Sr. No.	Year	Name of Allottee	Tractor Model/company	Cost of Tractor	Laser Cost	Tractor Owner Name
25	2015-16	Abdul Razzaq S/O Nazir Hussain	MF-385	-	0.505	Abdul Razzaq S/O Nazir Hussain
26	2015-16	Azhar Ayub Wasa S/O Muhammad Ayub Wasa	MF-385	-	0.490	Azhar Ayub Wasa S/O Muhammad Ayub Wasa
27	2015-16	Rana Rauf Khan S/O Jameel Khan	Universal-2001	-	0.475	Rana Rauf Khan S/O Jameel Khan
28	2015-16	Muhammad Anwar S/O Raees Bangal	FIAT GHAZI	-	0.495	Muhammad Anwar S/O Raees Bangal
29	2015-16	Muhammad Imran S/O Zaheer Khan	MF-385	-	0.560	Muhammad Imran S/O Zaheer Khan
30	2015-16	Malik Muhammad Abdullah Awan S/O Sufi Gul Muhammad	MF-385	-	0.585	Malik Muhammad Abdullah Awan S/O Sufi Gul Muhammad
31	2015-16	Muhammad Shareef S/O Pir Bux	Belarus	-	0.560	Muhammad Shareef S/O Pir Bux
32	2015-16	Muhammad Ashiq S/O Ghulam Rasool	MF-260	-	0.560	Muhammad Ashiq S/O Ghulam Rasool
33	2015-16	Muhammad Shareef S/O Muhammad Ali	MF 385	-	0.495	Muhammad Shareef S/O Muhammad Ali
34	2015-16	Aamir Ghani S/O Abdul Ghani	MF 375	-	0.585	Aamir Ghani S/O Abdul Ghani
35	2015-16	Ashgar Nazir S/O Ch. Nazir Ahmed Safdar	FIAT- 640	-	0.560	Ashgar Nazir S/O Ch. Nazir Ahmed Safdar
36	2015-16	Jalal Khan S/O Mehmood Khan	NH-4805	-	0.560	Jalal Khan S/O Mehmood Khan
37	2015-16	Mohammad Khalid Pervez S/O Mohammad Hassan	MF-260	-	0.560	Mohammad Khalid Pervez S/O Mohammad Hassan
38	2015-16	Mohammad Talib S/O Bashir Ahmed	MF-385	-	0.560	Mohammad Talib S/O Bashir Ahmed
39	2015-16	Israr Ahmed S/O Iftikhar Ahmed	MF-385	-	0.560	Israr Ahmed S/O Iftikhar Ahmed
40	2015-16	Mohammad Saleem Akhter S/O Farzand Ali	MF-375	-	0.560	Mohammad Saleem Akhter S/O Farzand Ali
41	2015-16	Khadum Hussain S/O Ghulam Hussain	MF-385	-	0.560	Khadum Hussain S/O Ghulam Hussain
42	2015-16	Mushtaq Ahmad S/O Hazoor Bukhsh	FIAT-640	-	0.560	Mushtaq Ahmad S/O Hazoor Bukhsh
43	2015-16	Abdul Razzaq S/O Ranjha Khan	MF/375	-	0.560	Abdul Razzaq S/O Ranjha Khan
44	2015-16	Muhammad Tariq S/O Muhammad Younis	MF-260	-	0.560	Muhammad Tariq S/O Muhammad Younis
45	2015-16	Khan Muhammad Abbasi S/O Muhammad Din Abbasi	FIAT GHAZI/2004	-	0.560	Khan Muhammad Abbasi S/O Muhammad Din Abbasi
46	2015-16	Furqan-ur-Rehman S/O Altaf-ur-Rehman Rehmani	MF-385/2013	-	0.560	Furqan-ur-Rehman
47	2015-16	Muhammad Afzal S/O Fateh Mohammad	FIAT GHAZI/2007	-	0.490	Muhammad Afzal S/O Fateh Mohammad
48	2015-16	Maqsood Ahmad S/O Manzoor Ahmad	FIAT-480/2013	-	0.560	Maqsood Ahmad S/O Manzoor Ahmad
49	2015-16	Hafiz Allah Bukhsh S/O Shamas-ud-Din	MF-385/2015	-	0.585	Hafiz Allah Bukhsh S/O Shamas-ud-Din
50	2015-16	Ashfaq Ahmad S/O Abdul Ghani	FIAT-640/1981	-	0.560	Ashfaq Ahmad S/O Abdul Ghani
51	2015-16	Saddiq Hussain S/O Ghulam	FIAT-640/1996	-	0.560	Saddiq Hussain S/O

