SPECIAL AUDIT REPORT
ON
THE ACCOUNTS OF

SUSTAINABLE DEVELOPMENT GOALS ACHIEVEMENT PROGRAMME (SAP)

FINANCIAL YEARS 2018-19 & 2019-20

AUDIT YEAR 2020-21

(FEDERAL GOVERNMENT ENTITIES)

AUDITOR GENERAL OF PAKISTAN

PREFACE

The Auditor General conducts audit subject to Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. The Special Audit of "Sustainable Development Goals Achievement Programme (SAP)" was carried out accordingly.

Special Audit was conducted during 2020-21 for the financial years 2018-19 and 2019-20 to report significant findings to the stakeholders. This Audit Report on SAP is printed in four distinct volumes i.e. Federal Government, Provincial Government (Punjab), Provincial Government (Khyber Pakhtunkhwa) and Provincial Government (Balochistan) and are caused to be laid before relevant legislatures through the President and respective Governors. Audit examined the economy, efficiency, and effectiveness aspects of the works executed under the Programme. In addition, Audit also assessed, on test check basis, whether the management complied with applicable laws, rules, and regulations in managing the Programme. The Report indicates specific actions that, if taken, will help the management to realize the objectives of the Programme.

The Report has been prepared for submission to the President in pursuance of Article 171 of the Constitution of Islamic Republic of Pakistan, 1973 for causing it to be laid before the Parliament.

Sd/-

Islamabad
Dated: 28th September, 2021

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

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Abbreviations and Acronyms

BoD	Board of Directors
BOQ	Bill of Quantities
CCD	Central Civil Division
CDWP	Central Development Working Party
CEO	Chief Executive Officer
Cft	Cubic Feet
CPWA	Central Public Works Account
CPWD	Central Public Works Department
DAC	Departmental Accounts Committee
DAO	Divisional Accounts Officer
DCO	District Coordination Officer
DDWP	Departmental Development Working Party
DISCOs	Distribution Companies
E&M	Electrical and Mechanical
FESCO	Faisalabad Electric Supply Company Limited
GEPCO	Gujranwala Electric Power Company Limited
GFR	General Financial Rules
GoP	Government of Pakistan
GSC	Grid System Construction
ICT	Islamabad Capital Territory
IESCO	Islamabad Electric Supply Company Limited
KP	Khyber Pakhtunkhwa
LD	Liquidated Damages
LESCO	Lahore Electric Supply Company Limited
MB	Measurement Book
MEPCO	Multan Electric Power Company Limited
NA	National Assembly
NEPRA	National Electric Power Regulatory Authority
NIT	Notice Inviting Tender
NOC	No Objection Certificate

O&M	Operation and Maintenance
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PCD	Project Civil Division
PC-I	Planning Commission Proforma-I
PC-IV	Planning Commission Proforma-IV
PD	Project Director
PEC	Pakistan Engineering Council
PLA	Personal Ledger Account
PPRA	Public Procurement Regulatory Authority
Pak PWD	Pakistan Public Works Department
QESCO	Quetta Electric Supply Company Limited
SDGs	Sustainable Development Goals
SNGPL	Sui Northern Gas Pipelines Limited
SR	Schedule of Rates
SSGCL	Sui Southern Gas Company Limited
TDR	Term Deposit Receipt
TMA	Tehsil Municipal Administration
ToR	Term of Reference
TSE	Technical Sanction Estimate
XEN	Executive Engineer

EXECUTIVE SUMMARY

The Sustainable Development Goals (SDGs) of United Nations (UN) came into effect in January 2016. These seventeen (17) goals were built on the success of the Millennium Development Goals (MDGs) after inclusion of certain new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice. Government of Pakistan decided to incorporate these goals into its own "National Development Goals" in February 2016 for providing development opportunities to less developed areas through direct targeted intervention. For formal initiation, Ministry of Planning, Development and Special Initiatives internalized SDGs in its development framework embedding them in "Pakistan Vision 2025".

Henceforth, for achievement of Sustainable Development Goals, the formation of a special development programme called "Prime Minister's Global Sustainable Development Goals Achievement Programme" (hereinafter referred as "the Programme") was approved by the Federal Government. Cabinet Division circulated guidelines for implementation of the Programme on 10^{th} October, 2016. Federal Cabinet has been pleased to revise Sustainable Development Goals Achievement Programme (SAP)'s Guidelines in terms of its decision vide case No.166/Rule-19/2020 dated 05.03.2020, with the recommendations of Steering Committee made in its 9^{th} meeting dated 23.01.2020, to meet on ground difficulties and address the actual needs of community in different socio-economic regions.

The schemes of following Sectors qualify from SDGs Achievement Programme (SAP) to develop human resources and ensure balance regional growth:

i. Education
ii. Health
iii. Clean Drinking Water
iv. Roads (including Streets, Culverts, Bridges etc.)
v. Sanitation

vi. Gas (Missing gas infrastructure, subject to availability of Gas, duly certified by the Petroleum Division)
vii. Electricity
viii. Interventions, leading to SDGs (i.e. Graveyard, janazgah, Places of all Worship, Playgrounds, Public Parks and other Community Development initiatives etc.).

The number of schemes, funds expended and audited during the years 2018-19 and 2019-20 for Federal Government entity is tabulated below:

(Rs in million)

Department	Total Schemes approved	Schemes Audited	Funds Released	Expenditure	Expenditure Audited
Pakistan Public Works Department	2,415	1,435	9,411.285	7,008.897	7,008.897
SSGCL& SNGPL	81	0	100.00	0	0
Power	6,235	4,377	6,712.40	1,618.68	1,618.68
ICT LG	55	55	900.00	898.302	898.302
Total	**8,786**	**5,867**	**17,123.685**	**9,525.879**	**9,525.879**

Audit Reports containing results of audit of SDGs of Federal Government and Provincial Governments (Punjab, Khyber Pakhtunkhwa, Balochistan) have been compiled separately. This report contains results of audit executed by Directorate General Audit Works (Federal), Islamabad, Directorate General Audit (Federal Government) and Directorate General Audit (Power). During audit of the Schemes executed through SDGs following main deviations from approved/laid down guidelines/procedures were noticed:

Pak PWD

i. Unauthorized payment without approval of contract agreements - Rs 3,596.358 million[1]

ii. Execution of works of SDG's Achievement Programme (SAP) in violation of codal requirement regarding NOCs, O&M Certificates, etc - Rs 2,307.553 million[2]

iii. Unauthorized transfer of funds from lapsable PLA-I to non-lapsable PLA-IV - Rs 1,235.432 million[3]

iv. Unauthentic payment without recording of detailed measurement of work in Measurement Book - Rs 692.531 million[4]

v. Irregular procurement of works - Rs 258.448 million[5]

vi. Overpayment due to allowing excess quantities - Rs 97.812 million[6]

vii. Un-authorized payment due to execution of work beyond the approved scope of work – Rs 62.407 million[7]

viii. Non-imposition of liquidated damages for delay in completion of works - Rs 53.845 million[8]

ix. Overpayment due to execution of market rate items at higher rates - Rs 33.477 million[9]

x. Non-preparation of PC-IV of schemes / works under SDGs Achievement Programme - Rs 2,532.857 million[10]

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[1] Para 1.2.1.
[2] Para 1.2.2.
[3] Para 1.2.3.
[4] Para 1.2.4.
[5] Para 1.2.6.
[6] Para 1.2.8.
[7] Para 1.2.9.
[8] Para 1.2.10
[9] Para 1.2.11.
[10].Para 1.2.16

xi. Non-obtaining of non-duplication certificates for works and non-handing over of completed schemes alongwith operating cost - Rs 4,003.277 million[11]

xii. Non-achievement of objectives of development grants due to non-utilization of funds - Rs 385.977 million[12]

Corporate Entities of PEPCO

i. Irregular execution of electrification schemes due to non-vetting of estimates and without technical and financial review by the Consultant – Rs 3,452.792 million[13]

ii. Non-capitalization of completed electrification works - Rs 1,256.122 million[14]

iii. Non-initiation of village electrification schemes within the specified financial year of identification -Rs 253.603 million[15]

iv. Unjustified provision of overhead, survey charges, connection & establishment charges in estimates of SDGs schemes -Rs 939.077 million[16]

v. Non-completion of the schemes within the stipulated time - Rs 1,706.942 million[17]

ICT Local Government and Rural Development

i. Doubtful payments to contractor without actual measurement of work done - Rs 750.278 million[18]

ii. Execution of excessive work than tender quantity - Rs 269.239 million[19]

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[11]. Para 1.217
[12] Para 1.2.18.
[13] Para 2.2.1
[14] Para 2.2.5
[15] Para 2.2.7
[16] Para 2.2.3
[17] Para 2.2.6
[18] Para 3.2.1

Audit recommends that above cited instances of violations may be inquired and responsibilities may be fixed for:

a. Violation of Public Procurement Rules;
b. Payments made without recording detailed measurements in measurement book;
c. Expenditure incurred without mandatory Technical Sanction;
d. Unjustified provision/expenditure on account of overhead charges;
e. Non-capitalization of completed electrification works;
f. Non-preparation of PC-IV to finally close the projects;
g. Irregular placement of funds in PLA-III (Non-Lapseable) instead of PLA-I (Lapseable);
h. Execution of work beyond the approved scope of work;
i. Non-completion of schemes within stipulated time.

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[19] Para 3.2.2

1. INTRODUCTION

1.1 Rationale of the Programme

At the Sustainable Development Summit on 25th September, 2015 United Nations (UN) member states adopted the 2030 Agenda for Sustainable Development. The Agenda is comprised of 17 Goals which have specific targets to be achieved by 2030. These goals include new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. SDGs were launched by Government of Pakistan on 10th October, 2015 at National SDGs Conference organized by Planning Commission of Pakistan and United Nation Development Programme. The elements of Pakistan Vision 2025 are also linked with SDGs. The Government of Pakistan is responsible for follow up and review progress made in implementing the goals.

1.2 Approval of the Programme

The Prime Minister's Global Sustainable Development Goals Achievement Programme was approved by the Cabinet Division in its meeting held on 30th September, 2016. Cabinet Division circulated guidelines for implementation of the Programme vide notification No. F.7(2)(Dev)/2016 dated 10th October, 2016. Revised guidelines on the subject matter were issued by Cabinet Division vide Notification No.F. 1(1)/2020-SO(Dev-II) dated 9th March, 2020.

