



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

Audit Year 2015-16

15th May 2016

AUDITOR GENERAL OF PAKISTAN

PREFACE

The Auditor-General conducts audits 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 Bahawalnagar 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 Bahawalnagar, for the period 2011-15 with a view to reporting significant findings to stakeholders. Audit examined the economy, efficiency and effectiveness aspects 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. Most of the observations included in this Report have been finalized in the light of discussions in the DAC meetings.

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, read with Section 115 of the Punjab Local Government Ordinance, 2001 to cause it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Rana Assad Amin)
Auditor General of Pakistan

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ABBREVIATIONS AND ACRONYMS

CSA	Control Self Assessment
DAC	District 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
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 Rate Schedule
NESPAK	National Engineering Services of Pakistan
NPIW	National Program for Improvement of Watercourses
OFWM	On Farm Water Management
PC-I	Planning Commission Proforma-I
PCPL	Precast Concrete Parabolic Lining
PDO	Project Development Objective
PIC	Provincial Implementation Committee
PISC	Project Implementation and Supervision Consultant
PPRA	Punjab Procurement Regulatory Authority
PWD	Public Works Department
TBAP	Time Bound Action Plan
T.S	Technical Sanction
WB	World Bank
WMO	Water Management Officer
WUA	Water Users Association

EXECUTIVE SUMMARY

Directorate General of Audit, District Governments Punjab (South), Multan conducted the Performance Audit of Punjab Irrigated-Agriculture Productivity Improvement Project (PIPIP), from 16.04.2016 to 13.05.2016 in District Bahawalnagar for the period 2011-12 to 2014-15 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 (HEISs) 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.

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 the desired benefits from the project.

The Government of Punjab launched PIPIP in the District Government Bahawalnagar through District Officer (On Farm Water Management). Funds of Rs 421.705 million were allocated during 2011-12 to 2014-15, out of which expenditure of Rs 287.377 million was incurred till June, 2015. Improvement of watercourses was the main area where most of the expenditure was incurred.

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 287.377 million
4. Cost overrun due to late completion
5. Delay in execution of work on watercourses of registered Water Users Associations (WUAs) Rs 9.232 million
6. Substandard construction of watercourses
7. Less collection of farmer's share by violating ratio prescribed in PC-I Rs 2.251 million
8. Damages occurred due to negligence of WUA and wastage of Government funds Rs 4.309 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 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 Bahawalnagar from April 16, 2016 to May 13, 2016. 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 Bahawalnagar 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”
Bahawalnagar

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 heartland 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, the dismally low irrigation efficiencies at the farm level are major constraint in attaining potential production. (*Source: PC-I)

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

There has 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 this period for the purpose include National Program for Improvement of Watercourses in Pakistan (NPIW).

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 irrigation innovations. 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 Punjab. This audit report, however, is focused on District Bahawalnagar only. Watercourse improvement / renovation consist of completely demolishing community channel and its rebuilding / re-aligning to increase efficiency of watercourses by reducing seepage, evaporation and operational losses.

Tertiary level irrigation system in Bahawalnagar comprises about 4,077 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 the 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.

Up to the year 2011-12, out of 4,077 watercourses in Bahawalnagar, 3552 (87%) watercourses were improved through NPIW (Punjab Component) leaving a balance of 525 (13%) watercourses to be improved. The project was initiated to improve all 525 unimproved watercourses in Bahawalnagar but up to the year 2014-15 only 196 watercourses could be improved with the cost of Rs 287.377 million. Detail is given below:

(Rupees in million)

Sr. No.	Year	Number of Watercourses improved					Total Water Courses	Expenditure Incurred
		Tehsil Bahawalnagar	Tehsil Minchin Abad	Tehsil Chistian	Tehsil Haroon Abad	Tehsil Fort Abbas		
1	2011-12	2	3	5	3	1	14	14.589
2	2012-13	10	12	14	3	5	44	67.363
3	2013-14	18	13	15	8	12	66	112.018
4	2014-15	23	11	18	10	10	72	93.407
Total							196	287.377

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 the farming communities. Memorandum of Understanding (MOU) was signed between Government of the Punjab, Agriculture Department and District Governments for this purpose i.e. implementation of the project.

1.4 Project Details

1.4.1 Project Components

The project comprises four components which consist of different sub components as detailed below:

A. Improving Water Productivity

- i. Installation of High Efficiency Irrigation Systems (HEISs)
- ii. Strengthening of precision land leveling services in private sector

B. Upgrading Farm Level Irrigation Conveyance System

- i. Improvement of unimproved canal irrigated watercourses
- ii. Completion of partially improved watercourses
- iii. Rehabilitation of irrigation conveyance systems in non canal-commanded areas

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

- i. Adoption and promotion of modern irrigation technologies and practices
- ii. Monitoring and evaluation of project impacts

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

- i. Project implementation and management support
- ii. Implementation supervision and third party validation consultancies
- iii. 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 (HEISs) 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 Bahawalnagar received budget allocation of Rs 421.705 million out of which expenditure of Rs 287.377 million was incurred during 2011-15 which indicated that financial resources of Rs 134.328 million (32%) were not utilized. Detail of utilization of financial resources is given below:

(Rupees in million)				
Sr. No.	Year	Total Available Budget	Actual Expenditure	Balance
1	2011-12	25.287	14.589	10.698
2	2012-13	93.982	67.363	26.619
3	2013-14	133.509	112.018	21.491
4	2014-15	168.927	93.407	75.52
Total		421.705	287.377	134.328

1.11 Stage of the Project

The project was initiated to improve all 525 unimproved watercourses in Bahawalnagar from the year 2011-12 to 2016-17 but up to the year 2014-15 only 196 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. 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) Bahawalnagar finalized its accounts up to June 30, 2015 and audit was also conducted up to that period. All record relating to financial management, planning and execution of works up to June 30, 2015 was scrutinized.

The project will be completed in June, 2017. Performance audit covered the period from 2011-15 and focused the activities of District Bahawalnagar.

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

Organizational and managerial issues were analyzed and findings are elaborated as under:

4.1.1 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 Bahawalnagar. 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 142.288) to WUAs and pace of work was not efficient. As a result, completion of watercourses was abnormally delayed (up to 201-976 days from date of agreement to date of completion). Owing to non establishment of DIC, above mentioned functions could not be performed at district level. **(Annex – A)**

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.

Matter was reported to DO (OFWM) in May, 2016. 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 available.

DAC in its meeting held in May, 2016 directed the management to immediately establish DIC. 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.

4.1.2 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) Bahawalnagar incurred expenditure of Rs 287.377 million on construction of watercourses through PIPIP during 2011-15 but sufficient improvement was not observed in following areas:

a) Crop Wise Cultivated Area

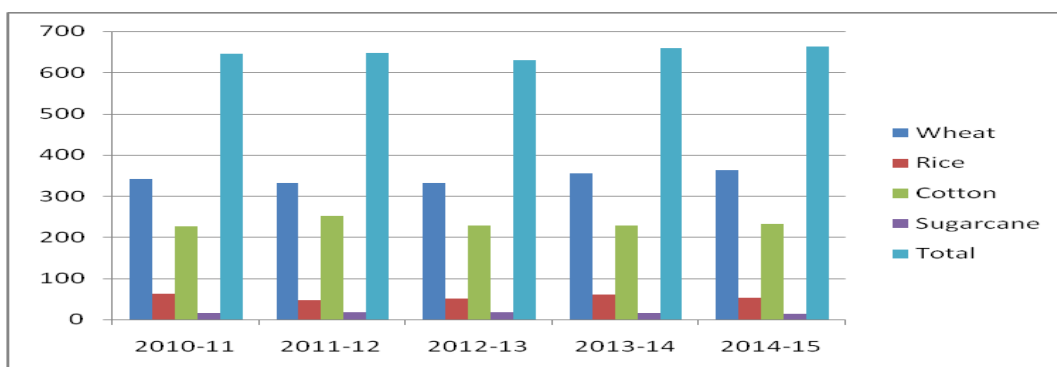
Increase of only 3 % was observed in crop wise cultivated area as compared to target of 20 % increase in the district as detailed below:

Particulars	Area in Hectares					Percentage of Increase (Decrease) from year 2010-11
	2010-11	2011-12	2012-13	2013-14	2014-15	
Wheat	341	332	332	354	363	6%
Rice	63	47	50	61	53	-15%
Cotton	226	251	229	228	233	3%
Sugarcane	16	18	18	16	14	-14%
Total	646	648	629	659	662	3%

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

Source: - Bureau of Statistics, Punjab, Lahore.

In the base year 2010-11 total cultivated area of crops was 646 hectares and in the year 2012-13 that area decreased to 629 hectares and in the year 2014-15 crop wise cultivated area increased to 662.46 hectares (3% increase). There was a slight increase of 3 % from the base year.



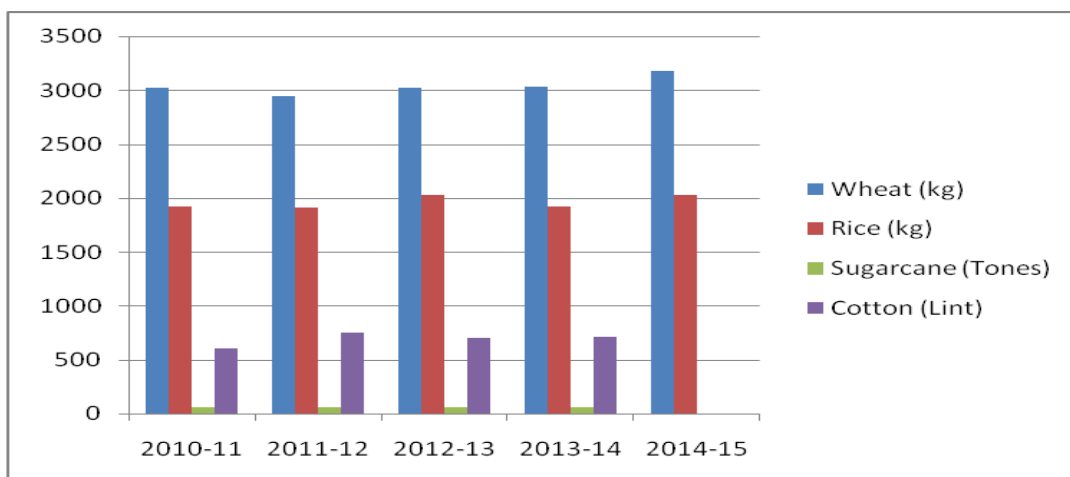
b) Per Hectare Yield of Crops

Per hectare yield of crops was found less than the targeted yield of 24 % increase in the district as detailed below:

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	Targeted Yield	Less Yield	Percentage of Increase
Wheat (kg)	3,020	2,940	3,025	3,034	3,181	3744.8	563.8	5%
Rice (kg)	1,916	1,912	2,032	1,924	2,031	2,375.84	344.84	6%
Sugarcane (Tones)	55.8	56.4	56	57.7	-	69.192	11.492	3 %
Cotton (Lint)	607	748	702	707	-	752.68	45.68	16 %

Source: - Bureau of Statistics, Punjab, Lahore.

Note: Actual yield of 2013-14 was used for percentage calculation of sugarcane and cotton.