Sr. No.	Year	Name of Allottee	Tractor Model/company	Cost of Tractor	Laser Cost	Tractor Owner Name
		Hayder				Ghulam Hayder
52	2015-16	Iftikhar Ali S/O Muhammad Rafique	MF-240/1990	-	0.560	Iftikhar Ali S/O Muhammad Rafique
53	2015-16	Nisar Rasheed S/O Rasheed Ahmed	MF/375	-	0.510	Nisar Rasheed S/O Rasheed Ahmed
54	2015-16	Muhammad Rasheed S/O Muhammad Shareef	FIAT/GHAZI/2013	-	0.560	Muhammad Rasheed S/O Muhammad Shareef
55	2015-16	Ali Mudasar S/O Iftikhar Ahmed Waraich	MF-385/2014	-	0.585	Ali Mudasar
56	2015-16	Sami Ur Rehman S/O Ch. Mumtaz Ahmed	FIAT GHAZI/2012	-	0.560	Sami Ur Rehman S/O Ch. Mumtaz Ahmed
57	2015-16	Muhammad Ahmed S/O Sadiq Ali	MF-240/2009	-	0.585	Muhammad Ahmad
Total					30.845	

Annex – G
[Para 4.4.1]

**Unauthorized execution of brick lining instead of Pre-Cast Parabolic
Segments – Rs 28.759 million**

(Rupees in million)

S.#	W/C No.	Chak / Mouza	Tehsil	TS Amount	Name of Item	Qty	Rate	Amount
1	2	3	4	5	6	7	8	9
1	57723-R	Kotarah	SDK	2386969	Bricks	259500	6145	1.594
					Cement	932	550	0.513
					Nakka	80	775	0.062
Total:-								2.169
2	32660-L	Sawetra	SDK	2377171	Bricks	247500	6145	1.521
					Cement	910	550	0.500
					Nakka	30	980	0.029
Total:-								2.050
3	51262-R	Kot Sanjar Khan	SDK	1540057	Bricks	172000	6145	1.057
					Cement	620	550	0.341
					Nakka	42	775	0.032
Total:-								1.430
4	104246-L	Ghari	SDK	1145717	Bricks	112000	6145	0.688
					Cement	400	550	0.220
					Nakka	30	775	0.023
Total:-								0.931
5	122740-R	44-NP	SDK	4044167	Bricks	456000	6145	2.802
					Cement	1650	550	0.908
					Nakka	35	980	0.034
Total:-								3.744
6	51743-L	108-P	RYK	3674629	Bricks	226000	6145	1.389
					Cement	830	550	0.456
					Nakka	12	775	0.009
Total:-								1.854
7	6000-R	Ehsan Pur, Fateh Pur	RYK	1294400	Bricks	147500	6145	0.906
					Cement	530	550	0.291
					Nakka	20	980	0.020
Total:-								1.217
8	82490-R	109-P	RYK	3883955	Bricks	439000	6145	2.698
					Cement	1600	550	0.880
					Nakka	20	980	0.019
Total:-								3.597
9	32052-R	Aman Garh	RYK	2048324	Bricks	228000	6145	1.401
					Cement	830	550	0.457
					Nakka	48	980	0.047
Total:-								1.905
10	33858-TR-1	128-P, 131-P	RYK	1784074	Bricks	171500	6145	1.054
					Cement	615	550	0.338
					Nakka			-
Total:-								1.392

S.#	W/C No.	Chak / Mouza	Tehsil	TS Amount	Name of Item	Qty	Rate	Amount
11	28215-L	38-P	KNP	1499870	Bricks	164000	6145	1.008
					Cement	593	550	0.326
					Nakka	14	980	0.014
Total:-								1.348
12	22170-L	65-P	KNP	1029916	Bricks	113500	6145	0.697
					Cement	405	550	0.223
					Nakka	14	775	0.011
Total:-								0.931
13	18806-R	Murad Wah	KNP	741596	Bricks	80500	6145	0.495
					Cement	295	550	0.162
					Nakka	17	775	0.013
Total:-								0.670
14	2131-R	111-NP	KNP	1365232	Bricks	154000	6145	0.946
					Cement	568	550	0.313
					Nakka	34	775/980	0.031
Total:-								1.290
15	93823-R	52-A	LQP	2597500	Bricks	295500	5610	1.658
					Cement	1045	550	0.575
					Nakka	43	980	0.042
Total:-								2.275
16	15350-R	8-A	LQP	1443765	Bricks	150500	5610	0.844
					Cement	535	550	0.294
					Nakka	13	775	0.011
Total:-								1.149
17	52960-R	Ghoka	LQP	860611	Bricks	101500	5675	0.576
					Cement	365	550	0.201
					Nakka	35	775	0.027
Total:-								0.804
Total								28.759