As per revised guidelines, these schemes are community based and ranges from Rs 0.25 million to Rs 50.0 million. In case of Gas Sector Scheme, the upper limit will be up to Rs 300 million. At least 10 residents of area are required to request for scheme to Divisional Commissioner or executing agency. The request of schemes shall be forwarded by the residents to the concerned Deputy Commissioners/ federal executing agencies of respective Ministries/Divisions for processing and approval from the approving forum as per rules/policy/instructions. Steering Committee is authorized to recommend release of lump-sum allocation of proposed funds to the Provincial Governments, Federal Ministries and

Divisions for further release/ utilization by the executing agencies against approved schemes. The funds will be released in form of Sanction Letter/ Surrender orders. The Provincial Governments and Federal Ministries/ Division will ensure following:

a. The schemes are feasible and are in public interest.

b. No other executing agency has undertaken or is undertaking the same scheme(s) in the area.

c. Federal Executing Agencies will obtain NOC from the Provincial Governments / District Governments that they will bear Operation and Maintenance (O&M), and recurring cost of the schemes after completion.

1.3 Description of the Programme

Programme for "Sustainable Development Goals" aims at providing development opportunities in deficient areas by direct targeted intervention on the recommendation of their respective communities in Education, Health, Clean Drinking Water, Roads, Sanitation, Gas, Electricity and interventions leading to SDGs. The programme is of legislative/public interest and has high social impact as large number of people are to be benefitted. Overall programme carries high financial value, however, individual schemes are of small value.

2. AUDIT OBJECTIVES

The objectives of the audit are to examine whether:

i. Cabinet Division's and Planning Commission's guidelines were followed and execution of schemes was aligned with overall objectives of SDGs;

ii. moneys shown as expenditure in the accounts were authorized for the purpose for which they were spent;

iii. expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money;

iv. principles of economy, efficiency and effectiveness were followed.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Scope

The scope included review of the development schemes under Sustainable Development Goals Achievement Programme executed by federal executing agencies i.e. Pakistan Public Works Department (Pak. PWD), Corporate entities of PEPCO and ICT Local Government during the years 2018-19 & 2019-20.

3.2 Methodology

i. Understanding the auditee/activity;

ii. Defining audit objectives;

iii. Developing audit procedures;

iv. Conducting audit as per audit procedures;

v. Evaluating results;

vi. Reporting.

CHAPTER 1
MINISTRY OF HOUSING AND WORKS
(PAKISTAN PUBLIC WORKS DEPARTMENT)

1.1 INTRODUCTION

The Directorate General Audit Works (Federal), Islamabad conducted special audit of the "Sustainable Development Goals Achievement Programme (SAP)" during October-December 2020 for the financial years 2018-19 and 2019-20.

Execution status of the programme by Pakistan Public Works Department is placed below:

Province	Total No. Schemes approved	Total approved Cost	Total Amount released	Funds utilized	No. of schemes Completed	No. of Schemes in process	No. of Schemes not started
		Rs in million	Rs in million	Rs in million			
Sindh	1,292	7,239.049	3,399.282	2,820.716	487	31	774
Punjab	798	4,949.257	4,014.874	2,277.500	405	237	156
KP	325	2,423.586	1,997.129	1,910.681	181	94	50
Total	**2,415**	**14,611.892**	**9,411.285**	**7,008.897**	**1,073**	**362**	**980**

1.2 AUDIT FINDINGS AND RECOMMENDATIONS

Irregularity and Non-Compliance

1.2.1 Unauthorized payment without approval of contract agreements - Rs 3,596.358 million

Para 7.12 (c) of Pakistan Public Works Department Code, 1982 provides that the agreement with the contractors selected must be in writing and should be precisely and definitely expressed.

Condition No. (i) of tender acceptance letters of the Chief Engineer (West) provides that the agreement may be drawn and submitted to the office complete in all respects after proper check by DAO and no payment may be made to the contractor without approval of agreement from the Competent Authority.

Audit noted that various Divisions of Pak. PWD made payments to the contractors on account of Sustainable Development Achievement Programme, without acceptance/signing of contract agreements by the competent authority, i.e. Chief Engineers/Superintending Engineers.

This resulted into unauthorized payments without formal approval of the contract agreements by the authorized officers competent to accept the contract agreements amounting to Rs 3,596.358 million (Annexure- A).

Audit pointed out the irregularity during October-December 2020. The Central Civil Division-I (CCD-I) Lahore and CCD Sialkot got approved 01 agreement each out of 11 agreements of both divisions and PCD Batkhela replied that contract agreements were signed by both parties i.e. contractors and Executives Engineers and the same were forwarded to the competent authority for approval. The department admitted the view point of Audit and informed that copy of approved agreements will be submitted to Audit after receiving from the competent authority. Remaining 11 formations out of 14 did not submit reply at the time of audit.

The matter was discussed in DAC meeting held on 19.04.2021 wherein the department stated that the condition of agreement was covered in the administrative approval, technical sanction, notice inviting tenders and biding documents. The same was then reflected the in the contract agreement which signed by the XEN and the contractor prior to start of work. The Audit pointed out that prior approval of the agreement by the competent authority was found missing in all cases. Representative of the Finance Division said that according to PPRA execution of the schemes without approval of the contract agreement is irregularity. The DAC directed the department to enforce the condition of prior approval of contract agreement in future. The Department was also directed to get the record of approval of agreement verified from the Audit.

Audit recommends that measures be taken to ensure timely approval of contract agreements before execution of works and making payments. Audit further recommends compliance of DAC directive.

1.2.2 Execution of works of SDG's Achievement Programme without observing codal requirement - Rs 2,307.553 million

Cabinet Division's Notification No. F.1) (1)/2020-SO(Dev-II) dated 9th March, 2020, stipulates that Federal Cabinet has been pleased to revise Sustainable Development Goals Achievement Programme (SAP)'s Guidelines in terms of its decision vide case No.166/Rule-19/2020 dated 5th March, 2020, with the recommendations of Steering Committee made in its 9th meeting dated 23rd January, 2020 to meet on ground difficulties and address the actual needs of community in different socio-economic regions. As per Para 3(iii) of the revised guidelines, the Provincial Governments and Federal Ministries/ Division will ensure following:

i. The schemes are feasible and are in public interest.
ii. No other executing agency has undertaken or is undertaking the same scheme(s) in the area.
iii. Federal Executing Agencies will obtain NOC from the Provincial Governments / District Governments that they will bear Operation and Maintenance (O&M), and recurring cost of the schemes after completion.

Further, as per Para ii of the administrative approval of works, Pak PWD was strictly advised to complete all codal formalities, PPRA rules, PEC bylaws, and ensure full transparency in award of works in all the cases. Photographs & visual / video of existing condition of all sites may be made for record before and after completion of work. On completion, 3rd party evaluation will be conducted. Scheme(s) will be started within two months of date of issuance of administrative approval.

Executive Engineers of various divisions of Pak PWD awarded schemes under Sustainable Development Goals Achievement Programme and payments of Rs 2,307.553 million (Annexure-B) were made to the contractors during the financial year 2019-20. Audit observed that:

i. Departments did not ensure that no other concerned agency has undertaken or was undertaking the same schemes in the area.

ii. O&M certificates from agencies responsible for maintenance and recurring expenditure after completion, was not available on record.

iii. Certain schemes were not started within two months from the date of issuance of administrative approval. Schemes were identified for the financial year 2018-19 but executed during the financial year 2019-20.

iv. Contractors valid Registrations with Pakistan Engineering Council Contractors License of the contracts were not found on record.

v. The Site Inspection Notes, Supervisory Site Reports of the schemes were not maintained in concerned divisions. This showed that the Superintending Engineers did not spend 25% of their time on inspection of SAP schemes.

vi. Photographs & visual/video of existing condition of all sites before and after completion of work was not available on record produced to Audit.

vii. Public Health schemes (water supply & sewerage) were executed without obtaining NOC and O&M certificates from the concerned department and warranty of water pumping sets were also not obtained.

In the lights of above discrepancies, all payments amounting to Rs 2,307.553 million made to the contractors held irregular and unjustified.

Audit maintains that the irregularity occurred due to violation of instructions & guidelines issued by Cabinet Division and weak internal controls.

Audit pointed out irregularity during October-December 2020. The department submitted interim reply as detailed below:

i. Superintending Engineer visited the sites randomly and wrote inspection notes. Test checks were also carried out by Divisional officers.
ii. The scheme was identified for the year 2018-19 but funds has been received for the year 2019-20. Accordingly work was executed during the year 2019-20.
iii. Non-duplication and O&M Certificates have been obtained.
iv. Handing over certificate of complete scheme will provide for verification to audit.
v. Pumping sets/solar panels were of reputed brands and their warranty can be verified on website.

The reply was not accepted as no documentary evidence was produced.

The matter was discussed in DAC meeting held on 19.04.2021. The DAC was informed by the department that delayed implementation was forced by the delayed release of fund and was condoned by the Steering Committee. The department informed that the required documents were available on record. The DAC directed the department to get the record verified from Audit.

Audit recommends that measures be taken to ensure observance of codal formalities. Audit further recommends compliance of DAC directives.

1.2.3 Unauthorized transfer of funds from lapsable PLA-I to non-lapsable PLA-IV - Rs 1,235.432 million

The Finance Division (Budget Wing), Government of Pakistan vide letter No. F-3(20) BR/II/94-B-Vol-I/313 dated 15th April 1997 allowed operation of four (4) Personal Ledger Accounts (PLA) in Pak. PWD with zero balances operative from 1st July, 1997:

PLA No.	Description	Nature
PLA-I	Annual Development Programme	Lapsable
PLA-II	Maintenance only	Lapsable
PLA-III	Deposit Works	Non-lapsable
PLA-IV	Other Deposits such as Contractor's Securities, GP Fund receipts, etc.	Non-lapsable

Audit noted that Executive Engineers of three Divisions of Pak. PWD placed/kept the funds released by the Government against various development schemes of Sustainable Development Goals Achievement Programme (SAP) for the financial year 2018-19 & 2019-20 in non-lapsabel PLA-III instead of PLA-I to avoid the lapse of funds of development schemes in June and use the same in next financial year. This resulted in irregular/unauthorized placement of development funds of Rs 1,087.092 million in non-lapsable PLA-III account as detailed below:

Sr. No.	Para No.	Name of Division	Amount (Rs in million)
1	01	CCD- D.G Khan	457.452
2	04	CCD-I Lahore	322.752
3	01	CCD- Bahawalpur	306.888
4	01	CCD Sargodha	148.34
		Total	**1,235.432**

Audit maintained that unauthentic/irregular placement of funds in to non-lapsabel PLA-III was due to weak internal controls.