C) Crop Wise Total Production of the District

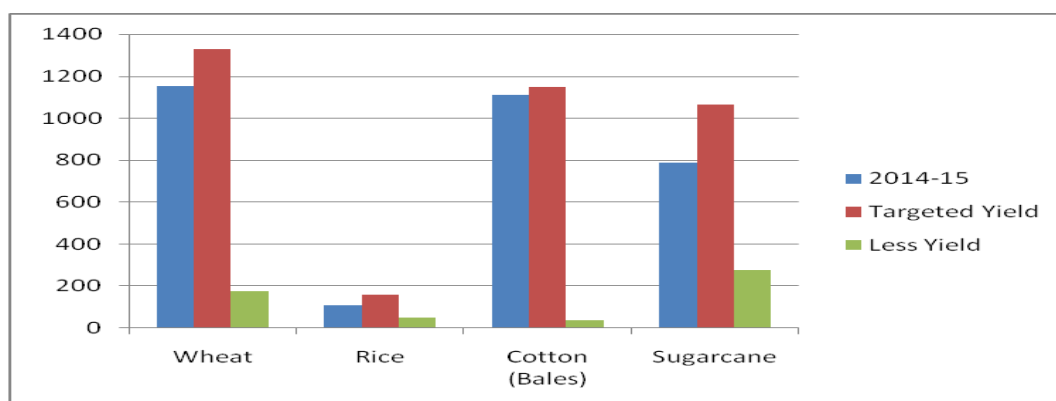
As compared to targeted increase of 24 %, improvement of 7 % and 20 % was observed in wheat and cotton crops respectively whereas negative trend was noticed in crops of rice and sugarcane as detailed below:

(Thousand Tones)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	Targeted Yield	Less Yield	Percentage of Increase (Decrease)
Wheat	1073	986	998	1086	1153.44	1330.52	177.08	7%
Rice	127	94	106	128	108.49	157.48	48.99	-15%
Cotton (Bales)	927	1240	1082	1085	1109.76	1149.48	39.72	20%
Sugarcane	858	1007	1050	895	788.07	1063.92	275.85	-8%

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 287.377 million.

Matter was reported to DO (OFWM) in May, 2016. DDO did not submit reply.

DAC in its meeting held in May 2016, directed to improve pace of work and collect data before and after implementation.

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

4.1.3 Time overrun due to late completion of watercourses

According to condition 5 of the agreement, the works shall be completed by the second party (WUA) within three months of the date of conclusion of the agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties and approval of the Executive District Officer (Agriculture).

Forty four (44) watercourses were not completed by District Officer (OFWM) Bahawalnagar within stipulated period of time as laid down in agreement. Owing to this inefficiency of management, Government had to pay excessive rates as cost of materials increased. Analytical review of sample of 44 watercourses revealed that department completed those watercourses with a total time overrun of 18,023 days as compared with planned schedule. Time overrun ranged from 201 days to 976 days in each case. (**Annex – B**)

Audit is of the view that due to weak monitoring of schemes, completion of watercourses was delayed.

Late completion of watercourses affected the efficiency and effectiveness of the project.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that due to problems in receipt of farmer's share, completion of watercourses was delayed. Reply of DDO was not tenable as 90 days was stipulated time for completion of watercourse but abnormal delay up to 976 days was noticed.

DAC in its meeting held in May, 2016 directed that work should be carried out with due efforts and watercourses should be completed in time.

Audit recommends timely completion of watercourses besides fixing of responsibility on the persons at fault, under intimation to Audit.

4.1.4 Non implementation of sub components of the project

According to page No.17-25 of the PC-I, High Efficiency Irrigation Systems (HEISs) 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 implement three sub-components. Furthermore, desired targets of other sub components especially Drip Irrigation System were not achieved by the management.

Sub Component	Year	Detail of Targets and achievements		Percentage Achievement
		Target	Achieved	
Drip Irrigation System	2011-12	156	74	
	2012-13	500	240	
	2013-14	500	360	
	2014-15	447	271	
Total		1603	945	59%

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.

Matter was reported to DO (OFWM) in May, 2016. 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 available.

DAC in its meeting held in May, 2016 directed the management to immediately establish sub components of the project. 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.

4.1.5 Acute shortage of staff and lack of capacity building

According to page No.52 of PC-I, capacity building of staff of OFWM is imperative for which four different types of trainings were required including basic, refresher, technical and professional/specialized modules.

Office of DO (OFWM) had 52 sanctioned posts of officers and staff out of which only 35 posts were filled and remaining 17 posts were vacant. Efforts were not made to get the vacancies filled by suitable staff. Moreover, training was received by only 13 employees till June, 2015 and mostly the staff was given training in the year 2015. Necessary training was not provided to the staff of DO (OFWM) who was engaged in project implementation. Owing to lack of training, the objective of capacity building of staff was not achieved. (**Annex – C**)

Audit is of the view that due to inefficient management at top level, the staff was not properly deployed and required training was not imparted to them.

Lack of capacity building of the staff resulted in non-achievement of targets of the project.

Matter was reported to DO (OFWM) in May 2016. DDO replied that training was given to the staff. Moreover, designs were verified by the Project Implementation and Supervision Consultants (PISCs). Reply of DDO was not tenable as mandatory / necessary training was not given to the staff due to which quality and pace of work suffered.

DAC in its meeting held in May, 2016 directed to impart the required training. No progress was intimated till finalization of this Report.

Audit recommends recruitment of staff to fill vacant posts, ensuring necessary trainings for achievement of targets and construction of watercourses as per specifications.

4.1.6 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) Bahawalnagar did not update database and necessary data was not uploaded due to which stakeholders were unable to obtain required information.

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

The above act of management resulted in lack of awareness of farmers and non obtaining of necessary information by the stakeholder.

Matter was reported to DO (OFWM) in May, 2016. DDO did not reply.

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

4.2 Financial Management

4.2.1 Cost overrun due to late completion

According to condition 5 of Agreement, work shall be completed by second party (WUA) within three months from the date of conclusion of agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties and approval of Executive District Officer (Agriculture).

196 Watercourses were constructed by District Officer (OFWM) Bahawalnagar during the years 2011-15 but some of these watercourses were not completed within stipulated period of time. Rates of materials were less at the time of agreement or initial estimate as compared to rates charged during construction. Sample of 29 watercourses indicated that delay in completion of watercourses resulted in cost overrun amounting to Rs 808,816. It was also observed that construction of watercourses was delayed up to 2 years and 8 months despite the fact that the stipulated period of time was 3 months only. **(Annex – D)**

Audit is of the view that due to improper financial management and weak administrative control, the watercourses were not completed timely.

Owing to delay in construction of watercourses and increase in prices of material and labor, Government sustained loss amounting to Rs 808,816.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that due to various problems during the course of construction of watercourses the delay was natural. Reply of DDO was not tenable as due efforts were not made to complete the watercourses on time.

DAC in its meeting held in May 2016 directed to construct watercourses within stipulated period of time and to avoid cost overrun due to inflation in future. It further directed to effect recovery of extra cost. No progress was intimated till finalization of this Report.

Audit recommends recovery of amount due, timely completion of watercourses and avoiding cost overrun due to inflation in future besides fixing of responsibility on the persons at fault, under intimation to Audit.

4.2.2 Delay in completion of watercourses due to delay in release of funds - Rs 164.118 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 164.118 million from Provincial Government and released / transferred the same to DO (OFWM) Bahawalnagar. The funds were neither released timely by Provincial Government nor by District Government to DO (OFWM) due to which construction of watercourses was delayed up to 976 days. Delay in completion of watercourses resulted in increase in construction cost which affected economy and efficiency of the project. Required time for construction of watercourse 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.

Owing to delay in release of funds, construction of watercourses was delayed.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that funds were received through a chain i.e. Provincial Government to District Government and then District Government to District Officer (Water Management) and due to lengthy procedure, release of funds was delayed. Reply of DDO was not tenable as due efforts were not made for releasing of funds in time due to which construction of watercourses was delayed.

DAC in its meeting held in May, 2016 directed to release the funds in time in future.

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

4.2.3 Non utilization of funds - Rs 134.328 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) Bahawalnagar received budget allocations of Rs 421.705 million during 2011-15 out of which Rs 287.377 million was utilized and remaining 134.328 million (32 % of budget allocations) remained unutilized during that period. As a result, desired activities could not be performed which adversely affected implementation of the project. Detail is given below:

(Rupees in million)

Sr. No.	Year	Budget Allocation / Funds Re-authorized	Expenditure Incurred	Funds Not Utilized	Percentage of Funds Not Utilized
1	2011-12	25.287	14.589	10.698	42%
2	2012-13	93.982	67.363	26.619	28%
3	2013-14	133.509	112.018	21.491	16%
4	2014-15	168.927	93.407	75.52	45%
G.Total		421.705	287.377	134.328	32%

Audit is of the view that non utilization of funds in the specific year resulted in non completion of watercourses.

Non completion of watercourses in the stipulated time resulted in non achievement of targets and increase in cost of construction of the watercourses.

Matter was reported to DO (OFWM) in May, 2016. DO did not submit detailed reply.

DAC in its meeting held in May, 2016 directed that utilization of funds as per schedule be ensured so that watercourses be completed in time.

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

4.2.4 Less collection of farmer's share than prescribed ratios - Rs 2.251 million

According to Annexure-I (1, 2, 3, 4 and 6) of the PC-I, the prescribed ratios 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	Labour Cost	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	Labor Cost	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) Bahawalnagar constructed 18 watercourses during the period 2011-15 by obtaining farmer's share of Rs 6.028 million. The farmer's share of Rs 2.251 million was less collected as 18% against the ratios prescribed in PC-I for each type of watercourse e.g. unimproved, partially improved and non command canal area and for type of bricks, pipe and Pre-Cast Parabolic (PCPL). (**Annex – F**)

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.

Undue favor to WUAs resulted in less collection of farmer's share amounting to Rs 2.251 million.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that Consultant Engineer checked the amount of farmer's share and verified the installment. Farmer's share was not less collected. Reply was not tenable as farmer's share was not collected as per ratios prescribed in PC-I i.e. 52% to 59%.

DAC in its meeting held in May, 2016 directed that farmer's share should be collected as per PC-I along with recovery of balance amount. 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.

4.2.5 Less deposit of farmer's share - Rs 595,115

According to page No. 69 of PC-I, first installment equal to 40 percent of the estimated cost would be released on receipt of First Intermediate Completion Report (ICR-I) from the consultants certifying following requirements:

- i. Issuance of technical sanction by the competent authority.
- ii. Deposit of 50 percent farmers' share on account of labour charges for lining and installation of water control structures.
- iii. Renovation of at least 50 percent of designed earthen sections.

District Officer (OFWM) Bahawalnagar made payment of Rs 2.455 million to the Water User Associations of two watercourses who did not deposit requisite (50% and 100%) farmer's share at the time of verification of ICR-I &II respectively. The verification of ICRs was made against the procedures laid down

in MOU and PC-I. Furthermore, the WUAs withdrew farmer's share of Rs 200,000 before credit of installment into bank account. Detail is given below:

(Amount in Rupees)

Detail of Less Deposit of Farmer's Share									
Sr. No.	Water course No.	Village / Chak No.	ICR	Date of ICR	Amount	Farmer Share to be Deposited	Balance as per Bank Statement	Date	Less deposit of Farmer Share
1	18/AL	118/M	ICR-I	11.12.14	883,305	325,810	252,000	18.11.14	73,810
			ICR-II	28.02.15	662,479	325,809	175,667	27.02.15	150,143
2	13/A	425/6R	ICR-I	23.04.13	909,729	372,162	1,000	15.03.13	371,162
Total					2,455,513	1,023,781	428,667		595,115

(Amount in Rupees)

Detail of Drawl of Farmer's Share before Credit of 1 st Installment							
Sr. No.	Water course No.	Village / Chak No.	1st Installment			Date of Drawl from Bank	Amount
			Cheque No.	Date	Gross Amount		
1	18/AL	118/M	2630144	12.01.15	883,305	19.01.15	110,000
							50,000
2	13/A	425/6R	2150322	25.04.13	909,729	15.03.13	40,000
							200,000

Audit is of the view that due to less deposit of farmer's share, planned activities of construction of watercourses could not be performed properly.