Annex –H
[Para 4.4.2]

Payment of bricks without quality testing reports – Rs 21.335 million

(Rupees in million)

Sr. No.	W/C No.	Chak / Mouza	Tehsil	TS Amount	Name of Item	Qty	Rate	Amount
1	57723-R	Kotarah	SDK	2.387	Bricks	259,500	6,145	1.595
2	32660-L	Sawetra	SDK	2.377	Bricks	247,500	6,145	1.521
3	51262-R	Kot Sanjar Khan	SDK	1.540	Bricks	172,000	6,145	1.057
4	104246-L	Ghari	SDK	1.146	Bricks	112,000	6,145	0.688
5	122740-R	44-NP	SDK	4.044	Bricks	456,000	6,145	2.802
6	51743-L	108-P	RYK	3.675	Bricks	226,000	6,145	1.389
7	6000-R	Ehsan Pur, Fateh Pur	RYK	1.294	Bricks	147,500	6,145	0.906
8	82490-R	109-P	RYK	3.884	Bricks	439,000	6,145	2.699
9	32052-R	Aman Garh	RYK	2.048	Bricks	228,000	6,145	1.401
10	33858-TR-1	128-P, 131-P	RYK	1.784	Bricks	171,500	6,145	1.054
11	28215-L	38-P	KNP	1.500	Bricks	164,000	6,145	1.008
12	22170-L	65-P	KNP	1.030	Bricks	113,500	6,145	0.697
13	18806-R	Murad Wah	KNP	0.742	Bricks	80,500	6,145	0.495
14	2131-R	111-NP	KNP	1.365	Bricks	154,000	6,145	0.946
15	93823-R	52-A	LQP	2.597	Bricks	295,500	5,610	1.657
16	15350-R	8-A	LQP	1.444	Bricks	150,500	5,610	0.844
17	52960-R	Ghoka	LQP	0.861	Bricks	101,500	5,675	0.576
Total								21.335

Annex – I
[Para 4.4.5]

**Excess expenditure due to non completion of prescribed percentage of
construction of watercourses – Rs 3.360 million**

(Rupees in million)

Sr. No.	w/c No.	Village / Chak #	Tehsil	Amount Of TS	Date of Technical Sanction	Total Amount Of FCR	FCR Expenditure (%) of TS Amount	Expenditure per meter	Date of FCR	Lining required as per TS Estimate	Lining executed as per FCR	complete portion will be keeping in view the ratio of expenditure	Less executed	Excess payment	Lining % achieved
1	21411-R	Naseer Abad	SDK	2,612,825	19-09-2012	2,611,505	99.94948	2059.54653	14.02.13	1387	1268	1386.29929	118.2992872	0.244	91.42033165
2	17445-TC	Gulan Gul Kana	KNP	2,421,391	31-05-2013	2,094,210	86.4878906	2326.9	17.07.13	1170	900	1011.90832	111.9083205	0.260	76.92307692
3	22450-R	Goth Mahi	LQP	1,713,998	41132	1,709,850	99.7579927	1507.80423	41585	1206	1134	1203.08139	69.08139216	0.104	94.02985075
4	10270-R	Thul Hamza	LQP	1,760,876	41008	1,496,530	84.9878129	1861.35572	41585	1013	804	860.926545	56.92654452	0.106	79.36821323
5	20645-L	Lal Shah	LQP	1,985,688	40973	1,601,450	80.6496287	1692.86469	41554	1195	946	963.763063	17.76306348	0.030	79.16317992
6	35429-L	Sardar Garh	RYK	2,114,628	41793	2,004,200	94.7778995	2357.88235	41732	1169	850	1107.95364	257.9536448	0.608	72.71171942
7	12747-L	Kotla Murad	LQP	1,327,475	21/11/2013	1,279,875	96.4142451	1939.20455	24.07.14	846	660	815.664513	155.6645135	0.302	78.0141844
8	52370-L	Kotla Kharay	LQP	2,693,630	17/03/2014	2,598,785	96.4789151	2301.84677	23.07.14	1484	1129	1431.7471	302.7470996	0.697	76.07816712
9	3470-L	Kotla Khan Lar	KNP	2,744,276	30/04/2014	2,500,590	91.120208	2500.59	07.06.14	1341	1000	1221.92199	221.9219896	0.554	74.57121551
10	20722-L	4-P	KNP	1,596,498	28.12.2013	1,531,875	95.9522029	2098.4589	05.08.14	846	730	811.755636	81.7556364	0.172	86.28841608
11	15165R	Lounwala	LQP	1,311,997	15.04.2013	1,245,205	94.9091347	2075.34167	01.07.13	776	600	736.494885	136.4948853	0.283	77.31958763
Total														3.360	