Audit pointed out the irregularity during October-December 2020. CCD-I Lahore replied that funds of the SAP Schemes were released by DCO as Deposit Works to Pak PWD during June 2020 and the concerned DCO also advised to place these funds in Non-Lapseable Accounts (PLA-III) for proper utilization and execution of the schemes in the best public interest. The reply was not accepted because funds released by the DCO were development funds pertaining to SAP which were required to be placed in PLA-I (Lapsebale). PLA-III deals with funds relating to all deposit works to be executed on behalf of private bodies, non-government institutions funds which are not provided through budget. Therefore, department was required to be placed the development funds released by DCO in PLA-I instead of PLA-III. In remaining two cases department did reply at the time of audit.

The matter was discussed in DAC meeting held on 19.04.2021. The DAC ordered a fact finding inquiry to ascertain as to why the funds were transferred from PLA- I to PLA-III despite clear directions of the PAO to the contrary.

Audit recommends compliance of DAC directive regarding inquiry and fix responsibility against persons at fault besides appropriate measures to stop such practices in future.

1.2.4 Unauthentic payment without recording of detailed measurement of work in Measurement Book - Rs 692.531 million

As per Para 208 of Central Public Works Accounts Code, payments for all work done are made on the basis of measurements recorded in the Measurement Book (Form 23) in accordance with the rules in Para 209 of CPWA Code. The Measurement Books should, therefore, be considered as very important accounts record. Para 209(b) states that all measurements should be neatly taken down in a Measurement Book.

Audit noted that Executive Engineers of various Divisions of Pak PWD, made payments of Rs 692.531 million without recording of detailed measurement of each item of work done in Measurement Books.

Audit observed that in mostly cases department made advance payments to the contractors without measurement and without execution of the works. Veracity/authenticity of payment could not be verified in absence of detailed measurements in Measurement Books. Further, execution of huge quantum of work within ten days as per specification was not possible as most of the works involved cement concrete which requires 28 days for achieving specified strength. It appeared that no work was executed at site and contractor's bills were preferred on the basis of unrealistic certificates recorded by the concerned Sub-Engineers and Assistant Executive Engineers. This resulted in unauthentic payment of Rs 692.531 million (Annexure-C).

Audit pointed out the irregularity during October-December 2020. The department replied in six (06) cases that the sites of works were scattered and situated in remote hilly and far flung areas. Due to time constraints, it was not possible to make payment after properly recording the detail measurement for all works. So, payment was made as work done but not measured as per Para 229, CPWA Code. Payment of work done but not measured and actually executed was made on the basis of certificate of Assistant Executive Engineer/Sub-Divisional Officer Incharge of the works. In remaining thirteen (13) cases out of nineteen (19), department did not reply.

The replies were not acceptable because the department made payments in advance without measurements to avoid the lapse of funds. Further, execution of huge quantum of work within ten days was not possible as per specification. Certificates recorded by the concerned Sub-engineers and Assistant Executive Engineers tantamount to misuse the power to utilize the funds at the close of financial year.

The matter was discussed in DAC meeting held on 19.04.2021. The DAC directed the department to get the measurement Book verified from the Audit.

Audit recommends verification of record in compliance of DAC or fixing of responsibility against those who made payment without execution of work and recording detailed measurements in Measurement Books.

1.2.5 Irregular expenditure due to execution of schemes without mutation of land in the name of Government - Rs 276.966 million

According to para-2 of the Director General Pak PWD letter No. DG-111/W-II(A) dated 17th May, 2019, for Sustainable Development Goals Achievement Programme, only new schemes are to be identified under SAP as per its approved guidelines. There is no provision of rehabilitation/improvement/reconditioning of old schemes.

According to condition No. (ix) of the Admn. Approval issued by Ministry of Housing and Works, land is to be mutated (free of cost) in the name of government before award of work.

Audit noted that the Executive Engineers, PCD Sahiwal and CE/M Division Peshawar awarded 40 schemes amounting to Rs 276.966 million under the Sustainable Development Goals Achievement Programme during 2019-20.

Audit observed that as per directions of the Ministry of Housing and Works, only new development works / schemes to be executed under SAP and the department was required to obtain mutation of land in the name of government before award / execution of works. The works have been completed in June 2020 but mutation of land in the name of government was not obtained from concerned authorities. This resulted in irregular expenditure of Rs 276.966 million due to execution of schemes without mutation of land in the name of Government.

Audit holds that the irregularity was occurred due to oversight mechanism of internal and technical controls.

Audit pointed out irregularity during October-December 2020. The department (PCD Sahiwal) replied that documents of ownership have been obtained from Revenue Department Punjab. Central Electrical & Mechanical Division Peshawar replied that all schemes executed are either on government land or otherwise provided by local community.

The matter was discussed in DAC meeting held on 19.04.2021. The DAC recommended the para for settlement subject to record verification.

Audit recommends mutation of land and verification of record.

(Para No. 2 PCD Sahiwal and Para No. 8 CE/M Peshawar)

1.2.6 Irregular procurement of works - Rs 258.448 million

As per Para 10 of PPRA rules, specifications shall allow the widest possible competition and shall not favour any single contractor or supplier nor put others at a disadvantage. Specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar classifications. However, if the procuring agency is convinced that the use of or a reference to a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words “or equivalent”.

Planning and Development Division, Islamabad vide their letter No.8(06)WR/PC2008 dated 12.12.2008 circulated the decision of ECNEC taken in its meeting held on 12.11.2007 regarding implementation of revised PEC standard bidding/contract document by Federal, Provincial Departments/Origination and District Governments. Para A of instructions to users of PEC bidding document edition June 11, 2007, “These Documents have been prepared as a global document intended to be used by different agencies/users according to their requirements. This document is envisaged for Local Competitive Bidding (LCB), meant for use for works costing not more than Rs 25 Million.

According to para 2(ii) of Admn. Approval of the Sustainable Achievement Programme, Pak PWD is strictly advised to complete all codal formations, PPRA rules, PEC bylaws and other applicable rules and regulations in all cases.

As per para 35 of PPRA Rules 2004, the procuring agencies shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract.

Audit noted that Executive Engineers of various Divisions of Pak PWD, awarded works under Sustainable Development Goals Achievement Programme for the financial year 2018-19 and 2019-20 amounting to Rs 258.448 million. Audit observed following irregularities:

i. Contractors did not produce the valid PEC registration during the time of award.
ii. The divisional office did not prepare any evaluation report of rejected tenders and also not published before award of contact.
iii. Tenders of some works were awarded before lapse of ten days from the date of opening of tender in conflict of above coted rules.
iv. Six schemes pertaining to Central E/M Division-I Karachi did not advertise in print media which was against the PPRA Rules 2004.
v. In some cases PEC standard bidding documents were not adopted for calling tenders.
vi. Multiple schemes were awarded to the single contractor at same time which was against the rules.

In the light of above irregularities audit observed that department failed to ensure proper scrutiny/evaluation of the bidding process and un-due favour was given to the selective contractors. This resulted in irregular procurement of works amounting to Rs 258.448 million (Annexure-D).

Audit holds that irregularity occurred due to non-implementation of effective technical and internal controls.

Audit pointed out irregularity during October-December 2020. The department replied against Para No 01&03 pertaining to CCD-I Lahore that all the tenders were opened on 28th April, 2020 and awarded on 5th June, 2020 i.e. after 38 days from the date of opening of tenders. The tenders with approved cost upto 2 million were invited from the approved contractors of Pak PWD duly renewed for the year 2019-20. The required documents for signing of agreement, PEC registration was inadvertently typed, which is regretted. Para No.14 pertaining to CCD- Faisalabad PEC bidding documents will be used for the projects having contract value more than Rs 10.00 (M). This was decided in a meeting held under the Chairmanship of Secretary Housing & Works on 13th June, 2006. All the projects mentioned in the para having cost less than 10 Million that is why PEC standard bidding documents were not used in these projects. In remaining eight (08) cases out of eleven (11), department did not reply.

The departmental reply was not acceptable because no documentary evidence was produced to Audit. Further as per PEC instructions, PEC bidding documents were required to be adopted for project with the value of more than Rs 25.00 million.

The matter was discussed in DAC meeting held on 04.06.2021. The DAC directed the department to get the record verified from Audit.

Audit recommends that Pak PWD should use bidding documents prescribed by PEC for award of works. Audit further recommends compliance of DAC directives.

1.2.7 Unjustified approval and execution of works in violation of guidelines - Rs 128.100 million

Notification No. F.1(3)/2018-19-SO(DEV-II), dated 27th February, 2019 regarding guidelines for Sustainable Development Goals Achievement Programme (SAP) requires to follow the following guidelines for execution of the subjected programme as under:

3(i). At least 30 (thirty) residents of the area will identify the scheme(s). Only schemes with estimated cost ranging between Rs 0.5 million to Rs 50 million shall be included in the programme.

According to para-11 of the policy guidelines of the Cabinet Division for Sustainable Development Goals Achievement Programme (SAP) issued vide letter No.F.1(3)/2018-19-SO(DEV-II), dated 27th February, 2019, the savings against the schemes completed shall be surrendered immediately on completion, without waiting for closing of the financial year. No new scheme shall be entertained against savings of the originally funded schemes. As per para-12 of the same letter, the schemes so identified should reach Programme Secretariat / Cabinet Division by 31st December, for the respective financial years.

Audit noted that Executive Engineers of various Divisions of Pak PWD, award works under Sustainable Development Goals Achievement Programme for the financial year 2018-19 and 2019-20 amounting Rs 128.100 million (Annexure-E).

Audit observed following irregularities:

- The divisional office released the payment to the contractor without assuring the monitoring arrangements of the district government about execution of works at site. In this way the direction of Deputy Commissioner Office were not followed by the divisional office at the time of making payments to contractors.
- In PC-I of the some scheme only total 8 No. National Identity Card of the residents of the area were found attached with the application instead of minimum 30 residents of areas as per guidelines of the Cabinet Division.
- As per guidelines schemes costing above Rs 30 million would not be entertained but in one case the work was awarded beyond the prescribed limit.
- The department has initiated / awarded a work of construction of existing metalled road as narrated in PC-I because as per laid down rules only new development works / schemes were to be executed through SDGs achievement programme and no provision for rehabilitation / improvement and reconditioning would be entertained as that belongs to operation and maintenance.

- Some schemes were executed against savings out of original schemes was a violation of quoted rules.
- Construction of some portion of road i.e. 540 Rft length to facilitate the individual base instead of community based which was against the guidelines of the Cabinet Division.

In the light to above observations/irregularity audit is of the view that department could not fulfill the requirements which was mandatory as per guidelines issued by the Cabinet Division. This resulted in unjustified approval and execution of works of Rs 128.100 million.