Non deposit of farmer's share resulted in violation of the procedures laid down in MOU and less amount was available for payment of labor charges.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that field engineer did not verify any ICR without 50% farmer share for ICR-I and 100% for ICR-II. Reply of DDO was not tenable as the bank statements indicated that farmer's share was less collected and no substantiating evidence was produced in support of reply.

DAC in its meeting held in May, 2016 directed to not give undue favor to WUAs and to strictly follow the MOU. No progress was intimated till finalization of this Report.

Audit recommends recovery of amount due besides fixing of responsibility on the persons at fault, under intimation to Audit.

4.2.6 Non-availability of deposit record of General Sales Tax - Rs 10.428 million

As per Government of the Punjab, Finance Department, letter No. SO (Tax) 1-19/3.8 at 19.09.1998, all purchases must be made from the person/firm registered with the Sales Tax department on prescribed rate showing the number of sales tax and amount of sales tax.

District Officer (OFWM) Bahawalnagar made payments to Water User Associations on account of construction of watercourses. District Accounts Officer (DAO) withheld (20%) of GST at the time of transferring funds into the accounts of Water User Associations but there was no deposit record of remaining (80%) of sales tax amounting to Rs 10.428 million. Owing to non-availability of sales tax returns, it could not be ensured whether the suppliers were registered with sales tax department or not.

Audit is of the view that due to weak internal controls purchasing from GST registered firms and availability of relevant record was not ensured.

Deposit of GST could not be ensured due to non availability of relevant record.

Matter was reported to DO (OFWM) in May 2016. DDO replied that 1/10th of total sales tax was deducted at source. The year wise detail was sent to Sales Tax Department for pursuing suppliers for depositing remaining amount of sales tax. Reply of DDO was not tenable as no record was produced in support of reply to ensure that procurements were made from GST registered suppliers and due amount of GST was deducted.

DAC in its meeting held in May, 2016 directed to produce the record within one month. No progress was intimated till finalization of this Report.

Audit recommends to produce relevant record for verification besides fixing of responsibility against the persons at fault, under intimation to Audit.

4.2.7 Inefficient execution of work due to deviation from rates mentioned in TS and FCR - Rs 5.613 million

According to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he will be held responsible personally for any loss sustained by the Government through fraud or negligence on his part.

Twenty four (24) Water User Associations incurred expenditure of Rs 5.613 million on purchase of bricks, cement, sand etc for construction of relevant watercourses. Expenditure was not justified as the rates charged were more than the rates provided in technically sanctioned estimates of those watercourses. (**Annex – G**)

Audit is of the view that due to weak internal controls construction materials were purchased at higher rates than the rates available in the TS estimates.

Excessive expenditure of Rs 5.613 million resulted in loss to the Government.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that rates approved by DRC were used while preparing estimates and technical sanctions were obtained from the competent authority. Reply of DDO was not tenable as rates paid were more than the rates provided in the TS estimates.

DAC in its meeting held in May, 2016 directed the department to improve its pace of work and to complete that within stipulated time to avoid extra burden of high rates. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 5.613 million besides fixing of responsibility against the persons at fault, under intimation to Audit.

4.2.8 Payments without Pre-audit - Rs 287.377 million

According to Section 4.2.7.2 and 4.2.7.4 of the APPM, the certification (pre-audit) process comprises two functions, namely a verification function and an audit function. The audit function involves scrutinizing of the claim vouchers to identify possible fraud and irregularities that a reasonable person would be expected to discover.

District Officer (OFWM) Bahawalnagar received funds of Rs 362.695 million on simple receipt forms for construction of watercourses during 2011-15. DAO passed bills and transferred payments to the accounts of WUAs amounting to Rs 287.377 million without pre-audit of claims. Moreover, the function of pre-audit was also not performed in the office of District Officer (OFWM) Bahawalnagar.

Detail is given below:

(Rupees in Million)			
Sr. No.	Year	Budget Allocation / Funds Re-authorized	Expenditure
1	2011-12	25.287	14.589
2	2012-13	83.284	67.363
3	2013-14	106.687	112.018
4	2014-15	147.437	93.407
Grand Total		362.695	287.377

Audit is of the view that payment of Rs 287.377 million was made without pre-audit.

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

Matter was reported to DO (OFWM) in May, 2016. DDO replied that payments to Water User Associations were made on the basis of ICR-I & ICR-II, amount verified by the consultant after verification of required documents and same was released by the District Accounts Office to the Water User Association. Reply was not tenable as payments were transferred on simple receipt form without submission of documents to DAO.

DAC in its meeting held in May, 2016 directed to carry out pre-audit before making any payment. 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.

4.2.9 Excessive release of government share - Rs 1.689 million

According to Annexure-I (1,2,3,4 and 6) of the PC-I, the prescribed ratios 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 Sharing Percentage for Improvement of Unimproved Canal Irrigated Watercourses (PCPL Lined) Annexure-I-2		
Item		Percentage
Cost of Material	Government.	59%

Cost Sharing Percentage for Improvement of Completion of Partially Improved Watercourses (Brick Lined) Annexure-I-3		
Item		Percentage
Cost of Material	Government	55%
Cost Sharing Percentage for Improvement of Completion of Partially Improved Watercourses (PCPL Lined) Annexure-I-4		
Item		Percentage
Cost of Material	Government	52%
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%

District Officer (OFWM) Bahawalnagar constructed 17 watercourses during 2011-15. Prescribed ratios of government share and farmer's share were not followed and government share of Rs 1.689 million was released in excess of prescribed limit to the WUAs. (**Annex – H**)

Audit is of the view that due to weak financial controls, Government share was released in excess than the prescribed limit.

Owing to non observance of prescribed ratios in PC-I and excessive release of funds, Government sustained loss of Rs 1.689 million.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that farmer's share was collected on prescribed ratio. Reply was not tenable as farmer share was not collected on ratios prescribed in PC-I i.e. 52% to 59%.

DAC in its meeting held in May, 2016 directed that farmer's share be collected as per PC-I along with recovery of remaining amount. No progress was intimated till finalization of this Report.

Audit recommends that recovery of Rs 1.689 million be effected and prescribed ratios of Government share as narrated in PC-I be followed.

4.2.10 Unauthorized payment of installment before verification of ICR - I & II - Rs 2.980 million

According to PC-I, the second installment equal to 30 percent of the estimated cost will be released on receipt of Second Intermediate Completion Report (ICR-II) from consultants verifying followings:

1. Deposit of remaining 50 percent labour charges of farmers' share on account of lining/installation of water control structures etc.
2. Renovation of entire designed earthen sections
3. Completion of at least 30 percent planned lining and other works (volumetric basis)

District Officer (OFWM) Bahawalnagar made payment of Rs 2.980 million during 2011-15 on account of improvement of watercourses to four (04) "Water Users Associations" without verification of ICR-II. 2nd installment should have been released after verification of above works and on receipt of ICR-II but in following cases the amount was transferred into Water User Association accounts without receipts of ICR-II. Moreover, in two cases the ICR-II was not verified by the consultant till expiry of ten months from the date of transfer of fund. The laid procedure was not followed while improving these watercourses. This activity shows that undue favour was given to the respective water user associations

(Amount in Rupees)

Water course No.	Village / Chak No.	Date of ICR-I	Date of Release of Ist Inst.	Amount	Date of ICR-II	Date of Release of 2 nd Inst.	Amount	Total Amount
12A-R	Lakhmir Dhudi	30.12.14	04.02.15	483,816	Not Verified	22.06.15	362,862	846,678
28/TL	Chak Ghulam Muhammad	27.04.15	10.06.15	536,490	Not Verified	26.06.15	402,367	938,857
3-TC	277/HR	29.04.14	24.05.14	682,412	05.12.14	26.06.14	511,808	1,194,220
62/R	44/F	05.03.13	21.12.12	247989	12.04.13			
Total								2,979,755

Audit is of the view that due to weak financial controls, payments were made without ensuring prescribed requirements.

Payments to WUAs without ensuring prescribed requirements resulted in irregular expenditure amounting to Rs 2.980 million.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that work was in progress and the expenditure at site was made and civil work was completed. Reply was not tenable as payment was made before verification of ICR-II and there was no detail of measurement of work and deposit of farmer's share.

DAC in its meeting held in May 2016 directed to complete the watercourses and to initiate action against the persons at fault. No progress was intimated till finalization of this Report.

Audit recommends that unauthorized payments be avoided and same should be recovered from the concerned along with interest. Moreover, disciplinary actions be taken against the persons held responsible.

4.2.11 Unauthorized payment of excess quantities than the quantities provided in technical sanction

According to Clause No.4 of the agreement deed, there will be no financial implication on the part of first party (District Officer On Farm Water Management) if actual expenditure exceeds the initially agreed estimated cost.

District Officer (OFWM) Bahawalnagar did not execute works of improvement of watercourses as per technical estimates and executed excess quantities than the quantities provided in technically sanctioned estimates. As per clause No.4 of the agreement deed, excessive expenditure than the estimate would be charged to Water User Association. So, recovery of payment of excessive quantities would be made from the concerned water user associations.

Audit is of the view that due to weak financial controls, excess quantities were paid than the quantities provided in approved technical estimates.

Payment in excess of the quantities provided in approved technical estimates resulted in loss to the Government.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that payment was done on the basis of Final Completion Report. All the quantities of materials remained within the limit of technical sanction. Reply was not tenable as excess quantities were paid as per record. Further, department did not produce record in support of reply.

DAC in its meeting held in May, 2016 directed that work be carried out as per T.S and recovery of excess amount be made. No progress was intimated till finalization of this Report.

Audit recommends that recovery of excess quantities be effected and work should be carried out as per technical sanction.

4.3 Procurement and Contract Management

4.3.1 Delay in execution of work on watercourses of registered WUAs - Rs 9.232 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:

- (a) Registration of Water User Association
- (b) Opening of Joint Bank Account by WUAs
- (C) WUAs execute Agreement with DO (OFWM)

District Officer (OFWM) Bahawalnagar constructed five (05) 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 two to three times. Detail is given below:

(Amount in Rupees)

Sr. No.	YEAR	Watercourse No.	Village / Chak No.	Date of Registration		Date of Agreement	FCR Amount Verified
				No.	Date		
1	2012-13	44146/R	Ahmad Rahmonka	31	02.10.2004	02.12.12	2,739,205
2	2012-13	10/L	Mini Sri Ram	1379	05.11.07	01.09.12	982,295
3	2012-13	30/L	Syed Sir	1584	30.10.08	29.08.12	920,525
4	2014-15	18/AL	118/M	1470	12.08.08	20.08.14	2,141,537
5	2013-14	88/B	339/HR	479	18.10.06	03.09.12	2,448,518
Total							9,232,080

Audit is of the view that due to weak financial management and administrative controls, watercourses were not executed timely.

Owing to delay in execution of work, the community did not get desired benefits of the project during that period.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that many steps were involved in this process. As a result, procedural delays occurred

in signing of agreement. Reply of DDO was not tenable as procedure was specified in the MOU and watercourses were not taken up timely.

DAC in its meeting held in May, 2016 directed the department to take up watercourses timely and to avoid extra cost.

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

4.3.2 Technical sanction before registration of Water User Associations - Rs 4.043 million

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

- (a) Registration of Water User Association
- (b) Opening of Joint Bank Account by WUAs
- (C) WUAs execute Agreement with DO (OFWM)
- (d) Engineering Survey, Preparation of Design and Cost Estimates than competent authority accord the technical sanction.