Defective construction of watercourses – Rs 1.693 million

1. Sudden Drop



Sudden drop

2. Mud Support



Mud support to compensate decreased depth of watercourse

3. Deterioration



Deteriorated berms due to overflow of water

Substandard construction of watercourses

Figure-I the culvert was broken on watercourse No.5000-R Mouza kot faqira which was constructed in 2015-16 and the plaster of culvert constructed on watercourse No. 17700-R Murad Wah Tehsil Khanpur demolished, the bricks were also not used as per standard.



Broken culvert



Substandard plaster

Figure-2 Plaster and filling between the PCPL segments of Watercourse No. 128-14-7 & No. 128-13-4 Mouza Sikandar Chachar Machka Tehsil Sadiqabad was not as per standard.



Substandard Plaster

Annex – L
[Para 4.4.8]

Installation of less number of nakkas than mentioned in cost estimates

Sr. No.	W/C No.	Chak / Mouza	Disty / Minor	Name of WMS	Tehsil	Total Number of Nakkas (Planned)	Number of Nakkas Installed	Less Nakkas
1	2	3	4	5	6	7	8	9
1	113530-R	Noor Ahmad Abad	Bhong	M. Riaz	SDK	80	58	22
2	21245-R	Ghulam Miran Shah	Maloq	M. Riaz	SDK	20	18	2
3	21270-R	162-P	4-R Ghullan	M.Riaz	SDK	130	96	34
4	14980-R	Qadir pur	Fazal Ditsy.	Abdul Latif	SDK	100	91	9
5	29170-R	163-P	Gullan	Ali Abbas	SDK	70	65	5
6	23893-R	256-P	1-L Kandair	Ali Abbas	SDK	15	11	4
7	13100-L	Bambah Shaheed	Dandaam	Ali Abbas	SDK	30	24	6
8	74000-L	Ali Mardan	Lamma	Qaisar Waseem	SDK	80	69	11
9	26163-R	Jind Wada Dahar	Khan Minor	Qaisar Waseem	SDK	50	48	2
10	60447-L	Drigra	Lamma	Innamullah	SDK	60	50	10
11	18070-L	Iqbal Nagar	Bhong	Innamullah	SDK	30	15	15
12	15408-L	Jamal Din Wali	Maloq	Innamullah	SDK	70	39	31
13	39900-R	Dino Shah	Fazal Disty.	Jalil Ahmad	SDK	50	36	14
14	15960-L	Roshan Bhait	Roshan	Shahzad Farooq	SDK	75	71	4
15	29306-L	Jam Wasa	Roshan	Shahzad Farooq	SDK	20	9	11
16	3530-R	Chachran	Ismail	Shahzad Farooq	SDK	50	32	18
17	95500-R	48/P	Abehayat	Abdul Jabar	RYK	40	36	4
18	7447-R	95-P	Juesheer	Abdul Jabar	RYK	75	64	11
19	1970-R	Kot Karam Khan	Mazari Minor	Iftikhar Hussain	RYK	30	21	9
20	7930-L	M.Wali Qureshian	L.Qadir	Iftikhar Hussain	RYK	50	35	15
21	55000-TL	225/P	Chaman	Khalid Rafiq	RYK	50	47	3
22	1930-L	Sardar Garh	Lower Qadir	Khalid Rafiq	RYK	50	41	9
23	27520-R	Taj Pur	Rukan	Abbas Shah	RYK	30	13	17
24	16659-L	Dodi Sangi	Sangi	Abbas Shah	RYK	50	39	11
25	18350-R	F.P.Qureshia	Kudan	M.Akhtar	RYK	50	38	12
26	20135-L	Kamal Mohana	Amin Garh	M.Akhtar	RYK	45	28	17
27	17997-R	Thul Wazir	Degi	M.Akhtar	RYK	40	38	2
28	15750-R	Jalal Pur	Gaboola	M.Akhtar	RYK	35	33	2
29	34330-TR	Dhand Gagri	Dena	M.Akhtar	RYK	50		50
30	19580-R	Behudi Pur Machian	Badli	Shahzad Anwar	RYK	30	24	6
31	28475-L	Peer Abdul Malik	Khan	Majid Jamil	RYK	60	45	15
32	38800-L	Kalar Wali	Fareed Minor	Abdul Ghaffar	RYK	50	35	15
33	27280-R	Mian Wali	4-R, Mao Makhdum	Abdul Ghaffar	RYK	50	22	28
34	17445-TL	Jetha Bhutha	Jamal	Qaisar Munawar	KNP	71	35	36
35	85780-R	Kotla Muaziz Din	3-L Haji	Yasir	KNP	60	41	19
36	49650-L	60-P	Shireen	Yasir	KNP	55	37	18
37	63566-L	Ghari Ikhtiar	4-L Minor	Yasir	KNP	50	37	13
38	20700-L	Amir Pur	Lower Amir Din	Amir	KNP	50	40	10