Audit pointed out irregularity during October-December 2020. The department replied against para No.03 & 08 pertaining to CCD-Gujranwala that all the works were physically visited by the Engineers headed by the Deputy Commissioner's Officer. The monitoring reports were not issued from that office. In other case para No.08 department replied that the competent forum of DDWP accepted the cases strictly in accordance with guidelines issued by the Cabinet Division. CCD Pak PWD Faisalabad replied that before framing the PC-I NOC/NDC obtained from the concerned department through Deputy Commissioner concerned with the request that concerned department will take over the schemes after the expiry of maintenance period. CCD-I Lahore replied that the scheme was identified to benefit the masses / community and executed accordingly as per administrative approval and requirement at site. In remaining cases department replied that the scheme were approved by the competent forum on 20.03.2020 which is not on existing road, whereas the new portion of road was identified and approved in accordance with the SAP Guidelines. The new portion of road mentioning therein the remaining portion has been completed as per administrative approval. The schemes were awarded after receipt of funds accordingly, there is no violation of any guide lines of SAP development Programme. The reply of the department was not accepted because documentary evidences in support of replies were not produced to Audit.

The matter was discussed in DAC meeting held on 04.06.2021. The DAC was informed that all schemes executed as per Cabinet Division guidelines. The Department was accordingly directed to provide the record to Audit to prove the contention.

Audit recommends compliance of DAC directive regarding verification of documentary evidences.

1.2.8 Overpayment due to allowing excess quantities - Rs 97.812 million

According to Terms & Conditions of Acceptance Letters of works, "No excess over the quantities given in the BOQ should be permitted in respect of all items of work". Further additions/alterations are not allowed without prior approval of the Competent Authority.

As per Estimate Technically Sanctioned by the Chief Engineer (North) vide No. letter No. CEN/W-1/5268(NA-21)/6120 dated 14.10.2016, following conditions were provided for strict adherence during execution of the work:

No excess over the quantities given in the BOQ should be permitted in respect of all items of work.

No extra/substitute items should be allowed to execute at site without prior approval of the competent authority.

As per Para-56 of CPWD Code provides that for each individual work proposed to be carried out, proper detailed estimate must be prepared for the sanction of competent authority; this sanction is known as the technical sanction to the estimate. As its name indicates, it amounts to no more than a guarantee that the proposals are structurally sound and that estimates are accurately calculated and based on adequate data.

Audit noted that Executive Engineers of various divisions of Pak PWD were awarded works/schemes under Prime Minister's Global

Sustainable Development Goals Achievement Programme, during financial year 2018-19 & 2019-20.

Audit further noted that quantities of items of works were measured and paid quantities of items of work in excess of provisions of BOQ/TS Estimate of the works.

Audit observed that excess quantities were paid without approval of the competent authority in violation of standing instructions by the Chief Engineers. This resulted in overpayment of Rs 97.812 million (Annexure-F).

Audit pointed out the overpayment during October-December 2020. The department replied against para No.06 CCD-Abbottabad, that the TS/BOQ was prepared within the original PC-I provision but subsequently, variation in quantities of items of work executed occurred as per site requirement. The site of work is located in remote hilly area and after commencement of work, certain items of work included within BOQ required variation in quantities as per actual and previously unforeseen site requirement, which were adopted accordingly being inevitable. Those variations were duly incorporated in revised PC-I and got approved from CDWP in its meeting held on 02.05.2018 as conveyed through OM No. 16(282) PIA-III/PC/2016 dated 06.06.2018. Revised TS will be obtained from the competent authority in due course. The reply was not acceptable because no documentary evidence was produce regarding of revision of T.S Estimate. In Para No. 1,8,10,13 & 16 department replied that works were executed according to actual requirement of sites. Replies are not acceptable because variations in quantities of items of work were made without prior approval of the competent authority which was irregular. In para 01-A to 01-D CCD-Mirpurkhas, department replied that deviation statement of the work is under approval from competent authority, however work was executed within the administrative approval. The department has admitted audit observation that quantities of work were allowed/paid in excess than provided in BOQ prior approval of competent authority. In remaining thirteen (13) cases out of twenty three (23) cases department did not reply.

The matter was discussed in DAC meeting held on 04.06.2021. The department informed that in certain cases the quantities executed were within permissible limits while approval of the Competent Authority was obtained wherever it exceeded the limits. The DAC directed the department to get these facts verified from Audit.

Audit recommends compliance of DAC directive regarding verification of facts.

1.2.9 Un-authorized payment due to execution of work beyond the approved scope of work – Rs 62.407 million

According to acceptance letter of the work, no excess over the quantities given in the BOQ should be permitted in respect of all items of work and the work should be executed strictly in accordance with the specification/standards stipulated in the agreement. Addition/alteration are not allowed without prior approval of the Competent Authority and such work should be carried out strictly in accordance with the approved drawing/line plans & specification.

As per BOQ of the work P/L Water Supply line Haider Chali, Muhammadi Chowk, Bawani Chali, Rehri Chowk and Tanki Mohallah Ward I, II, III & IV Pathan Colony Dist. West Karachi, there was a provision of laying 10”, 6” and 4” dia sewerage pipe.

Para 6.09 of Pakistan Public Works Department Code (Revised-1982) states that a proper detailed estimate must be prepared for the sanction of the competent authority for each individual work proposed to be carried out. This sanction was known as the Technical Sanction to the estimate and must be obtained before the construction of work was commenced. As its name indicates, it amount to no more than a guarantee that the proposal are structurally sound, and that the estimates are accurately calculated and based on adequate data.

Audit noted that Executive Engineers of various Pak PWD divisions awarded six (06) schemes under Prime Minister Global Sustainable

Development Goals (SDGs) and total value of work done upto last running bills paid to the contractors was Rs 62.407 million. Audit further noted that in three (03) schemes department measured and paid excess width of roads beyond the approved typical X-section and in other cases department substituted the items of work without prior approval of the competent authority.

Audit observed that department was required to be execute the works according to approved scope of work and substitute items were also required to be execute after prior approval of the competent authority. This resulted in Un-authorized Payment due to execution of work beyond the approved scope of work – Rs 62.407 million (Annexure-J)

Audit pointed out un-authorized payment during October-December 2020. In three (03) cases para No.2,6&11 department replied that during the execution of work the width was enhanced on the demand of inhabitants of the area i.e. the end users as per requirement of site. In three (03) cases out of six (06) department did not reply.

The replies are not acceptable because the Technical Sanctioned estimates of the works were prepared on the basis of proper survey of the site of roads. During execution of the work the width of the road were increased from approved scope without change in design/drawing and approval of the competent authority which was irregular and unauthorized.

The matter was discussed in DAC meeting held on 04.06.2021. The DAC directed the department to get the record verified from Audit.

Audit recommends compliance of DAC directive regarding verification of documentary evidences.

1.2.10 Non-imposition of liquidated damages for delay in completion of works - Rs 53.845 million

Clause 7.4 – of Contract Data of the Contract Agreement provides that amount payable due to failure to complete shall be 0.1% of contract price for each day of delay in completion of the works subject to a maximum of 10% of the contract price stated in the letter of acceptance.

Clause 47.1 of the contract agreements provides that if the contractor fails to comply with the time completions schedule, the contractor shall be liable to pay delay completion compensation upto 10% of the contract cost.

Audit noted that Executive Engineer Central Civil Division, Pak. PWD, D.G Khan awarded 88 schemes costing Rs 538.847 million during the financial year 2019-20.

During scrutiny of progress report for the month of June 2020, audit observed that contractors could not complete the works in stipulated time period. So the contractors rendered themselves liable to pay liquidated damages which were not recovered. This resulted in non-recovery of liquidated damages amounting to Rs 53.845 million.

Audit pointed out irregularity during October-December 2020. The department did not reply.

The matter was discussed in DAC meeting held on 04.06.2021. The department informed that the works were completed within stipulated period. The DAC directed the department to get the record verified from Audit.

Audit recommends compliance of DAC directive regarding verification of documentary evidences.

(Para No. 03)

1.2.11 Overpayment due to execution of market rate items at higher rates - Rs 33.477 million

Rule-10(i) of GFR (Vol-I) provides that every officer is expected to exercise the same vigilance in respect of expenditure from public fund as a person of ordinary prudence would exercise in respect of expenditure out of his own money.

Audit noted that Executive Engineers of various divisions of Pak PWD, awarded thirty five (35) schemes under Sustainable Development Goals Achievement Programme during financial year 2019-20.

Audit observed that in mostly cases rates for different non-schedule items were calculated and applied at very higher side and in some cases rates for scheduled items of works were paid to the contractors in excess than rate provided in Pak PWD scheduled of rate 2012. Due to execution of items with higher rates has resulted into overpayment of Rs 33.470 million (Annexure-G).

Audit pointed out overpayment during October-December 2020. The department replied against Para No.07 CCD-Faisalabad, that Understanding of audit regarding the calculation of rate of 1/2 mile lead is not correct. They are misreading the item No.14 at Page No.409, item is reproduced here as: - "Extra for every 100 feet lead beyond first 100 feet and upto 500 feet. Therefore rate of 1/2 mile @ Rs 1131.83 calculated by the department is correct. In para No.15 pertaining to CCD-I Lahore department replied that as per ground realities i.e. item at Sr. No.78 (Road & Runway) of CSR 2012 was Technically Sanctioned as per approved rate @ (Rs 7,544.05 Per Ton) and included in the Schedule of items of the Agreement at Sr. No.6**.** In remaining seven (07) cases out of nine (09) department did not reply.

The department reply (Para No.07) is not acceptable because as per Pak PWD SR 2012, an amount of Rs 77.35 was required to be added for every 100 feet lead of upto 500 feet. Para No.15 reply is not acceptable because the item was executed in single layer with a thickness of 2” which exists at Sr. No.66 of CSR 2012. Measurement recorded in M.B does not indicate that substituted item was executed at site. Therefore departments may recovered the overpayment from the contractors.

The matter was discussed in DAC meeting held on 04.06.2021. The department replied that the Competent Authority had notified premium on existing rates after analyses of markets rates. The DAC directed the department to get the record verified from Audit.

Audit recommends compliance of DAC directive.

1.2.12 Unauthentic laying of water supply pipes without construction of water tanks - Rs 28.042 million

As per Para 208 of Central Public Works Accounts Code, payments for all work done are made on the basis of measurements recorded in the Measurement Book (Form 23) in accordance with the rules in Para 209 of CPWA Code. The Measurement Books should, therefore, be considered as very important accounts record. Para 209(b) states that all measurements should be neatly taken down in a Measurement Book.