District Officer (OFWM) Bahawalnagar made payment of Rs 4.043 million during 2011-15 to six Water User Associations whose technical sanctions were accorded prior to the date of their registrations. Prescribed procedures were not followed while improving some watercourses which indicated undue favour to respective WUAs. Detail is given below:

(Amount in Rupees)

Sr. No.	YEAR	WC / No.	Village / Chak No.	Date of Registration		Date of Agreement	Technical Sanction		FCR Amount Verified
				No.	Date		Amount	Date	
1	2014-15	344/10-22	Mero Baloch	2118	19-Jan-15		249,881	17-Jan-15	249,204
2	2014-15	381/10-3	Sapro Baloch	2116	19-Jan-15		249,569	17-Jan-15	226,973
3	2014-15	448/84-25	Dulla Akuka	2119	19-Jan-15		249,745	12-Jan-15	245,783
4	2012-13	12A	201/8R	2000	30-Apr-13		1,768,286	11-Dec-12	930,800
5	2014-15	326/13-3	Azeem	2117	19-Jan-15		249,881	17-Jan-15	248,881
6	2014-15	18/AL	118/M CTN			20.08.14	2,092,346	10-Apr-14	2,141,537
Total									4,043,178

Audit is of the view that due to weak internal controls, prescribed procedure for according technical sanctions was not followed.

Execution of work was irregular as the procedure of registration of WUA and T.S was not followed.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that to avoid delay in process of technical sanction, the case was presented before the technical sanction issuing authority prior to registration. DDO accepted the audit observation of sanctioning of T.S before registration and agreement.

DAC in its meeting held in May, 2016 directed that technical sanction should be accorded as per rules. No progress was intimated till finalization of this Report.

Audit recommends to follow the procedure in MOU in letter and spirit in future and to get the expenditure regularized besides fixing of responsibility on the persons at fault, under intimation to Audit.

4.3.3 Payments before agreement, design and cost estimates – Rs 1.985 million

According to page 69 of PC-I, first Installment equal to 40 percent of the estimated cost would be released on receipt of First Intermediate Completion Report (ICR-I) from the consultants certifying following requirements:

- i. Issuance of technical sanction by the competent authority.
- ii. Deposit of 50 percent farmers' share on account of labor charges for lining and installation of water control structures.
- iii. Renovation of at least 50 percent of designed earthen sections.

District Officer (OFWM) Bahawalnagar released funds of Rs 1.985 million to the Water User Associations of two watercourses during 2011-15. Expenditure was irregular as ICR-I of those watercourses were verified before approval of cost estimates, approval of design and signing of agreement deed. Detail is given below:

(Amount in Rupees)

Watercourse No.	Village	ICR-I		ICR-II		T.S		Design Date	Agreement Date
		Amount	Date	Amount	Date	Amount	Date		
5/A R	Nanak Chand	391,495	26.07.13	432,762	07.01.14	1,177,510	24.12.13	08.10.13	
7-R	Ghulam Muhammad	584,888	31.03.11	576,088	19.06.12				16.12.11
		976,383		1,008,850					
G. Total				1,985,233					

Audit is of the view that due to weak financial controls proper procedure was not followed.

Owing to non-observance of prevailing rules and procedure, irregular payment was made.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that design and cost estimates were approved by the consultant. Reply was not tenable as no record was produced to confirm that ICR-I was verified after approval of cost estimates, design and signing of agreement deed.

DAC in its meeting held in May, 2016 directed that MOU must be followed and undue favor must not be given to some irrigators. No progress was intimated till finalization of this Report.

Audit recommends that expenditure be got regularized from the competent authority and prescribed procedure be followed in letter and spirit in future besides fixing of responsibility on the persons at fault, under intimation to Audit.

4.3.4 Payments before technical sanction- Rs 7.732 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:

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

District Officer (OFWM) Bahawalnagar transferred funds of 1st and 2nd installments amounting to Rs 7.732 million to 8 Water User Associations during 2011-15. The expenditure was unauthorized as relevant ICR-I and ICR-II were verified before the dates of technical sanctions. Detail is given below:

Sr. No.	Year	Water course No.	Village	ICR-I		ICR-II		(Amount in Rupees) Date of T.S	
				Amount	Date	Amount	Date	Amount	Date
1	2011-12	53	26/3-R	440,179	05.01.12	330,146	11.03.12	1,244,821	24.05.12
2	2013-14	5/AR	Nanak Chand	391,495	26.07.13	432,762	07.01.14	1,177,510	24.12.13
3	2013-14	7/L	47/F	433,384	08.11.13	521,353	04.03.14	-	20.11.13

Sr. No.	Year	Water course No.	Village	ICR-I		ICR-II		Date of T.S	
				Amount	Date	Amount	Date	Amount	Date
4	2013-14	34/L	103/F	259,488	20.11.13	312,636	05.03.14	648,720	20.11.13
* 5	2011-12	7-R	Ghulam Muhammad	584,888	31.03.11	576,088	19.06.12	1,920,295	18.06.12
6	2013-14	25/L	Khawaja Bux Bodla	890,478	20.01.14	667,858	10.07.14	2,226,196	24.03.14
7	2012-13	8R	Ghumana	981,522	15.05.12	-	-	2,907,764	27.03.14
8	2012-13	13/A	425/6R	909,729	23.04.13	-	-	-	-
Sub Total				4,891,163		2,840,843			
Grand Total						7,732,006			

*At serial No. 5 agreement was made on 16.12.11 but payment of ICR-I was made on 31.03.2011.

Audit is of the view due to weak internal controls payments were made to WUAs before according of technical sanctions.

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

Matter was reported to DO (OFWM) in May 2016. DDO replied that all above technical sanctions were revised due to change of scope of work. Reply of DDO was not tenable as no record was produced in support of reply.

DAC in its meeting held in May, 2016 directed to get the expenditure regularized from the competent authority, within two months. 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 of responsibility on the persons at fault, under intimation to Audit.

4.3.5 Agreements before registration of WUAs - Rs 14.896 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:

- (a) Registration of Water User Association
- (b) Opening of Joint Bank Account by WUAs
- (C) Executing Agreement with DO (OFWM) by WUAs

District Officer (OFWM) Bahawalnagar transferred amount of Rs 14.896 million for improvement of eleven (11) watercourses during the period 2011-15 which was held irregular as agreements between DO (OFWM) and WUAs were made before registration of those Water User Associations, in violation of the procedure laid down in the Memorandum of Understanding. The procedure / instructions were set aside by giving undue favour to the respective water user associations. Detail is given below:

(Amount in Rupees)

Sr. No.	YEAR	Watercourse No.	Village / Chak No.	Registration Number & Date		Amount and Date of Agreement	
				No.	Date	Amount	Date
1	2012-13	12A	201/8R	2000	30-Apr-13	1,768,286	12-Nov-12
2	2013-14	112-2	Johdehka	2007	20-Aug-13	249,769	13-Aug-13
3	2011-12	53	26/3R	1870	02-Dec-11	1,244,821	22-Nov-11
4	2012-13	38	66/4R	1991	01-Apr-13	997,605	05-Mar-13
5	2013-14	5/AR	Nanak Chand	1994	11-Apr-13	1,177,510	27-Jan-13
6	2013-14	7/L	47/F	2010	21-Aug-13	1,363,910	20-Aug-13
7	2013-14	34-C	103/F	2025	05-Sep-13	745,112	05-Sep-13
8	2014-15	8/2835-L	Methaila Qaimka	2089	12-Sep-14	1,595,422	09-Sep-14
9	2013-14	25/L	Khawaja Bux Bodla	2051	12-Nov-13	2,226,196	11-Nov-13
10	2012-13	8R	Ghumana	1910	19-Apr-12	2,907,764	09-Feb-12
11	2012-13	62/R	44/F	1946	10-Nov-12	619,973	11-Oct-12
Total						14,896,368	

Audit is of the view that due to weak internal controls, expenditure was incurred without following the procedure laid down in the MOU.

Incurring expenditure in violation of prescribed procedure resulted in irregular expenditure on relevant watercourses.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that Water User Associations applied for registration and also made agreement with Department at the same time. Registration required some formalities and delay in registration in office was due to workload on staff.

DAC in its meeting held in May, 2016 directed to follow rules and procedures in letter and spirit.

Audit recommends getting the irregularity condoned from the competent authority besides initiating action against the persons at fault, under intimation to Audit.

4.3.6 Irregular establishment of Water User Associations

According to Subsection (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) Bahawalnagar made payment of Rs 128.656 million to the Water Users Associations for improvement of watercourses during 2011-15. 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. (**Annex – I**)

Audit is of the view that due to weak internal controls, WUAs were granted undue favor.

Undue favor to WUAs and release of funds resulted in irregular expenditure on those watercourses.

Matter was reported to DO (OFWM) in May, 2016. 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 in its meeting held in May, 2016 directed for verification of record within one month. 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.

4.3.7 Construction of watercourses without approval of DDC - Rs 224.506 million

According to page No.62 of PC-I, the DIC is 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) Bahawalnagar incurred expenditure of Rs 224.506 million on improvement of watercourses during 2011-15 without prior approval of District Development Committee (DDC). Further, any progress report regarding target of watercourses in a particular year, physical review and recommendations of District Implementation Committee (DIC) were not on record. Detail is given below:

(Amount in Rupees)

Period	No. of Watercourses Improved	Expenditure on Civil Work
2011-12	14	11,126,678
2012-13	44	40,128,479
2013-14	66	75,368,339
2014-15	72	97,882,265
Total	196	224,505,761

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

Incurring expenditure without approval of DDC resulted in irregular expenditure of Rs 224.506 million.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that funds were allocated by the Finance Department after administrative approval. So there was no need of District Development Committee. Reply was not tenable as expenditure was incurred from Grant-36 (Development Budget).

DAC in its meeting held in May, 2016 directed that function of DDC be established. No progress was intimated till finalization of this Report.

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

4.4 Construction and Works

4.4.1 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. It was the subject of letters received in DO (OFWM) office from different higher authorities that the construction work was not up to the mark, substandard bricks were used, plaster was not properly done and financial procedure was not followed during payment to WUAs. Similar condition was also observed during physical inspection of watercourses. This indicated that relevant activities were not properly monitored by District and Tehsil Officers (OFWM) and WUAs. PIC / NESPAK consultant did not ensure standards of construction and verification of ICRs.

Figure-I watercourse No. 12-R Lakhmeer Dhudi culvert was constructed on 01.11.2014 but plaster had demolished, second class brick was used and arch was not as per standards.

Figure 1



Figure 2



Substandard bricks

Precast Concrete Parabolic Lining (PCPL) has been demolished

Bed was not Properly Grouted and cement was not used as per standard ratio



Previous lining was not improved



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

Government sustained substantial loss due to low quality of work.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that at the time of verification, the condition of work was good and field engineer verified the work. Later on, the Water User Association did not care about back earth filling and deterioration occurred at some points. The department admitted that work and construction was not up to the mark. Work and maintenance of watercourses was in bad condition after 3 to 6 months of construction or even during construction due to which Government had to bear loss.

DAC in its meeting held in May, 2016 directed that construction work and maintenance of watercourse must be done up to the mark.

Audit recommends that work should be done according to prescribed standards and undue favour should not be given to the WUAs.

4.4.2 Extra establishment expenditure due to construction of less lining - Rs 527,069

According to para (ii) of Section (B) of Memorandum of Understanding 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.

Analysis of 22 watercourses revealed that management planned 24,734m³ lining but actually 22,487 m³ lining was constructed. As a result, 2247 cubic meter lining remained un-constructed which require extra establishment charges amounting to Rs 527,069 for construction of balance work. (**Annex – J**)

Audit is of the view that due to non-observance of conditions of PC-I and MOU, work was not executed as per planned lining.