Sr. No.	W/C No.	Chak / Mouza	Disty / Minor	Name of WMS	Tehsil	Total Number of Nakkas (Planned)	Number of Nakkas Installed	Less Nakkas
39	31930-L	Faiz Abad	Abe Hayat	Amir	KNP	40	34	6
40	9920-L	117-NP	Kandani	Amir	KNP	40	12	28
41	10200-L	3-P	Abe Hayat	Amir	KNP	35		35
42	18521-L	Murad Wah	5-L, Dina	Shariq Naeem	KNP	40	35	5
43	20933-R	109-NP	Kawani	Shariq Naeem	KNP	40	46	-6
44	33410-L	Puran	Rukan	Aezaz	KNP	50	6	44
45	30118-L	Sardar Garh	Qadra	Aezaz	KNP	40	15	25
46	36570-R	Rung Pur	Rukan	Sagheer	KNP	45	25	20
47	9015-R	Mehmood Garh	Mehmood Wah	Mahir Awan	KNP	45	4	41
48	28420-R	Ghaneer	6-L Raj	Mahir Awan	KNP	40		40
49	7582-L	Khai Khair Shah	5-L Dina	Mahir Awan	KNP	40	37	3
50	39495-L	M. Daha	Tarkari	M. Rauf	LQP	65	58	7
51	64044-TC	Tanwri	Sahngla	M. Rauf	LQP	65	52	13
52	10270-R	Thul Hamza	Thul Hamza	Hafiz Fazal Hamid	LQP	60	48	12
53	20645-L	Lal Shah	4-R Ybrab	Abdul Qaium Qamar	LQP	60	55	5
54	29409-L	Ghous Abad	5-L Shadani	Abdul Qaium Qamar	LQP	50	36	14
55	39360-L	Chanjani	4-L, Khan Bela	Abdul Qaium Qamar	LQP	55	51	4
56	22504-L	Lal Shah	4-L Unran	Abdul Qaium Qamar	LQP	50	37	13
57	15534-R	Kotla Mubarak	Shadani	M. Tariq	LQP	50	34	16
58	13800-R	Kotla M.	5-L, Shadani	M. Tariq	LQP	50	26	24
59	23436-L	38-A		M. Asif	LQP	50	46	4
60	37300-R	202-2R		M. Asif	LQP	60	52	8
61	12500-L	Dafli Kabir Khan	4-L Khan Bela	M. Bilal	LQP	60	57	3
62	21000-R	Imam Bukhsh Uner	Gabool	M. Bilal	LQP	50	35	15
63	9080-R	Kotla M.	5-L, Shadani	M. Bilal	LQP	50	38	12
64	24582-R	Goth Amin	Chaudhary	Zafar Rasheed	LQP	60	69	-9
65	15165-R	Loun Wala	Chaudhary	Zafar Rasheed	LQP	50		50
66	11170-L	Gull M. Lar	Ashraf	Asif Akram	LQP	40	26	14
67	9000-R	Ashraf Shah	Ashraf	Asif Akram	LQP	49	64	-15
68	10800-L	Pacca Laran	Kandani	Asif Akram	LQP	50	16	34
69	5160-L	Mulhani	Pacca Laran	M. Saleem	LQP	30	23	7
70	23480-R	Allah Ditta Dhela	4-L Khan Bela	M. Saleem	LQP	40	51	-11
Total						3557	2577	990