Audit noted that Executive Engineer, Project Civil Division Pak. PWD Batkhela awarded seven (07) Drinking Water Supply Schemes under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme during the financial year 2019-20.

Audit observed that the contractor laying water supply pipe for full quantities provided in the BOQ and same was paid to the contractor. Audit further observed that contactor constructed only one tank against the provision of five (5) and (4) four tanks. This means that the water supply pipes of dia 1″ and 3/4″ were laid without actual construction of required number of water tanks in violation of provision of Technically Sanctioned detailed estimate which is termed as unauthentic. This resulted in unauthentic execution/laying of pipes for Rs 28.042 million for water supply schemes without construction of water tanks.

Audit pointed out irregularity during October-December 2020. The department replied that, the remaining water tanks has also been executed at site as per requirement, however the detail measurement was awaited as the funds were lapsed. The funds are being revalidated from the appropriate forum and the accounts of the contractors are still at running stage. Three to four water tanks as per requirement of site has been provided in various places of all the Water Supply Scheme the proper connection have also been provided. The Schemes are functional and the people of the area are enjoying the facility.

The reply is not acceptable because if the water tanks were executed then the record measurements of the water tanks should have been recorded in the MB. The items of water supply pipes were paid without actual execution of water tanks which creates doubt even on the execution of the water supply pipes. This states of affairs tantamount the whole water supply schemes as doubtful.

The matter was discussed in DAC meeting held on 04.06.2021. The DAC directed the department to get the record verified as per work executed from Audit.

Audit recommends compliance of DAC directive regarding verification of documentary evidences.

(Para No. 05)

1.2.13 Unjustified payment due to execution of work beyond the permissible limit of 15% - Rs 21.367 million

Para 6.17 of CPWD Code provides that when the expenditure upon a work exceeds, or is found likely to exceed, the approved cost more than 15% or the amount prescribed in para 6.14 whichever is less, a revised approval must be obtained from the authority competent to approve the cost, as so enhanced.

Audit noted that Executive Engineer Central Civil Division Pak PWD Abbottabad award a work for "water supply scheme Butti U/C Sher Garh District Mansehra on 24.10.2016 with agreement cost of Rs 14.655 million which was 12.7% above from the NIT cost of Rs 13.004 million. The total value of work done up to last 5th running bill paid to the contractor was Rs 21.367 million.

Audit observed that T.S estimate of said work was based on Market Rate System (MRS) which was technically sanctioned by the Chief Engineer (North) for Rs 13.134 million. Audit further observed that payment of Rs 21.367 million was paid to the contractor against the agreement amount of Rs 14.655 million which was 62% above from the T.S Estimate cost of Rs 13.134 million.

Audit is of the view that because cost of the work was exceeded from the permissible limit of 15% therefore estimate was required to be revised which was not done by the department. This resulted in unjustified payment due to exaction of work beyond the permissible limit of 15% Rs 21.367 million.

Audit maintains that irregularity occurred due to inadequate oversight mechanism of enforcing relevant rules and regulation and week financial / internal controls.

Audit pointed out unjustified payment during October-December 2020. The department did not reply.

The matter was discussed in DAC meeting held on 04.06.2021. The department replied that the PC-I was revised and approved by the competent forum. The DAC directed the department to get the record verified with reference to approved PC-I and TS estimate from Audit.

Audit recommends compliance of DAC directive regarding verification of documentary evidences.

(Para No. 02)

1.2.14 Irregular payment of earth works quantities - Rs 17.31 million

As per Admin Approval of M/O Housing & Works para (iii) No.F.60(DDWP-1)2019-20/AEA dated 21.10.2019 a feasibility report (which also includes geotechnical soil report) must be prepared in order to fulfill SDGs/SAP Guidelines issued vide notification F. 7(2)(Dev)/2016 dated 11th September, 2017. Similarly, letter No.383 dated 07.02.2020 of Staff Officer of the Chief Engineer Office Lahore, while approving the bid of 1st lowest it was directed that quantities of earthwork should be restricted as per T.S estimate.

Audit noted that Executive Engineer CCD Pak.PWD, Faisalabad, awarded 07 schemes under SDGs / SAP programme during the financial year 2019-20. Audit further noted that department measured and paid item of works i.e earth filling (earth obtain from barrow pits up to lead 100 feet) by taking the height upto 3 feet for Rs 17.316 million.

Audit observed photographs of villages and streets were linked in PC-I showing earthen roads and streets already existed and compacted. Audit further observed that numerous bidders participated in bidding process and almost every bidder quoted 30 to 50% above on road work item excluding the earth work item whereas rates of earth work items quoted at par of Pak.PWD schedule rates of 2012.

Audit is of the view that because road was already existed on all locations of work therefore earth work item was not required and earth work item was included in the estimate to provide the financial benefits to the contractors. This resulted into irregular payment of Rs 17.316 million.

Audit pointed out irregularity during October-December 2020. The department replied that Katcha tracks were almost available in each side. Average depth of earth filling is about 2'-3" to 3 feet depending upon the site condition. This raising is essential mainly due to two reasons.

a. If we will not raise the road then during the rainy season, road will be inundated and ultimately destroyed.
b. In water logged area water table is quite high. In order to make the road safe from water logging effects we will raise the road through earth filling. As far as 5 feet shoulders on both sides are concerned. These shoulders provide space for over taking and crossing purposes. Shoulders are the essential part of each metalled road. They provide stability to the road.

Reply is not accepted because earth work was executed by filling an area where was already an old road structure was available. So filling at the depth of 2 to 3’ feet was unjustified and irregular.

The matter was discussed in DAC meeting held on 04.06.2021. The department replied that on average earth filling of 2'-3" feet was added. The DAC directed the department to provide the level books and road profile to the Audit for verification.

Audit recommends compliance of DAC directive.

(Para No. 12)

1.2.15 Unjustified expenditure - Rs 1.873 million

As per para 3(viii) of Government of Pakistan Cabinet Division Development Wing Notification No. F.1) (1)/2020-SO(Dev-II) dated 9th March, 2020, expenditure shall not be incurred on purchase of equipment (if not part of the scheme), vehicles, fixtures, salaries, printing of diaries/ calendars/ banners, holding of official meetings and dinner parties etc. Similarly, no administrative overheads shall be charged by any agency for execution of these schemes

A. Audit noted that Executive Engineer, Central Civil Division Pak. PWD Mirpurkhas incurred of Rs 49.951 million against four (04) Development Schemes under Sustainable Development Goals Achievement Programme (SAP), during the financial year 2019-20.

Audit further noted that out of aforesaid total expenditure of Rs 49.951 million an amount of Rs 0.342 million was incurred on account of contingent expenditure which was the contradiction to para 3 viii ibid notification in which it was Cleary stated that no administrative overheads shall be charged by any agency for execution of these schemes. This resulted in unjustified contingent expenditure of Rs 0.342 million.

Audit pointed out irregularity during October-December 2020. The department replied that, the Contingent Expenditure of Rs 0.342 million, Such as payment of Advertisement Bill, PPRA Bills, Preparation of PC-1 and Cost Estimate etc was charged to SDGA (SAP) Program during financial year 2019-20 because there were no other funds available except to charge on SAP.

Reply is not accepted because as per para 3 (viii) of ibid notification, no administrative overheads shall be charged by any agency for execution of these schemes. Moreover PC-1 is prepared at initial stages of a scheme / project. Thus contingent expenditure charged on account of preparation of PC-I is unjustified.

(Para No. 08 CCD Mirpur Khas)

B. CCD Sargodha also booked an expenditure of Rs 1.531 million on account of contingencies which was irregular.

The matter was discussed in DAC meeting held on 21.06.2021. The DAC directed the department to recover the amount on account of repair of computer, repair of vehicle, tires, etc. expended beyond objectives of the relevant development schemes.

Audit recommends compliance of DAC directive.

(Para 2 CCD Sargodha)

Performance

1.2.16 Non-preparation of PC-IV of schemes / works under SDGs Achievement Programme - Rs 2,532.857 million

As per item 17 of guidelines for implementation of the Prime Minister's Global SDGs Achievement Programme issued by Cabinet Division, the PAOs shall prepare completion certificates on PC-IV proforma within three months of the project completion sending copies to Cabinet Division, Planning, Development & Reform Division and Finance Division. Further item 13 of the guidelines stipulates that schemes identified for a specified financial year shall be completed within the same year.

Audit noted that Pak. PWD initiated schemes during 2018-19 & 2019-20 under SDGs Achievement Programme. Audit observed that the department neither closed the accounts of the completed schemes nor prepared the work completion report (PC-IV) involving expenditure of Rs

2,532.857 million (Annexure-H) in violation of Cabinet Division's guidelines.

Audit pointed out the irregularity during October-December 2020. The department replied against para No.04 CCD-Mirpurkhas & Para 09 Central E&M-II Karachi that completion report (PC-IV) will produce to audit shortly. In para No.09 the department replied that completion report for the SAP works will be prepared after receiving the approved agreement from the competent authority. In remaining seven (07) cases out of ten (10), department did not reply at the time of audit.

The reply was not tenable because as per the guidelines, the completion certificates on PC-IV proforma have to be completed within three months of project completion.

The matter was discussed in DAC meeting held on 21.06.2021. The DAC directed the department to finalize the accounts and prepare the PC-IV by 31.07.2021. The DAC also directed the department to initiate disciplinary proceedings against the officials concerned in case of their failure to comply within the stipulated time.

Audit recommends early preparation of PC-IVs of completed schemes and submission to authority concerned.

Internal Control Weaknesses

1.2.17 Non-obtaining of non-duplication certificates for works and non-handing over of completed schemes alongwith operating cost - Rs 4,003.277 million

Condition 3b (iii) of ibid notification denotes that "Federal Executing Agencies will obtain NOC from the Provincial Governments/District Governments that they will bear Operation and Maintenance (O&M), and recurring cost of the schemes after completion.

Audit noted that various Divisions of Pak. PWD awarded development schemes under the Sustainable Development Goals Achievement Programme during the financial years 2018-19 & 2019-20.

Audit observed that 704 schemes were executed with expenditure of Rs 4,003.277 million but non-duplication certificates from the provincial/ local government were not received for works of same nature in subjected areas before execution of works. Audit further observed that completed schemes were also not handed over to respective TMAs/local government for operation and maintenance (O&M) alongwith 2% annual operating cost. This resulted into non-handing over of completed schemes to TMAs/local government along with 2% operating cost of Rs 4,003.277 million. CCD Sargodha failed to handover completed schemes worth Rs 96.742 million. (Annexure-I)

Audit pointed out the irregularity during October-December 2020. The department replied in three cases (Para No. 3, 4 & 5) that finalization account and completion reports of completed schemes are under process and the same will be handed over after completion of formalities. Para No.12 PCD- Batkhila department replied that all the schemes were forwarded by the Deputy Commissioners of the respective area, which is itself a certificate of non-duplication. All the completed Schemes after finalization of accounts would be handed over to the respective TMAS for O & M purpose in due course of time. In remaining 7 cases, department did not reply.