Non execution of planned work resulted in extra payment of establishment charges.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that it was participatory exercise of farmer's community and concerned to Time Bound Action Plan (TBAP), the department constructed maximum limits. Reply was not tenable as planned lining in T.S (maximum limit of 30% of total lining) was not executed due to delay in completion. T.S was prepared on the basis of high rates but short linings were executed in order to remain within T.S limit. For construction of remaining lining more resources were required.

DAC in its meeting held in May, 2016 directed to complete the planned lining within the T.S limit within one year. No progress was intimated till finalization of this Report.

Audit recommends that management should complete planned lining of work during execution of relevant watercourses.

4.4.3 Unauthorized construction of extra lining - Rs 1.364 million

According to Section B-1.4.1 of the PC-1, the lining of watercourses would be carried out up to 30 percent of total length of community channels. It has, however, been experienced under previous projects that actual lining remained much lower than maximum ceiling which seriously affects watercourse improvement impacts.

District Officer (OFWM) Bahawalnagar made payment of Rs 1.364 million to "Water User Association of watercourse No. 7-L (village / Chak 47/F CTN)" on account of construction by increasing total length of watercourse. The total length of watercourse as per certificate A, Basic Data Sheet, Initial Cost estimate, design work sheet, approved design and cost estimate was 4,290 meters. 30% lining of total length 4,290 meters comes to 1,287 meters, out of which 716 meters was previously improved and remaining portion of 571 meter was planned

which was to be improved. But in revised estimate the total length of watercourse was increased from 4,290 meters to 4,620 meters by the department. 30% lining of 4,620 meters was 1386 meters out of which 716 meters was already improved and remaining 670 meters was improved by the department. Total increase of 99 meters (670-571=99m) was made in executed lining due to increase in total length.

Audit is of the view that due to weak internal controls, incorrect/excessive length of the watercourse was recorded in the revised estimate.

Planning and execution of excessive lining of the watercourse resulted in unauthorized expenditure of Rs 1.364 million.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that total length was enhanced on the application of WUA. Reply was not tenable as no document was provided in support of reply.

DAC in its meeting held in May, 2016 directed that such practice should be avoided and watercourse be completed according to the past plan provided by irrigation department.

Audit recommends that matter be investigated at appropriate level and action be taken against the concerned by recovery of stated amount in result of undue favour to WUA under intimation to audit.

4.4.4 Unauthorized drawl of farmer's share for purchase of construction material or personal use by the WUAs - Rs 1.579 million

According to PC-I, first installment equal to 40 % of estimated cost would be released on receipt of First Intermediate Completion Report (ICR-I) from the consultants certifying following requirements:

- a. Issuance of technical sanction by the competent authority
- b. Deposit of 50 percent farmers' share on account of labour charges for lining and installation of water control structures
- c. Renovation of at least 50 percent of designed earthen sections

District Officer (OFWM) Bahawalnagar made payment on construction of watercourses to WUAs, who drew farmer's share of Rs 1.579 million for purchase of construction material or personal use before credit of installment into

bank account. Farmer's share could not be used for purchase of material rather it is for payment of labour and installation of water control structures. (**Annex – K**)

Audit is of the view that due to weak financial management, unauthorized drawl of Rs 1.579 million was made by the WUAs.

Unauthorized drawl of farmer's share for construction of watercourse resulted in irregular expenditure.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that it was temporary arrangement for purchase of construction materials from the amount of farmer's share. The department accepted the audit observation regarding irregular use of farmer's share.

DAC in its meeting held in May, 2016 directed that farmer's share could not be drawn for purchase of materials or personal use and loss may be recovered. No progress was intimated till finalization of this Report.

Audit recommends that procedure laid down in PC-I and MOU be followed and undue favour should not be given to the WUAs.

4.4.5 Excess payment of brick work - Rs 30.395 million

According to approved PWD specifications (Chapter 5 of MRS), 25 CFT cement and sand mortar is required for construction of 100 CFT bricks masonry.

District Officer (OFWM) Bahawalnagar overpaid Rs 30.395 million on account of construction of watercourses by measuring 500 bricks for construction of one cubic meter (M³) watercourse without setting off 25% per cubic meter (wet mortar) against consumption of cement sand mortar during 2011-15.

(Amount in Rupees)

Sr. No.	Year/ Period	No of Water-courses	Lining Brick work in Cubic Meter (m3)	Total Civil Work in Cubic Meter (m3)	Total Cost incurred	Cost per cubic Meter (5/4)	Cost of Brickwork only (3x6)	Recoverable amount / Non-deduction of 25% brickwork on account of Cement Sand Mortar (7x0.25)
1	2012-13	23	11,001	12,213	39,146,190	136,508	35,221,200	8,805,307
2	2013-14	55	16,265	17,997	63,004,767	312,324	56,625,682	14,156,420
3	2014-15	18	5,469	6,048	21,999,702	68,629	19,819,009	4,954,752
4	2011-12	14	2,991	3,352	11,126,678	45,320	9,913,569	2,478,392
Total			35,726	39,610	135,277,337	562,781	121,579,459	30,394,872

Audit is of the view that excess payment was made due to poor financial controls.

Non-deduction of 25% per cubic meter against consumption of cement sand mortar resulted in excess measurement of bricks involving overpayment of Rs 30.395 million.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that Finance Department has fixed the limit of 500 bricks per cubic meter in masonry work. Reply was not tenable as no documentary evidence was produced in support of reply. Further, best practice was available in PWD.

DAC in its meeting held in May, 2016 directed to effect recovery of stated amount within a week. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 30.395 million besides fixing responsibility for excess measurement of bricks under intimation to Audit.

4.4.6 Inefficient execution of work due to deviation of quantities mentioned in T.S and FCR - Rs 118,967

According to Clause No.4 of the agreement deed, there will be no financial implication on the part of first party (District Officer On Farm Water Management) if the actual expenditure exceeds the initially agreed estimated cost. Staff of DO (OFWM) will conduct engineering surveys of the watercourses and prepare design and cost estimates in consultation with WUAs that will be checked/verified by PISCs.

District Officer (OFWM) Bahawalnagar did not execute works as per technical sanctions and in some cases quantities of work executed was in excess of the quantities shown in the technically sanctioned estimates. Deviation from approved estimates was also observed in fixing of nakkas and culverts which should have been placed and constructed at specific approved points. (Annex – L).

Audit is of the view that due to poor internal controls, the works were not executed as planned / approved.

Owing to above action of the management, the work was not done as per technical sanction.

The matter was reported to DO (OFWM) in May, 2016. DDO replied that planned work was tentative work sheet. FCR was verified by the engineer and

payment made accordingly. The reply was not tenable as estimate was prepared on determined lining in cubic meters and units of material to be used. Deviation from approved plans means that work was not carried out as per standards.

DAC in its meeting held in May, 2016 directed to follow the standards and achieve the targets.

Audit recommends that work should be carried out as per technically sanctioned estimate and burden of extra work or extra cost be avoided.

4.4.7 Less construction of watercourses

According to page No.38 of PC-I, lining of watercourses would be carried out up to 30 percent of total length of community channels.

Record of twenty watercourses revealed that in response to planned lining of 21,187 cubic meters, only 18,967 cubic meters work was carried out which resulted in less execution of work of 2,220 cubic meters. Mostly, watercourses were constructed in short length. Short construction of length / lining of watercourses would enhance the cost of improvement of watercourses in future. **(Annex – M)**

Audit is of the view that due to poor planning and improper financial management, the watercourses were not constructed completely.

Owing to short construction of watercourses, the end users did not avail the facility of constructed lining.

Matter was reported to DO (OFWM) in May 2016. DDO replied that actual executed lining remained within allowed limit i.e. 20% to 30% of total length of watercourses. The less lining was due to the different factors affecting the pace of work to reach the maximum limit. Reply was not tenable as executed work was less than planned lining despite the fact that financial resources and staff was available with DO (OFWM) Bahawalnagar.

DAC in its meeting held in May, 2016 directed to carry out the work with due efforts along with recovery of cost of construction of remaining lining. No progress was intimated till finalization of this Report.

Audit recommends that responsibility should be fixed on the persons at fault for not observing maximum limit of lining and depriving of the farmers from desired benefits.

4.5 Monitoring and Evaluation

4.5.1 Damages occurred due to negligence of WUA and wastage of Government funds - Rs 4.309 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.

Four watercourses constructed with cost of Rs 4.309 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.



(Picture-1: Representing left side of watercourse was dismantled. This was done on the direction of local landlord to irrigate his fields illegally)

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” did not exist at site and it depicted that it was never improved.



Audit is of the view that due to weak internal and administrative controls, proper monitoring was not done.

Owing to negligence of the WUA and improper monitoring control of DO (OFWM), the watercourses were deteriorating with the passage of time.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that Water User Associations were asked to maintain the watercourse after completion. Reply was not tenable, as the execution of works and maintenance of watercourses were not satisfactory.

DAC in its meeting held in May, 2016 directed that construction work and maintenance of watercourse be made as per standards.

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

4.5.2 Doubtful verification of ICRs-Rs 2.941 million

According to page No. 69 of PC-I, first installment equal to 40 percent of the estimated cost would be released on receipt of First Intermediate Completion Report (ICR-I) from the consultants certifying following requirements:

- i. Issuance of technical sanction by the competent authority.
- ii. Deposit of 50 percent farmers' share on account of labor charges for lining and installation of water control structures.
- iii. Renovation of at least 50 percent of designed earthen sections.

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

- (a) Registration of Water User Association
- (b) Opening of Joint Bank Account by WUAs
- (c) Execution of Agreement with DO (OFWM) by WUA
- (d) Conducting Engineering Survey, Preparation of Design and Cost Estimates and according technical sanction by the competent authority.

District Officer (OFWM) Bahawalnagar released funds of Rs 2.941 million to the Water Users Associations of 07 watercourses during 2011-15. The expenditure was not justified as ICR -I and ICR-II were shown verified on the date of registration of relevant WUAs. Final Completion Report (FCR) of a watercourse No. 344/10-22 was doubtful as WUA made 1st drawl of funds (from relevant bank account) after the date of issuance of FCR. (**Annex – N**)

Audit is of the view that due to weak internal controls, ICRs and FCRs were shown verified before start of work.

Legitimacy of expenditure and execution of work could not be ensured due to doubtful verification of completion reports.

Matter was reported to DO (OFWM) in May, 2016. DDO replied that payments were made after checking / observing all codal formalities keeping in

view the cost estimates, ICR-I and T.S verified by the PISC. Reply of DDO was not tenable as ICRs and FCRs were verified before start of work.

DAC in its meeting held in May, 2016 directed to regularize expenditure from the competent authority within two months. No progress was intimated till finalization of this Report.

Audit recommends investigation besides fixing of responsibility on the persons at fault, under intimation to Audit.

4.6 Environment

Improvement in watercourses have positive effect on controlling waterlogging, rising watertables, reducing drainable surplus and reducing soil salinity risks.

Appropriate record was not available to confirm that whether the project had positive impacts or the environment was suffering from implementation of the project.

Audit recommends that a survey should be conducted to know about the areas and severity of the environment pollution, arising from the increased use of pesticides and remedial action in this regard should be taken.

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 that the watercourses were being maintained by the WUAs, as desired in PC-1 and the watercourses would be beneficial to 20 years.

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 up to 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 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 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

In the Project Life Cycle, there are seven stages through which practically every major project goes through:

- (1) **Identification:** stage where one idea out of several alternatives is chosen and defined.
- (2) **Preparation:** defined idea is carefully developed to the appraisal stage.
- (3) **Appraisal:** every aspect of the project idea is subjected to systematic and comprehensive evaluation and a project plan is prepared.
- (4) **Presentation:** detailed plan is submitted for approval and financing to the appropriate entities.
- (5) **Implementation:** with necessary approvals and financing in place, the project plan is implemented.
- (6) **Monitoring:** at every stage the progress of the project is assessed against the plan.
- (7) **Evaluation:** upon completion the project is reassessed in terms of its efficiency and performance.