Annex – M
[Para 4.5.1]

Non completion of watercourses of last year within time and carrying over to the next year - Rs 24.075 million

(Rupees in million)

Sr. No.	W/c No.	Village / Chak #	Tehsil	Amount of TS	Date of Technical Sanction	Total Amount OF/FCR	Date of FCR	Agreement date of W/C	Due date of completion watercourses	W/C completed on as per FCR	Type of Lining	Days of late completion
1	48100-TR	Shah Ghar	RYK	3.076	27.01.15	2.993	10.07.15	25.11.14	24.06.15	10.07.15	PCPS	16
2	13200-R	Abdul Rehman	RYK	4.079	23.01.15	3.645	14.10.15	09.01.15	08.08.15	14.10.15	Brick	66
3	75814-R	Hassan Abad	RYK	2.375	06.03.15	1.895	10.08.15	22.10.14	21.05.15	10.08.15	Brick	80
4	70900-L	172/7R	KNP	3.927	23.02.15	3.474	14.10.15	14.02.15	13.09.15	14.10.15	Brick	30
5	1345-L	Farid Abad	KNP	1.004	26.01.15	0.949	06.07.15	24.09.14	23.04.14	06.07.15	Brick	66
6	85450-L	69-P	KNP	2.457	09.02.15	1.987	07.08.15	31.10.14	30.05.15	07.08.15	Brick	67
7	4615-L	Miani Icha	LQP	1.527	15.12.14	1.272	29.08.15	16.10.14	15.05.15	29.08.15	Brick	105
8	34000-R	Baphla Kacha	LQP	1.379	13.10.14	1.187	05.09.15	17.09.14	16.04.15	05.09.15	Brick	135
9	15020-L	Dafli Kabir Khan	LQP	1.474	13.10.14	1.046	11.12.15	17.09.14	16.04.15	11.12.15	Brick	268
10	5220-R	Fazil Pur	LQP	0.940	13.10.14	0.699	30.06.15	17.09.14	16.04.15	30.06.15	Brick	75
11	12157-R	Allah Abad	LQP	1.147	23.01.15	0.812	20.08.15	09.09.13	08.04.14	20.08.15	Brick	132
12	1600-R	Miani Icha	LQP	1.416	02.12.14	1.205	20.08.15	27.11.14	26.06.15	20.08.15	Brick	56
13	5170-L	Malhani	LQP	1.280	17.12.14	1.090	28.07.15	17.11.14	16.06.15	28.07.15	Brick	40
14	34150-L	Ashraf Shah	LQP	1.857	06.12.14	1.821	18.08.15	17.11.14	16.06.15	18.08.15	Brick	60
Total				27.938		24.075						

Damages occurred due to negligence of WUA and wastage of Government funds – Rs 2.892 million

Figure-I Watercourse No. 13578-R Feroza costing Rs.2.143 million Tehsil Liaqat pur and Watercourse No. 128-13-4 Machka Tehsil Sadiq Abad costing Rs 249,550



Substandard berms

Left side picture of watercourse showing dismantling of watercourse. This was done on the direction of local landlord to irrigate his fields illegally)

Figure-II Watercourse No. 108-16-20 Mouza Sikandar Chachar Machka Tehsil Sadiq Abad costing Rs 249,550.



Trees at the berm of watercourse

Figure-III Watercourse No. 128-14-7 Mouza Sikandar Chachar Machka Tehsil Sadiqabad costing Rs 249,550 and watercourse No. 17700-R Murad wah tehsil Khanpur costing Rs 2.331 million



Earthen improvement was not made

Defective works

Watercourse No. 32195-R Tehsil Rahim Yar Khan



Watercourse No. 128/13/4 Machka Tehsil Sadiqabad



Watercourse No. 128/14/7 Machka Tehsil Sadiqabad



Watercourse No. 17700-R Tehsil Khanpur