The department reply is not acceptable because non-duplication certificates and O&M Certificates from the concerned department were not obtained prior to award of work. Further, no effort showing regarding handing over of completed schemes by the department.

The matter was discussed in DAC meeting held on 21.06.2021. DAC directed the department to get the record verified from Audit.

Audit recommends compliance of DAC directive.

1.2.18 Non-achievement of objectives of development grants due to non-utilization of funds - Rs 385.977 million

According to para 95 of General Financial Rules and time and again instructions of the Finance Division, last date of issuance of surrender orders was fixed as 15th May of the current financial year.

The SDGs Achievement Programme (SAP) 2019-20 has been formulated to develop human resources and ensure balance regional growth Education, Clean Drinking Water, Roads, Sanitation, Gas, Electricity, and other Community Development initiatives etc.).

Audit noted that funds of Rs 1,579.311 million were released to various divisions of Pak PWD, under Sustainable Development Goals during the financial year 2019-20.

Audit observed that Executive Engineers of various Central Civil Division Pakistan Public Works Departments failed to execute the SDG's Achievement (SAP) development projects and did not utilize the funds amounting to Rs 385.977 million which led to non-achievement of goals set by the government in SAP. Non-execution/non-utilization of funds creates gaps in services delivery to the general public in the area of governance, public utility buildings, water supply schemes etc. Audit further observed that in two cases department did not obtained the monthly reconciliation statements from the concern treasury offices. This resulted in non-utilization of funds Rs 385.977 million, as detailed below:

(Rs in million)

Para No.	Name of Division	Funds Released	Funds Utilized	Non-utilization of funds
7 &10	CCD- Mirpurkhas	150.00	49.959	100.041
6 &8	CCD Larkana	300.00	142.00	158.00
6	CCD-Hyderabad	281.100	274.801	6.299
4	CCD-III Peshawar	238.41	146.814	91.596
3	CE&M Peshawar	9.801	Nil	9.801
54	CCD-IX Karachi	600.00	579.760	20.240
	Total	**1,579.311**	**1179.76**	**385.977**

Audit maintained that the non-utilization of funds occurred due to weak internal controls and inadequate oversight mechanism for enforcing relevant rules and regulations.

Audit pointed out irregularity during October-December 2020. The department replied in Para No.07 & 10 (CCD- Mirpurkhas) the funds of Rs 150.00 million were received on 12th March, 2020. The works involving Rs 49.959 million were executed according to administrative approvals, the remaining funds of Rs 100.041 million was not utilized due to administrative approvals not received timely. The reconciliation statements with treasury will be produced to audit. In remaining six (06) cases out eight (08), department did not reply.

The reply was not acceptable because funds were released/received before administrative approval in violation of rules. In other cases, department admitted the irregularity. The saving was neither anticipated nor was utilized/surrendered in time which was financial indiscipline.

The matter was discussed in DAC meeting held on 21.06.2021. DAC directed the department to get the record verified from Audit.

Audit recommends compliance of DAC directive.

1.2.19 Non-surrender of funds of development scheme in violation of guidelines of Cabinet Division - Rs 205.036 million

According to para-3(d) of the policy guidelines of the Cabinet Division for Sustainable Development Goals Achievement Programme vide letter No.F.1(3)/2018-19-SO(DEV-II), dated 27th February, 2019, if scheme(s) is/are not started within two months of date of issuance of administrative approval, the funds will be immediately surrendered to Federal Government/Cabinet Division.

According to para-11 of the policy guidelines of the Cabinet Division for Sustainable Development Goals Achievement Programme

(SAP) issued vide letter No.F.1(3)/2018-19-SO(DEV-II), dated 27th February, 2019, the savings against the schemes completed shall be surrendered immediately on completion, without waiting for closing of the financial year.

Audit noted that various Divisions of Pak. PWD awarded development schemes under the Sustainable Development Goals Achievement Programme during the financial years 2018-19 & 2019-20.

Audit observed that in three cases unspent balances were neither utilized on the development schemes for which the fund were released and in other one case fund was released against the scheme but tender of this scheme was cancelled due to change in scope of work. Audit further observed that department fail to surrender the funds before the closing of the financial year. This resulted in non-surrender of funds of development scheme in violation of guidelines amounting to Rs 205.036 million (Annexure-J).

Audit pointed out the irregularity during October-December 2020. The department replied that, (para No.2 Gujranwala) funds amounting to Rs 13,494,200 was less released from the DC Office and at the time of publication of Tenders in Newspaper and PPRA, the inhabitants of the area demanded construction of Metalled Road instead of Soling Road (Sl No. 12 of Administrative Approval). Due to change in scope of work, the tenders were not sold to contractors for the instant work, as circulated vide Office Order No. EE/CCD/GA/T. Notice/167, dated 17.04.2020. (Para No. 1 CE/M-II Karachi) replied that work was executed as per actual requirement at site. Para No.2 (CCD- Sialkot) department replied that un-spend balance Rs 4.072 million on account of SAP was remitted into Treasury office vide cheque No.B930326 dated 30th June, 2020. The Deputy Director (Dev), Deputy Commissioner's Office, Gujrat was apprised to provide the head of account for credit of un-spent balances against the completed work, but the same could not be provided due to COVID 19 lock down in March 2020 to onward all over the country. Para No.10 & 11 CCD-I Lahore, department replied that the unspent balance has been lapsed to the Govt. Account and no irregularity involved in the matter. Para No.15 (PCD Batkhela) replied that This Division has been entrusted an amount of Rs 700.835 million for execution of different development schemes under Sustainable Development Goals (SDGS) Achievement Programme during the financial year 2019-20 Total 93 Nos development schemes were completed against the total expenditure of Rs 689.728 million. Remaining amount is the minor saving of various schemes which were completed during the period. The minor saving against the ongoing schemes neither be anticipated nor surrendered. In remaining five (05) cases, department did not reply.

The departmental reply was not accepted because the funds for the said schemes amounting to Rs 8.010 million was released by the DCO on 19th May, 2020. Less released of funds was not relating to said scheme therefore department was required to surrender as per laid down policy. Para 15 (PCD Batkhela), department admitted that the saving was neither anticipated nor was surrendered in time which was financial indiscipline. In other case department submitted interim reply.

The matter was discussed in DAC meeting held on 21.06.2021. DAC directed the department to get the record verified from Audit.

Audit recommends compliance of DAC directive.

1.2.20 Execution of works without required lab tests - Rs 128.305 million

As per conditions of Letter of Acceptance, addition/alterations are not allowed without prior approval of the competent authority and such works should be carried out strictly in accordance with the specifications /stipulated in the agreement.

According to para-13 of the policy guidelines of the Cabinet Division for Sustainable Development Goals Achievement Programme (SAP) vide letter No.F.1(3)/2018-19-SO(DEV-II), dated 27th February, 2019, the PAO of Ministries / Chairman (P&D Board) / ACS (Dev) shall be responsible to ensure the quality of work.

As per Pak PWD CSR 2012, Chapter 117, item No. 157, item of tuff paver was available with the nomenclature as “Providing and laying in floor C.C. 1:2:4: tuff paver 2-1/2" thick of approved design and colour pattren (average strength 7000 psi) laid on sand cushion filling of joint with sand and warring etc. complete as per direction of Engineer Incharge.

A. Audit noted that Executive Engineers of various Divisions of Pak. PWD executed schemes/works costing Rs 128.305 million during the financial year 2019-20 (Annexure-K).

Audit observed that specified requirement of lab testing was not carried out. In absence of test reports of item of works i.e. Sub Grate, Base Course, Base, Cement Concrete, steel and tuff pavers and the thickness, density of concrete and quality of material in conformity with the specifications cannot be authenticated. Audit further observed that schemes were completed and payment to contractors were made but no photographs and visuals regarding condition of sites were prepared before and after completion of the schemes. Execution of works without required lab tests - Rs 128.305 million

Audit pointed out the irregularity during October-December 2020. The department replied against Para No.05 (CCD- Gujranwala) & Para No.7 (CCD Sialkot) that test reports and photographs before, during the work, after completion of works were available and will be produce to audit for verification. in sub-divisions which will be verified from Audit. In remaining six (06) cases out of eight (08) department did not reply.

The reply is not acceptable because lab test reports were not produced during audit and as well as in supports of replies.

The matter was discussed in DAC meeting held on 21.06.2021. DAC directed the department to get the record verified from Audit.

Audit recommends that lab test reports may be provided to audit for verification and to ascertain the facts.

B. Audit observed during scrutiny of the relevant record of Executive Engineer CCD, Pak.PWD, Sargodha that under SDG-SAP schemes items i.e. P/L 4” & 6” thick not leaner than 1:2:4 cement concrete (minimum works cube crushing strength of 3000 Lbs PSI) at 28 days in road, paths, Crete-ways etc. were measured and paid without conducting core test to ensure the achievement of strength of 3000 Lbs Psi. Thus, payment worth Rs 73.167 million in absence of required tests was considered un-authentic.

Audit pointed out the irregularity during November 2020. The department replied that cube crushing test have been carried out by Punjab Highway Circle Department Laboratories Sargodha and reports will be produced.

The matter was discussed in DAC meeting held on 21.06.2021. The department was directed to get the record of Lab Test Reports verified from Audit.

Audit recommends compliance of DAC directive.

(Paras 8, 19 CCD Sargodha)

1.2.21 Improper identification of SDG-SAP Schemes in District Mandi Bahauddin - Rs 50.00 million

According to the revised instructions/ guidelines of Cabinet Division (Development Wing) on SGD-SAP Schemes vide Notification No.F.(1)/2020-SO(Dev-II) dated 9th March, 2020, SDG-SAP scheme was required to be identified by 10 residents of the area at least.

During audit of CCDA Sargodha, Audit observed that thirty five (35) SDG-SAP schemes of District Mandi Bahaudddin were identified by the 35 residents of the area (each scheme identified by single resident) which were approved by the Departmental Development Working Party (DDWP) of the M/o of Housing & Works in its meeting held on 12.03.2020 for Rs 50.00 million. Administrative approval of the schemes was issued by the respective Ministry vide No.F.60(DDWP-V)/2019-20/AEA dated 20th March, 2020. Whereas according to the above referred instructions/ guidelines of the Cabinet Division development scheme was to be at least 10 residents of the area in order to establish the legitimacy of the work to be executed at site. Thus, identification of the scheme by the single resident of the area was considered serious violation in terms of Cabinet Division instructions/ guidelines.