If we measure the performance of PIPIP against above mentioned stages, we can see that management expressed negligence in most of 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 i.e. 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 which the management should have learnt:

- i. Only integrated planning & 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.

ACKNOWLEDGEMENT

We wish to express our appreciation to the Management District Officer (OFWM) and staff of the office of District Government Bahawalnagar for the assistance and cooperation extended to the auditors during this assignment.

ANNEX

Annex – A
[Para 4.1.1]

Inefficient planning and non establishment of DIC

(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)1-31/2011-12/154	15.535	27.12.2011	DO (F&B)/BWN/278-32	15.535
14.02.2012	FD (W&M)1-31/2011-12/198	5.752	27.04.2012	DO (F&B)/BWN/564-66	5.752
Sub Total (2011-12)		21.287	Sub Total (2011-12)		21.287
20.10.2012	FD (W&M)1-31/2012-13/153	29.817	21.12.2012	DO (F&B)/BWN/94	29.817
23.04.2013	FD (W&M)1-31/2012-13/239	23.53	03.06.2013	DO (F&B)/BWN/188	23.53
Sub Total (2012-13)		53.347	Sub Total (2012-13)		53.347
24.09.2013	FD (W&M)1-31/2013-14/116	25.657	11.11.2013	EDO (F&P)/BWN/454-56	25.657
26.03.2014	FD (W&M)1-31/2013-14/190	10.25	11.06.2014	EDO (F&P)/BWN/983-85	10.25
Sub Total (2013-14)		35.907	Sub Total (2013-14)		35.907
23.04.2015	FD (W&M)1-31/2014-15/365	31.747	11.06.2015	DO(P)/BWN/1-6/2014-15/53	31.747
Sub Total (2014-15)		53.577	Sub Total (2014-15)		31.747
Grand Total:		164.118	Grand Total:		142.288

Annex – B
[Para 4.1.3]

Time overrun due to late completion of watercourses

Sr. No.	Watercourse No.	Village / Chak No.	Date of Starting	Date of Actual Completion	Time Period as per Agreement	Late Days
1	22636-L	Mari Saha Shah	1/12/2012	6/7/2013	4/11/2012	422
2	30-L	Syed Sir	2/6/2012	6/17/2013	5/6/2012	407
3	5200-R	5-FW	12/21/2012	11/20/2013	3/21/2013	244
4	28/R	40-Fateh	1/21/2013	1/30/2014	4/21/2013	284
5	19/R	Kot Ghulam Muhammad Shah	2/7/2013	2/8/2014	5/8/2013	276
6	64/A	29-3R	4/25/2013	2/24/2014	7/24/2013	215
7	28/R	122/M	2/7/2013	1/6/2014	5/8/2013	243
8	65/R	44/F	12/13/2012	3/17/2014	3/13/2013	369
9	3/AR	164-7R	4/3/2013	2/27/2014	7/2/2013	240
10	7	331,333/HR	12/12/2012	4/17/2014	3/12/2013	401
11	27/A	19-3R	5/22/2013	4/29/2014	8/20/2013	252
12	49730/R	Qasmka Otar	1/12/2013	5/26/2014	4/12/2013	409
13	78	314-HR	12/21/2012	6/4/2014	3/21/2013	440
14	75/A	312-HR	3/28/2013	7/4/2014	6/26/2013	373
15	5/9-L	118/6-R	2/6/2012	6/6/2014	5/6/2012	761
16	100/R	Bela Singh Chorri wala	4/11/2013	6/9/2014	7/10/2013	334
17	20	229/9-R	3/28/2013	7/1/2014	6/26/2013	370
18	19	230-9/R	9/12/2013	6/30/2014	12/11/2013	201
19	38	66-4R	9/30/2013	7/22/2014	12/29/2013	205
20	39	77-1L	12/13/2012	4/10/2014	3/13/2013	393
21	3/A	Ganga Singh/Nanak Chand	4/25/2013	5/10/2014	7/24/2013	290
22	88/B	339/HR	1/21/2013	8/6/2014	4/21/2013	472
23	24500/L	Ali Gohr 326	3/21/2012	2/20/2015	6/19/2012	976
24	25/L	Khawja Bux Bodla	2/4/2014	4/8/2015	5/5/2014	338
25	33/B	278-HR	2/4/2014	4/6/2015	5/5/2014	336
26	7	205/9R	2/4/2014	6/17/2015	5/5/2014	408
27	10700/R	Chopa	3/28/2013	7/14/2015	6/26/2013	748
28	13/A	425/6R	4/25/2013	8/17/2015	7/24/2013	754
29	14/A	260/HR	1/12/2013	8/21/2015	4/12/2013	861
30	6/L	3-G	2/22/2014	1/8/2015	5/23/2014	230
31	22/L	14/1R	11/13/2013	1/21/2015	2/11/2014	344
32	12/R	Lakhmeer Dhudy	1/24/2014	4/13/2015	4/24/2014	354
33	53/R	170-Murad	1/24/2014	4/24/2015	4/24/2014	365
34	4TC (18149/TC)	140-M	6/26/2014	9/3/2015	9/24/2014	344
35	48450/L (32/L)	104-F	2/22/2014	9/14/2015	5/23/2014	479
36	7/R	Ghulam Muhammad	1/21/2012	8/26/2014	4/20/2012	858
37	5	155/3L	3/28/2013	5/12/2015	6/26/2013	685
38	5/A	179/7R	11/19/2014	9/9/2015	2/17/2015	204
39	18/AL	118/M	10/29/2013	6/19/2015	1/27/2014	508
40	54355/R	Khai Bodla	12/9/2014	10/19/2015	3/9/2015	224
41	3/L	Ozang	11/13/2014	11/23/2015	2/11/2015	285
42	16200/R	Jullan Chishti	12/2/2014	11/19/2015	3/2/2015	262
43	117-13-25	Bahadar ka Sharqi	2/4/2014	6/22/2015	5/5/2014	413
44	115-4 No.23	Bahadar ka Sharqi	2/4/2014	7/25/2015	5/5/2014	446
Total						18,023

Annex – C
[Para 4.1.5]

Acute shortage of staff and lack of capacity building

Sr. No.	Name of post with BPS	Sanctioned Strength			Training Received by No. of Employees
		Sanction Strength	Post Filled	Vacant	
1	District Officer BS-18	1	0	1	1
2	Deputy District Officer	5	3	2	2
3	W.M. Officer BS-17	7	3	4	2
4	Assistant Agriculture Engineer	1	0	1	0
5	Superintendent BS-17	1	1	0	1
6	Stenographer	1	1	0	0
7	Office Assistant BS-16	1	1	0	0
8	W.M. Supervisor	25	18	7	1
9	Computer Operator	2	2	0	1
9	Senior Clerk BS-14	6	5	1	2
10	Junior Clerk BS-11	2	1	1	3
Total		52	35	17	13

Annex – D
[Para 4.2.1]

Cost overrun due to late completion

(Amount in Rupees)

Sr. No.	Watercourse No.	Village / Chak No.	1st Installment			3rd Installment				FCR Verified Amount
			Cheque No.	Date	Gross Amount	Cheque No.	Date	Gross Amount	Late Days from 1st to 3rd Installment	
1	7-R	138-6R	1923092	21-12-12	434,366	2808202	21-09-15	133,987	1004	805,640
2	14/A	260/HR	2067905	12-01-13	1,774,085	2808203	21-09-15	965,100	982	4,129,748
3	10700/R	Chopa	2136196	28-03-13	1,337,818	2808314	05-10-15	248,290	921	2,266,045
4	22636-L	Mari Saha Shah	2067907	12-01-12	631,168	2480861	26-06-14	212,804	896	1,026,230
5	13/A	425/6R	2150322	25-04-13	909,729	2808204	21-09-15	287,530	879	1,713,658
6	4A	Toba Allah yar	1736278	06-02-12	1,260,162	2480662	25-06-14	784,048	870	3,019,485
7	346/2-2	Muhammad Pur Sansaran	1922710	30-11-12	174,843	2655183	05-03-15	20,075	825	244,780
8	347-13-18	Azeem	1922654	28-11-12	174,517	2630820	04-02-15	60,683	798	235,000
9	19	230-9/R	2335043	04-12-13	277,798	2909651	02-02-16	22,504	790	508,650
10	1362/11-3	Azeem	1922656	28-11-12	172,572	2630549	24-01-15	45,643	787	218,035
11	88/B	339/HR	2300256	21-01-13	700,225	2655207	06-03-15	691,500	774	2,748,518
12	7	205/9R	2393944	04-02-14	433,792	2910328	27-02-16	240,089	753	999,225
13	28	4/1-R	1736098	25-01-12	341,348	2359918	21-12-13	138,098	696	479,446
14	75/A	312-HR	1923118	21-12-12	639,206	2546460	11-11-14	293,186	690	1,411,796
15	22/A	271-HR	2136461	11-04-13	315,232	2630932	10-02-15	66,098	670	381,330
16	82/AR	14/G	1736097	25-01-12	216,803	2300255	29-10-13	38,691	643	439,124
17	20/L	118/M	1736100	25-01-12	511,031	2300258	29-10-13	17,892	643	961,794
18	117-13-25	Bahadar ka Sharqi	2630821	04-02-14	174,783	2808439	13-10-15	24,965	616	249,686
19	115-4 No.23	Bahadar ka Sharqi	2630811	04-02-14	174,783	2808317	05-10-15	19,690	608	244,411
20	1/R	164-7R	2136202	28-03-13	1,015,658	2546514	13-11-14	302,688	595	1,745,189
21	48450/L (32/L)	104-F	2394084	22-02-14	623,227	2808350	07-10-15	75,485	592	969,120
22	346/14-16	Azeem	2394086	22-02-14	174,787	2808311	05-10-15	11,250	590	235,976
23	30-L	Syed Sir	2072938	06-02-12	465,896	2212926	12-09-13	159,223	584	920,525
24	4-R	Kot Haimraj	1859894	31-05-12	727,698	2359919	21-12-13	151,451	569	1,424,922
25	39	77-1L	1922908	13-12-12	870,258	2480600	24-06-14	297,713	558	1,928,297
26	62-R	44-F	1923100	21-12-12	247,989	2480859	26-06-14	126,410	552	529,720
27	53/R	170-Murad	2382017	24-01-14	522,784	2772551	25-06-15	164,990	517	849,050
28	22/L	Amin Kot	2300624	13-11-13	507,944	2630971	11-02-15	156,953	455	1,045,855
29	12/R	2-1R/3R	2420952	11-04-14	636,694	2630931	10-02-15	326,411	305	1,440,625
Total										33,171,880

(Amount in Rupees)

Sr. No.	Watercourse No.	Chak / Mouza	Tehsil	Date of Agreement	Amount of Difference of Rates
1	5/9-L	118/6-R	Haroonabad	13.09.2012	126,864
2	40705	Darbari Wala	Minchinabad	07.10.2013	289,451
3	10/L	Mana Seri Ram	Minchinabad	01.09.2012	74,688
4	44146/R	Ahmad Rahmonka	Minchinabad	02.12.2012	35,891
5	5	155/3L	Haroonabad	01.11.2012	151,405
6	2835/L	Mathela Qaimka	Minchinabad	18.08.2014	22,325
7	19-AL	109-F	Bahawalnagar	18.10.2012	14,842
8	88/B	339/HR	Fortabbas	03.09.2012	3,340
9	30/L	Syed Sir	Minchinabad	29.08.2012	17,750
10	13-A	425/6R	Fortabbas	16.04.13	63,760
11	32-L	104/F	Chishtian	29.09.13	8,500
Total					808,816