Audit pointed out the irregularity during November 2020. The department replied that each scheme was identified by 10 residents and PC-I has been prepared in accordance with guidelines. The reply was not accepted as it was not substantiated with documentary evidence.

The matter was discussed in DAC meeting held on 21.06.2021. DAC directed the department to get the record verified from Audit.

Audit recommends compliance of DAC directive.

(Para 3, CCD Sargodha)

1.2.22 Irregular/unjustified payment due to ill estimation of the SDG-SAP schemes - Rs 40.274 million

Para 6.09 of Pak PWD Code (Revised in 1982) provides that a proper detail estimate must be prepared for the sanction of the competent authority, subject to the provisions of para 7.27 for each individual work proposed to be carried out , except petty works, petty repairs and repairs for which a lump sum provision has been sanctioned under para 7.30. This sanction is known as the technical sanction to the estimate and except in cases such as referred to in para 6.11 and 6.25 must be obtained before the construction of the work is commenced. As its name indicates, it amounts to no more than a guarantee the proposals are structurally sound and that the estimates are accurately calculated and based on adequate data.

Audit observed during scrutiny of the accounts record of CCD, Pak.PWD Sargodha that under certain SDG-SAP schemes, length/ width/ height of earth work and length of 4 inch & 6 inch PCC was increased on very excessive side as compared to the provision of dimensions provided in the PC-I, Admn. Approval, T.S. Estimates and Contract Agreement by omitting the execution of drain/ sewer/ water supply schemes. Whereas, while preparing PC-I the Divisional Office certified that ***the information data provided as corrected and authentic and cost estimates have been***

prepared by the Technical Staff after making proper survey/ visits of sites of schemes. Further, while sanctioning detailed Estimates of the schemes by the Chief Engineer reported that ***estimates have been framed on the basis of actual site conditions and requirements.*** Huge variation in the scope of work approved by the competent forum and the scope of work measured by the Divisional Office visualized that either increased quantities were executed without legitimate need at sites or cost estimates have been prepared without site visits by sitting in the office. Thus, payment worth Rs 40.274 million was considered irregular/ unjustified.

Audit pointed out the irregularity during November 2020. The department replied that variations cropped up during execution as per site requirement are under process of approval.

The matter was discussed in DAC meeting held on 21.06.2021. DAC directed DG Pak PWD to further explore the facts and submit a revised reply to Audit.

Audit recommends compliance of DAC directive.

1.2.23 Unjustified payment due to allowing one mile lead under earth work embankment item -Rs 5.886 million

Para No. 209(d) of CPWA Code provides that as all the payments for work or supplies are based on the quantities recorded in the MB, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately.

As per Rule-10 of General Financial Rules (Volume-I), every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Audit observed during scrutiny of the relevant record of Executive Engineer CCD, Pak.PWD, Sargodha that one mile lead under earth work embankment item was allowed while executing PCC/ Soling and Tuff Paver works under SDG-SAP schemes of District Mianwali, Sargodha and Mandi Bahuddin and rate was paid Rs 1227.06 Per % cft, whereas mostly schemes are existed in the Rural area and there was great possibility that earth could be arranged/ carried from nearest borrow area to site. Audit further observed that ***the Assistant Executive Engineer concerned certified that Earth was not available at site and will be taken form borrowpits by transportation upto 1 mile.*** It means that the earth could be found available in between the 100 ft. to 1 mile distance. Moreover, lead chart (having particular Khasra No. of borrow area) signed by the local community and approved by the approved by the Executive Engineer was also not found available with the PC-I/ T.S. Estimates/ Contract Agreement. In this way the payment of Rs 5.886 million was considered unjustified.

Audit pointed out the irregularity during November 2020. The department replied that PC-I has been prepared according to site requirement after detailed site visits. One mile lead of earth work was taken in approved PC-I and estimates. The reply was not acceptable as Assistant Executive Engineer certified that earth will be taken from borrow-pits up to one mile.

The matter was discussed in DAC meeting held on 21.06.2021. The department was directed to provide a revised reply to Audit.

Audit recommends that matter be justified with reference to required lead chart or recovery of the amount involved from the persons at fault under intimation to audit.

(Para 9 CCD Sargodha)

CHAPTER 2
MINISTRY OF ENERGY
POWER DIVISION
(CORPORATE ENTITIES OF PEPCO)

2.1 INTRODUCTION

The Directorate General of Audit (Power) conducted Special Audit of schemes of Sustainable Development Goals Achievement Programme executed by Corporate Entities of PEPCO under Power Division.

Execution status of the programme by Corporate Entities of PEPCO is placed below:

(Rs in million)

Financial Year	Total No. of Schemes approved	Total No. of Schemes executed	Actual Release of Funds	Total Expenditure
2018-19	25	17	40.801	15.699
2019-20	6,210	4,360	6,671.559	1,602.982
Total	**6,235**	**4,377**	**6,712.36**	**1,618.681**

2.2 AUDIT FINDINGS AND RECOMMENDATIONS

Irregularity and Non-Compliance

2.2.1 Irregular execution of electrification schemes due to non-vetting of estimates and without technical and financial review by the Consultant - Rs 3,452.792 million

According to Article No.2 Clause-2.1 of contract for Engineering Consultancy Services for Rural Electrification Project, "the Consultant was bound for technical and financial review and vetting of estimates prepared by the client."

During Special Audit of Sustainable Development Goals Achievement Programme (SAP) in DISCOs for the Financial Year 2018-20, it was observed that SAP schemes valuing Rs 3,452.792 million were not technically and financially reviewed by the consultant and executed without vetting of estimates. In the absence of review/vetting of the consultant, the authenticity and accuracy of schemes could not be ascertained.

Sr. No.	Company Name	Para No. (I.O.)	Amount (in million)
1	MEPCO	12	3,213.13
2	IESCO	5	239.662
	Total:		**3,452.792**

Violation of provisions of Consultancy Services Agreement resulted into irregular execution of (SAP) schemes valuing Rs 3,452.792 million during the financial year 2018-20.

The matter was reported to the management in August – October, 2020, the managements at Sr. No. 1 & 2 replied that the contracts of consultants (M/S Barqaab) were expired in respect of both DISCOs. Due to which estimates could not be got vetted from the consultants. Afterwards both were renewed with both companies and estimates got vetted. The reply is not tenable as the guidelines of Cabinet Division and contract clause 2.1 of the contract were not observed before execution of above schemes.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends compliance of DAC directives besides fixing of responsibility on those at fault.

2.2.2 Un-authorized short-term investment out of (SAPs) Funds - Rs 3,256 million

According to Para 3(x) of guidelines of the Cabinet Division Islamabad issued vide notification dated March 09, 2020 for implementation of the Sustainable Development Goals Achievement Programme (SAP) was approved for provisioning of development opportunities in different areas by direct targeted intervention. The said guideline does not include any provision giving authorization to executing agency for making short term investment out of development funds released by Government for execution of approved schemes.

During Special Audit of Sustainable Development Goals Achievement Programme (SAP) in DISCOs for the Financial Year 2018-20, it was observed that short term investment of Rs 3,256 million was made out of SAP funds received from GoP by the DISCOs instead of spending on the schemes. The investment was un-authorized as there was no such provision in the SAP guidelines.

Sr. No.	Company Name	Para No.	Amount (in million)
1	MEPCO	5	2,206
2	FESCO	9	1,050
	Total:		**3,256**

On the other hand in case of MEPCO, 260 numbers of schemes were not initiated and 1116 numbers of schemes were not completed (Para 4.6 & 4.7). This illustrated that the management instead of expediting SDG initiatives carried out other transactions.

Non adherence to guidelines resulted in un-authorized investment of Rs 3,256 million during the period 2018-20.

The matter was reported to the management in August – October, 2020, the managements at Sr. No. 1 & 2 replied that funds were converted in to Term Deposit Receipt (TDR) for their safety and they were converted to

Term Deposit Receipt (TDR) at different times for different tenure and of different value which ensured that funds were always available for payment.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the Government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends that the management needs to comply with the DAC directive.

2.2.3 Unjustified provision of overhead, survey, connection & establishment charges in estimates of SAP schemes - Rs 939.077 million

According to Para 3 (viii) of guidelines of the Cabinet Division Islamabad issued vide notification dated March 09, 2020 for implementation of the Sustainable Development Goals Achievement Programme (SAP) that "Expenditure shall not be incurred on purchase of equipment (if not part of the scheme), vehicles, fixtures, salaries, printing of diaries/ calendars/ banners, holding of official meetings and dinner parties etc. Similarly, no administrative overheads shall be charged by any agency for execution of these schemes".

During Special Audit of Sustainable Development Goals Achievement Programme (SAP) in DISCOs for the financial year 2018-20, it was observed that an amount of Rs 939.077 million on account of overhead, survey, connection & establishment expenditure were charged against the cost estimates of SAP schemes. The inclusion of such charges against SAP schemes was unjustified as the same were against guidelines of the Cabinet Division.

Sr. No.	Company Name	Para No.	Amount (in million)
1	MEPCO	7, 4	828.149
2	FESCO	1	82.200
3	IESCO	9	23.003
4	QESCO	17	1.764
5	GEPCO	4, 5	3.482
6	LESCO	7	0.479
	Total:		**939.077**

The violation of guidelines of the Cabinet Division resulted in unjustified charging of overhead, survey, connection & establishment charges against SAP schemes to the tune of Rs 939.077 million up to the financial year 2018-20.

The matter was reported to the management in August – October, 2020, it was replied by concerned DISCOs that no scheme could be executed without overhead, survey, connection & establishment charges. Moreover, the matter regarding regularization of said charges had already been taken up with Ministry of Energy, Power Division, Islamabad. The management at Sr. No. 03 replied that actually those were consultancy charges instead of connection charges payable to third party (consultant) for vetting and preparation of completion reports (A-90) and establishment charges, which was justified and no irregularity was occurred. The replies are not tenable as clear cut violation of Cabinet Division guidelines for execution of these SDGs schemes were observed.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L).

Audit recommends that Cabinet Division guidelines are implemented in letter & spirit and necessary adjustments may be made for the excess drawn amounts besides investigation into the matter for fixing of responsibility.