Annex – E
[Para 4.2.2]

**Delay in completion of watercourses due to delay in release of fund –
Rs 164.118 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)1-31/2011-12/154	15.535	27.12.2011	DO (F&B)/BWN/278-32	15.535
14.02.2012	FD (W&M)1-31/2011-12/198	5.752	27.04.2012	DO (F&B)/BWN/564-66	5.752
Sub Total (2011-12)		21.287	Sub Total (2011-12)		21.287
20.10.2012	FD (W&M)1-31/2012-13/153	29.817	21.12.2012	DO (F&B)/BWN/94	29.817
23.04.2013	FD (W&M)1-31/2012-13/239	23.53	03.06.2013	DO (F&B)/BWN/188	23.53
Sub Total (2012-13)		53.347	Sub Total (2012-13)		53.347
24.09.2013	FD (W&M)1-31/2013-14/116	25.657	11.11.2013	EDO (F&P)/BWN/454-56	25.657
26.03.2014	FD (W&M)1-31/2013-14/190	10.25	11.06.2014	EDO (F&P)/BWN/983-85	10.25
Sub Total (2013-14)		35.907	Sub Total (2013-14)		35.907
21.10.2014	FD (W&M)1-31/2014-15/136	21.83	26.11.2014	EDO (F&P)/BWN/310-12	21.83
23.04.2015	FD (W&M)1-31/2014-15/365	31.747	11.06.2015	DO(P)/BWN/1-6/2014-15/53	31.747
Sub Total (2014-15)		53.577	Sub Total (2014-15)		53.577
Grand Total:		164.118	Grand Total:		164.118

Annex – F
[Para 4.2.4]

Less collection of farmer's share than prescribed ratios

(Amount in Rupees)

S. No.	year	type	class	W/C No.	Mauza	verified cost	Farmer share as per PC-I	%AGE AS PER PC-I	Total WUA Share	Difference
1	2011-12	ADDL	PCPL	7/R	GHULAM MOHD	2,574,653	617,917	24%	411,944	205,973
2	2014-15	REG	PCPL	61200/L	DIAL SING	1,408,480	380,290	27%	260,300	119,990
3	2012-13	REG	PCPL	5/R	155/3L	3,923,225	1,059,271	27%	778,756	280,515
4	2014-15	REG	PCPL	2835/L	Mathela Qaimka	2,615,446	706,170	27%	470,780	235,390
5	2014-15	REG	PCPL	8	248/FC	4,051,859	1,094,002	27%	634,933	459,069
6	2013-14	Irr. Sch.	BL	112/2	Jodheka	312,211	74,931	24%	65,000	9,931
7	2014-15	Irr. Sch.	PCPL	344/10-22	Meero Baloch	312,351	74,964	24%	62,500	12,464
8	2014-15	Irr. Sch.	PCPL	448/84-25	Dulla Akuka	312,181	74,923	24%	62,500	12,423
9	2014-15	Irr. Sch.	PCPL	326/13	Azeem	312,351	74,964	24%	70,000	4,964
10	2013-14	ADDL	PCPL	12/A	98/6R	2,141,670	514,001	24%	385,500	128,501
11	2013-14	ADDL	PCPL	34/L	103/F	1,486,038	356,649	24%	267487	89,162
12	2013-14	ADDL	PCPL	7/L	47/F	2,479,837	595,161	24%	446371	148,790
13	2013-14	ADDL	PCPL	5/R	Nanak Chand	2,140,927	513,822	24%	364000	149,822
14	2013-14	ADDL	BL	19/AL	109/F	2,136,606	491,419	23%	353,000	138,419
15	2013-14	ADDL	BL	12/A	201/8R	2,003,001	460,690	23%	425000	35,690
16	2012-13	ADDL	BL	38	6/1R	1,414,504	325,336	23%	254611	70,725
17	2012-13	ADDL	BL	38	66-4R	1,813,827	417,180	23%	326,489	90,691
18	2012-13	ADDL	BL	53	26-3R	1,945,033	447,358	23%	389,007	58,351
Total									6,028,178	2,250,870

20	Chishtian	53/R	170-Murad	7,500	30	35	22	207	-	7	-	180	50	1,553	210	163,800	37,500
21	Fortabbas	5/A	179/7R	93,000	328	21	47	270	-	10	-	7	50	25,110	3,280	5,264	37,500
22	Chishtian	6790/L	Mehar Sharif	13,500	50	35	28	207	-	10	-	20	50	2,795	500	15,000	37,500
23	B. Nagar	14280/R	Mohib Ali	23,700	96	48	68	784	-	-	-	119	136	18,581	-	86,870	90,304
24	Fortabbas	10/A	243-FC	9,000	37	19	19	632	-	-	-	127	136	5,688	-	95,504	90,304
Sub Total													2,804,427	254,804	1,901,013	652,638	
G.Total																5,612,882	

Annex – H
[Para 4.2.9]

Excessive release of Government share Rs 1.689 million

(Amount in Rupees)

Sr. No.	year	type	class	W/C No.	Mauza	verified cost	Ratios as per PC-I	Govt. Share Paid FCR	Govt. as Per PC-I	Over Payment
1	2011-12	ADDL	PCPL	7/R	GHULAM MOHD	2,574,653	52%	1,647,779	1,338,820	308,959
2	2014-15	REG	PCPL	61200/L	DIAL SING	1,254,956	59%	765,523	740,424	25,099
3	2012-13	REG	PCPL	5/R	155/3L	2,076,745	59%	1,332,382	1,225,280	107,102
4	2014-15	REG	PCPL	2835/L	Mathela Qaimka	2,244,483	59%	1,463,136	1,324,245	138,891
5	2014-15	REG	PCPL	8	248/FC	3,954,290	59%	2,578,603	2,333,031	245,572
6	2013-14	Irr. Sch.	BL	112/2	Jodheka	311,668	55%	249,334	171,417	77,917
7	2014-15	Irr. Sch.	PCPL	344/10-22	Meero Baloch	311,704	55%	249,204	171,437	77,767
8	2014-15	Irr. Sch.	PCPL	448/84-25	Dulla Akuka	312,181	55%	249,745	171,700	78,045
9	2014-15	Irr. Sch.	PCPL	326/13	Azeem	311,351	55%	248,881	171,243	77,638
10	2013-14	ADDL	PCPL	12/A	98/6R	1,694,887	52%	933,524	881,341	52,183
11	2013-14	ADDL	PCPL	34/L	103/F	1,353,644	52%	745,112	703,895	41,217
12	2013-14	ADDL	PCPL	7/L	47/F	2,204,154	52%	1,210,979	1,146,160	64,819
13	2013-14	ADDL	PCPL	5/R	Nanak Chand	1,863,810	52%	1,025,637	969,181	56,456
14	2013-14	ADDL	BL	19/AL	109/F	1,348,186	55%	863,605	741,502	122,103
15	2013-14	ADDL	BL	12/A	201/8R	1,687,935	55%	930,800	928,364	2,436
16	2012-13	ADDL	PCPL	38	66-4R	1,449,918	52%	796,940	753,957	42,983
17	2012-13	ADDL	BL	53	26-3R	1,945,033	55%	1,240,013	1,069,768	170,245
Total										1,689,432

Annex – I
[Para 4.3.6]

Irregular establishment of Water User Associations

(Amount in Rupees)

Year	Watercourse No.	Village / Chak No.	No. of Total Farmers on W/C	Required 51% No. of Members	No. of Total Farmers in W.U.A	% of Members of WUAs	FCR Amount
2011-12	45	221/9R	34	17	7	21%	1,342,978
2011-12	53	26/3R	25	13	7	28%	1,240,013
2011-12	42	213/9R	58	30	7	12%	1,212,192
2011-12	25880/L	Shahbaz pur	58	30	7	12%	1,470,218
2011-12	70/L	177/M	54	28	7	13%	1,719,395
2011-12	28	4/1-R	55	28	7	13%	479,446
2011-12	40/1-10		12	6	5	42%	248,923
2012-13	55-L	99/F	25	13	7	28%	1,006,080
2012-13	18-R	132/M	16	8	6	38%	580,445
2012-13	71-B	308HR	25	13	7	28%	987,665
2012-13	14320-R	6-FW	42	21	7	17%	1,050,080
2012-13	4-R	Kot Haimraj	105	54	5	5%	1,424,922
2012-13	43736-L	Bonga Akbar Marti	19	10	5	26%	1,371,530
2012-13	62-R	44-F	50	26	8	16%	529,720
2012-13	46	221/9R	30	15	6	20%	963,015
2012-13	12A	201/8R	27	14	5	19%	930,800
2012-13	55/A	176/7R	55	28	7	13%	643,190
2012-13	3900-R	Banga Baluchan	29	15	5	17%	1,845,294
2012-13	118858-L	Bishan Singh	28	14	6	21%	1,935,904
2012-13	27-L	Murad Khardl	70	36	7	10%	541,075
2012-13	31013-R	Rab Nawaz Pura	53	27	7	13%	1,124,095
2012-13	22-L	108/F	20	10	5	25%	386,405
2012-13	5-A	51-F	26	13	8	31%	608,945
2012-13	9614-R	Kara Muhammad Ali	37	19	5	14%	2,820,540
2012-13	19-AL	109-F	19	10	8	42%	863,605
2012-13	19-A	269/H.R	22	11	6	27%	652,118
2012-13	132650/L	Sohail Singh	64	33	7	11%	1,208,440
2012-13	30-L	Syed Sir	45	23	5	11%	920,525
2013-14	27-L	Khatain	50	26	7	14%	1,222,213
2013-14	32147-R	Bharahaka Hatar	18	9	5	28%	1,504,360
2013-14	28/R	40-Fateh	19	10	7	37%	432,993
2013-14	13/R	Falak Sher Chishti	45	23	6	13%	1,107,555
2013-14	19/R	Kot Ghulam Muhammad Shah	80	41	5	6%	2,328,086
2013-14	64/A	29-3R	25	13	7	28%	1,511,965
2013-14	28/R	122/M	23	12	7	30%	631,977
2013-14	3/AR	164-7R	23	12	7	30%	1,193,729
2013-14	31690/R	Dolat pur	30	15	5	17%	3,311,015

Year	Watercourse No.	Village / Chak No.	No. of Total Farmers on W/C	Required 51% No. of Members	No. of Total Farmers in W.U.A	% of Members of WUAs	FCR Amount
2013-14	27/A	19-3R	34	17	7	21%	612,494
2013-14	176750/L	Doulat Pur	23	12	5	22%	1,173,649
2013-14	12/AR	98/6R	23	12	7	30%	933,524
2013-14	40705/L	Darbari Wala	22	11	7	32%	1,376,894
2013-14	8/R	Ghumana/Talia	43	22	7	16%	2,693,615
2013-14	5/9-L	118/6-R	35	18	6	17%	808,235
2013-14	23000/R	Kallar Wala	29	15	7	24%	1,915,143
2013-14	100/R	Bela Singh Chorri wala	61	31	5	8%	1,782,880
2013-14	50/A	219/9R	44	22	5	11%	738,795
2013-14	1/R	164-7R	39	20	8	21%	1,745,189
2013-14	3/BL	Modan wala	12	6	5	42%	194,044
2013-14	43950/R	Bela Singh Choori wala	101	52	7	7%	3,382,636
2013-14	5000/R	Bela Singh Choori wala	48	24	5	10%	2,344,574
2013-14	9200/R	Bair wala	25	13	6	24%	399,115
2013-14	5/R	Nanak Chand	45	23	7	16%	1,025,637
2013-14	20/R	36-Fateh	30	15	7	23%	1,000,088
2013-14	55A/3L	138-M	30	15	5	17%	1,069,515
2013-14	7/L	47-F	57	29	7	12%	1,210,979
2013-14	45/R	Murli Garh	30	15	7	23%	508,911
2013-14	18/L	118-M	70	36	7	10%	1,893,718
2013-14	34/L	103-Fateh	26	13	6	23%	745,112
2013-14	75/A	18-G	18	9	6	33%	835,568
2013-14	38	66-4R	24	12	6	25%	796,940
2013-14	54400/L	Khai Bodla	30	15	5	17%	940,295
2013-14	39	77-1L	28	14	7	25%	1,928,297
2013-14	88/B	339/HR	31	16	7	23%	2,748,518
2013-14	15220/R	Moka Sharif	38	19	5	13%	1,214,607
2013-14	19600/L	Syed wala	15	8	6	40%	2,062,497
2014-15	36	212/9R	37	19	7	19%	514,030
2014-15	26-B/34	77-1L	16	8	7	44%	1,078,542
2014-15	22/L	Amin Kot	67	34	7	10%	1,045,855
2014-15	59	298-HR	33	17	7	21%	1,009,370
2014-15	33/B	278-HR	37	19	7	19%	1,030,185
2014-15	7	205/9R	32	16	7	22%	999,225
2014-15	13/A	425/6R	25	13	7	28%	1,713,658
2014-15	14/A	260/HR	75	38	7	9%	4,129,748
2014-15	19	145/6R	25	13	7	28%	1,419,025
2014-15	17/A	Khtan	40	20	6	15%	2,429,275
2014-15	15/R	124/6R	34	17	7	21%	1,850,783
2014-15	29/TR	Chak Ghulam Muhammad	38	19	5	13%	2,067,521
2014-15	17914/L	Rohana	27	14	8	30%	876,607
2014-15	12/R	2-1R/3R	30	15	5	17%	1,440,625
2014-15	6/L	3-G	29	15	7	24%	1,660,989
2014-15	36/A	102/6-R	30	15	8	27%	644,282

Year	Watercourse No.	Village / Chak No.	No. of Total Farmers on W/C	Required 51% No. of Members	No. of Total Farmers in W.U.A	% of Members of WUAs	FCR Amount
2014-15	2R/1R/4R	Roda singh	73	37	6	8%	1,574,726
2014-15	22/L	14/1R	28	14	5	18%	1,015,565
2014-15	12/R	Lakhmeer Dhudy	67	34	5	7%	3,263,218
2014-15	53/R	170-Murad	45	23	6	13%	849,050
2014-15	49	220/9R	54	28	6	11%	1,877,641
2014-15	48450/L (32/L)	104-F	30	15	7	23%	969,120
2014-15	7/R	Ghulam Muhammad	20	10	5	25%	987,143
2014-15	7/L (17187/L)	Sobay wala	17	9	7	41%	1,033,816
2014-15	29A/37	80-1L	26	13	7	27%	1,395,498
2014-15	14220/L	Kabootri Otarr	15	8	7	47%	1,035,552
2014-15	7296/L	Mandri Raam	25	13	7	28%	847,404
2014-15	14280/R	Mohib Ali	24	12	6	25%	2,149,320
2014-15	3000/R	Khair Shah Utar	34	17	7	21%	1,595,996
2014-15	67110/R	Peer Sikandar	18	9	7	39%	1,431,733
2014-15	13/R (16350/R)	Muhib Ali	37	19	7	19%	3,287,733
							128,656,155

Annex – J
[Para 4.4.2]

Extra establishment expenditure due to construction of less lining

(Amount in Rupees)

Year	Establishment Expenditure Grant 36	Total No. of Watercourses Constructed
2011-12	-	14
2012-13	11,856,496.00	44
2013-14	12,385,416.00	66
2014-15	11,024,120.00	72
Total	35,266,032	196
Total Lining Executed in all Watercourses		150,346
Total Establishment Expenditure		35,266,032
Per Cubic Meter Est. Charges		235
Remaining Lining		2,247
Extra establishment charges required for remaining lining		527,069

Sr. No.	Watercourse No.	Village	Planned Lining (Meter)	Executed Lining (Meter)	Remaining Lining
1	1-R	164-7R	1,502	1,376	126
2	5/9L	118/6-R	724	634	90
3	19/R	Kot Ghulam Muhammad	1,567	1,555	12
4	8-R	Ghummana	1,810	1,709	101
5	4A	Toba Allah Yar	2,004	1,858	146
6	3.B.L	Molanwala	119	101	18
7	111180/R	Kabootri Otar	1,578	1,560	18
8	40705	Darbari Wala	746	711	35
9	43950-R	Bela Sing Chori	1,832	1,712	120
10	19600/L	Syed Wala	1,148	1,095	53
11	36100/L	Darbari Wala	1,078	1,042	36
12	10/L	Mana Seri Ram	889	725	164
13	4-R	Kot Himraj	1,406	1,170	236
14	27-L	Murad Kharal	340	320	20
15	4P-1/L	274/HR	617	595	22
16	22-A	271/HR	574	298	276
17	88	339/HR	900	878	22
18	20	229/9-R	636	594	42
19	44146/R	Ahmad Rahmonka	1,980	1,965	15
20	5	155/3L	1,260	842	418
21	2835/L	Mathela Qaimka	1,080	1,032	48
22	19-AL	109-F	944	715	229
Total			24,734	22,487	2,247

Annex – K
[Para 4.4.4]

Unauthorized drawl of farmer share for purchase of construction material or personal use by the WUAs Rs 1.579 million

(Amount in Rupees)

Sr. No.	Watercourse No.	Village / Chak No.	1st Installment			Date of Drawl from Bank	Amount	Total Amount
			Cheque No.	Date	Gross Amount			
1	38	6-1R	2136194	28.03.13	311,190	03.04.13	194,750 +25,750	220,500
2	5/R	Nanak Chand	2300261	29.10.13	391,495	24.09.13	25,600	25,600
3	7/L	47-F	2382050	25.01.14	433,384	03.01.14	15,000	-
						06.01.14	40,000	-
						13.01.14	35,000	90,000
								336,100
4	5-R	155/3-L		28.03.13	778,756	07.02.13	100,000	-
						27.02.13	100,000	-
						11.03.13	100,000	-
						26.03.13	60,000	360,000
4	18/AL	118/M	2630144	12.01.15	883,305	19.01.15	110,000	-
							50,000	160,000
	32/L	104/F	2394084	22.02.14	623,227	28.01.14	50,000	50,000
	8R	Ghummana	2067904	12.01.13	981,522	25.05.12	81,000	-
						15.01.13	170,000	-
						16.01.13	46,000	297,000
	13/A	425/6R	2150322	25.04.13	909,729	15.03.13	40,000	40,000
Total								1,579,200

Annex – L
[Para 4.4.6]

**Inefficient execution of work due to deviation of quantities mentioned in T.S
and FCR Rs 118,967**

(Amount in Rupees)

Sr. No.	Watercourse No.	Chak Mouza	T.S Quantities				FCR Quantities				Diff. in Quantities				Rates FCR				Amount			
			Bricks	Cement	Nakkas	Sand	Bricks	Cement	Nakkas	Sand	Bricks	Cement	Nakkas	Sand	Bricks	Cement	Nakkas	Sand	Bricks	Cement	Nakkas	Sand
3	19/R	Kot Ghulam Muhammad	351180	1315	80	182.6	342000	1230	84	177	9180	85	-4	5.6	4500	455	680	550	-	-	(2,720)	-
7	111180/R	Kabootri Otari	343230	1285	50	178.47	331000	1188	70	172	12230	97	-20	6.47	4910	530	910	750	-	-	(18,200)	-
9	43950-R	Bela Sing Chori	497255	1860	50	258.57	445500	1598	88	230	51755	262	-38	28.57	4910	530	910	750	-	-	(34,580)	-
10	19600/L	Syed Wala	36350	146.38	60	72.78	25700	101	88	59	10650	45.38	-28	13.78	4910	530	730	750	-	-	(20,440)	-
19	44146/R	Ahmad Rahmonka	472005	1768	110	245.44	416000	1475	92	215	56005	293	18	30.44	4500	445	640	550	-	-	-	-
20	5	155/3L	212005	798	70	133.19	181000	655	14	94	31005	143	56	39.19	4500	455	690	650	-	-	-	-
21	2835/L	Mathela Qaimka	29500	117.78	50	43.08	15000	60	52	23	14500	57.78	-2	20.08	5362	540	736	800	-	-	(1,472)	-
5	88/B	339/HR	456025	1708	65	237.13	418000	1490	68	218	38025	218	-3	19.13	4400	445	640	550	-	-	(1,920)	-
32-L	104/F		58270	217	50	30	63500	235	26	38	-5230	-18	24	-8	4607	530	730	750	(24,095)	(9,540)	-	6,000
Total																				118,967		

Annex – M
[Para 4.4.7]

Less construction of watercourses

Sr. No.	Watercourse No.	Village	Planned Lining (Meter)	Executed Lining (Meter)	Remaining Lining (Meter)
1	1-R	164-7R	1,502	1,376	126
2	5/9L	118/6-R	724	634	90
3	8-R	Ghummana	1,810	1,709	101
4	4A	Toba Allah Yar	2,004	1,858	146
5	3.B.L	Molanwala	119	101	18
6	111180/R	Kabootri Otar	1,578	1,560	18
7	40705	Darbari Wala	746	711	35
8	43950-R	Bela Sing Chori	1,832	1,712	120
9	19600/L	Syed Wala	1,148	1,095	53
10	36100/L	Darbari Wala	1,078	1,042	36
11	10/L	Mana Seri Ram	889	725	164
12	4-R	Kot Himraj	1,406	1,170	236
13	27-L	Murad Kharal	340	320	20
14	4P-1/L	274/HR	617	595	22
15	22-A	271/HR	574	298	276
16	88	339/HR	900	878	22
17	20	229/9-R	636	594	42
18	5	155/3L	1,260	842	418
19	2835/L	Mathela Qaimka	1,080	1,032	48
20	19-AL	109-F	944	715	229
Total			21,187	18,967	2220

Annex – N
[Para 4.5.2]

Doubtful verification of ICRs of Rs 2.941 million

(Amount in Rupees)

Sr. No.	Year	WC /No.	Village	Date of Registration		ICR-I		ICR-II		FCR		Amount Drawl From Bank	
				No.	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date
1	2014-15	381/10-3	Sapro Baloch	2116	19-Jan-15	175,000	19-Jan-15	50,000	06-Apr-15	226,973	10-May-15	164,000	16-Apr-15
2	2014-15	344/10-22	Mero Baloch	2118	19-Jan-15	175,000	19-Jan-15	50,000	10-May-15	249,204	16-Jun-15	164,475	14-Jul-15
3	2014-15	448/84-25	Dulla Akuka	2119	19-Jan-15	175,000	19-Jan-15	50,000	12-Jan-15	245,783	25-Jul-15	164,135	26-Jun-15
4	2012-13	12A	201/8R	2000	30-Apr-13	707,314	05-Jan-13	63,841	19-Apr-13	1,768,286	11-Dec-12		
5	2013-14	112-2	Johdeka	2007	20-Aug-13	249,769	05-Jan-13	249,769	05-Jan-13	249,769	05-Jan-13		
6	2014-15	326/13-3	Azeem	2117	19-Jan-15	175,000	19-Jan-15	50,000	18-Apr-15	249,881	17-Jan-15		
7	2011-12	53	26/3-R			440,179	05.01.12	330,146	11-Mar-12	469,688	16-Jun-12		
Sub Total						2,097,262		843,756					
G.Total								2,941,018					