2.2.4 Non-remittance of profit earned on SAP funds - Rs 403.346 million

As per instruction issued by the Prime Minister Secretariat on March 9, 2017, the executing agencies are liable to return the interest to Government of Pakistan on the funds disbursed to them for development schemes, for the period these funds remained unspent in the bank account of the executing agency.

During Special Audit of Sustainable Development Goals Achievement Programme (SAP) in DISCOs for the Financial Year 2018-20, it was observed that an amount of Rs 403.346 million was credited by bank on account of profit against the deposits under the SAP Programme. The amount of profit was required to be remitted to GoP on the close of financial year but the same was not being done.

Sr. No.	Company Name	Para No.	Amount (in million)
1	FESCO	10	220.783
2	MEPCO	6	182.563
	Total:		**403.346**

Non-adherence to the guidelines of Cabinet Division in non-remittance of profit earned on village electrification funds to GoP amounting Rs 403.346 million upto the financial year 2018-20.

The matter was reported to the management in August – October, 2020. The Managements at Sr. No. 01 & 02 replied that the mark-up earned on this account pertained to both companies and this benefit was ultimately passed on to General Public through tariff being internal mechanism as determined by NEPRA. The reply was not tenable as per instructions issued by Prime Minister Secretariat, the execution agencies are liable to return the interest earned on these funds remained unspent in the bank accounts in the executing agencies.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the Government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends compliance to DAC directives.

2.2.5 Non-capitalization of completed electrification works - Rs 1,256.122 million

According to guidelines issued through Notification of Cabinet Division Islamabad dated 09.03.2020 for implementation of the Sustainable Development Goals Achievement Programme (SAP), "schemes identified for a specified financial year shall be completed within the same year.

During Special Audit of Sustainable Development Goals Achievement Programme (SAP) in DISCOs for the Financial Year 2018-20, it was noticed that 1,088 Nos. village electrification schemes amounting to Rs 1,256.122 million were shown as physically completed but their completion reports were not being made and capitalization carried out during the financial year 2018-20. Due to non-capitalization, the genuineness and authenticity of the completed works could not be ensured, besides making the completed works part of the company's ROI.

Sr. No.	Company Name	Para No.	No. of schemes to be capitalized	Amount (in million)
1	FESCO	7	658	769.583
2	MEPCO	11, 6	342	337.43
3	IESCO	11	80	89.900
4	QESCO	7	08	59.209
	Total:		**1,088**	**1,256.122**

Non adherence to guidelines resulted in non-capitalization of completed electrification schemes amounting to Rs 1,256.122 million upto the financial year 2016-2018.

The matter was reported to the management in August – October, 2020. The managements replied that the capitalization of the schemes was under process and audit would be informed in due course of time. The management at Sr. No. 2 replied that inspection report with detail of Para had not received. Reply would be followed on receipt of inspection report. The reply was not tenable as the report was communicated to the management vide this office letter No. 34 dated 16.12.2020.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends compliance of DAC directives besides expediting capitalization of subject completed works.

2.2.6 Non-completion of the schemes within the stipulated time - Rs 1,706.942 million

As per Paras 4.1.3 to 4.1.6 of Distribution Rehabilitation Guidelines September, 2003, total time for approval of works, execution and preparation of completion report will be restricted in 130 days.

During Special Audit of Sustainable Development Goals Achievement Programme (SAP) for the financial Year 2018-20, it was observed that 1,708 Nos. of schemes with estimated cost of Rs 1,706.942 million were required to be completed within the stipulated period but the same could not be completed, in violation of above guidelines. Thus, the delay in execution of the schemes defeated the purpose of SAP programme to address the infrastructural constraints of the rural areas.

Sr. No.	Company Name	Para No.	No. of schemes	Amount (in million)
1	MEPCO	5, 10	1116	982.76
2	IESCO	12	375	540.885
3	GEPCO	8	178	141.369
4	QESCO	11	39	41.928
	Total:		**1,708**	**1,706.942**

Non-adherence to the guidelines of the Cabinet Division resulted in non-completion of the schemes worth Rs 1,706.942 million within the stipulated time for the financial year 2019-20.

The matter was reported to the management in July– October, 2020. It was replied that the matter regarding delay of completion of schemes had already been explained to MoE Power Division for seeking advice. Moreover, the major reason for delay in execution/completion of above schemes was delayed release of funds.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends that the management needs to comply with the DAC directive.

2.2.7 Non-initiation of village electrification schemes within the specified financial year of identification -Rs 253.603 million

As per Para-3 (vii) & (ix) of Guideline of Sustainable Development Goals Achievement Programe (SAP)'s issued on 9th March 2020, PAOs of Ministries / Chairman (P&D Board) ACS (Dev) shall be responsible to ensure the quality of work and furnish to Cabinet Division the monthly progress on physical work and utilization of funds. The schemes from the respective executing agencies / districts and furnish a certificate to Cabinet Division.

During the Special Audit of Sustainable Development Goals Achievement Programme (SAP) in DISCOs for the Financial Year 2018-20, it was observed that 288 Nos. of schemes costing Rs 253.603 million were not initiated within the specified financial year of their identification. These schemes were required to be completed within the financial year of their identification. The position of unspent funds against these schemes was required to be intimated to GoP for further clarification but the same was also not done by the management.

Sr. No.	Company Name	Para No.	No. of schemes	Amount (in million)
1	MEPCO	10	260	216.759
2	QESCO	12	23	33.374
3	LESCO	2	05	3.47
	Total		**288**	**253.603**

Non-initiation of village electrification schemes amounting to Rs 253.603 million even after lapse of financial year in which these were identified resulted in violation of guidelines of the Cabinet Division during financial year 2019-20.

The matter was reported to the management in July–October, 2020. It was replied that the matter regarding delay of completion of schemes had already been explained to MoE Power Division for seeking advice. Moreover, the major reason for delay in execution/completion of above schemes was delayed release of funds.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends that the management needs to comply with the DAC directive.

2.2.8 Non-finalization of completion reports of electrification works-Rs 79.954 million

As per DISCOs Accounting Manual, "A-90 Form (completion report) prepared by the Deputy Manager (Construction)/Deputy Manager (GSC) is certified by the Consultants and forwarded to Project Director (Construction)/Project Director (GSC) for capitalization".

In GEPCO, 100 village electrification schemes worth Rs 79.954 million under Sustainable Development Goals Achievement Programme (SAP) were shown completed but completion reports (A-90) thereof were not forthcoming from the record. Hence, the authenticity and genuineness of the schemes completed could not be ascertained, in absence of completion certificate i.e. (A-90) vetted by the Consultant and capitalization thereof.

Non-adherence to Accounting Manual resulted in non-capitalization of completed electrification schemes amounting Rs 79.954 million upto the Financial Year 2019-2020.

The matter was reported to the management in August – October, 2020. The management replied that after clearance of completion reports "A-90" from Barqaab, the record would be produced to audit. Whereas no any report has been produced by entity.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends that the management needs to comply with the DAC directive.

(Para No. 09)

2.2.9 Irregular release of funds without admin approval from BoD - Rs 29.859 million

As per Para section – II under clause 2.1.1 of Book of Financial Powers for DISCOs 2003, the BoD has full power for administrative approval of works.

During Special Audit of Sustainable Development Goals Achievement Programme (SAP) in MEPCO for the Financial Year 2018-20, it was observed that funds of Rs 29.859 million for village electrification scheme of Tehsil Tunsa, related to Basti Ahmad Baksh, were released against administrative approval of project construction No.36870-71 dated 23-06-2020 by the PD Construction instead of obtaining prior approval from Board of Directors (BoD).

Non-adherence to the Book of Financial Powers resulted in the irregular release of funds up to the financial year 2018-20.

The matter was reported to the management in August – October 2020. The management subsequently informed that the BoD MEPCO had accorded its approval in December 2020. The reply of the management was not tenable as per guidelines of the Cabinet Division the management had to obtain prior approval from BoD before start of each work.

DAC in its meeting held on January 04, 2021 to January 07, 2021 showed its concern that even after receiving funds from the government, DISCOs were not efficiently executing the schemes. DAC directed the DISCOs to list out all the schemes on their website with completion date and expedite their finalization. DAC further advised management to resolve the observations through coordination with Audit and suggest appropriate steps/proposals to the government, where applicable. Report on the same to be provided to DAC in one month. (Annex-L)

Audit recommends compliance of DAC directives besides investigation into the matter for fixing of responsibility.

(MEPCO – Para No. 1)

CHAPTER 3
ICT LOCAL GOVERNMENT AND RURAL DEVELOPMENT

3.1 INTRODUCTION

The Directorate General Audit (Federal Government) conducted Special Audit of the accounts of SDGs Achievement Programme in March, 2021 with respect to ICT Local Government & Rural Development for the financial year 2019-20.

Execution status of the programme is placed below:

(Rs in million)

Financial Year	Total No. of Schemes approved	Total No. of Schemes executed	Final Budget Grant	Total Expenditure
2019-20	55	55	900.00	898.302

3.2 AUDIT FINDINGS AND RECOMMENDATIONS

Irregularity and Non-Compliance

3.2.1 Doubtful payments to contractor without actual measurement of work done - Rs 750.278 million

Para-208 of CPWA code states that payments for all work done otherwise than by daily labor and for all supplies are made on the basis of measurements recorded in Measurement books, Form 23.

The management of Local Government & Rural Development executed 55 PSDPs schemes during 2019-20 Rs 750.278 million.

Audit observed that:

1. The exact locations of the streets paved in union councils/villages were neither mentioned in the estimate nor in the measurement books.
2. The entries in the measurement book were made without date and were taken in one day.
3. The actual date of completion was not available in the record.

Audit is of view that due to uncertain record of executed work the actual expenditure was uncertain.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends that matter may be probe to investigate and responsibility may be fixed to officials.

3.2.2 Execution of excessive work than tender quantity - Rs 269.239 million

PPRA 31 (1) No bidder shall be allowed to alter or modify his bid after the bids have been opened. However the procuring agency may seek and accept clarifications to the bid that do not change the substance of the bid.

PPRA 42 (IV) states that the repeat order not exceeding 15% of the original.

The management of LG & RD executed schemes during 2019-20 as detailed in Annexure-M.

Audit observed that:

1. The scope of work was increased from 15% to 141% and average increase was 66%.
2. In 39 works expenditure on–Rs 69.329 million was incurred on extra items executed out of which 17 works were included in above list.

Audit is of the view that the expenditure on extra items and increased in scope of work was irregular and unauthorized.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends that matter may be investigated, responsibility may be fixed and practice may be stopped for future.

3.2.3 Loss due to execution the same scheme at higher rates - Rs 60.365 million

GFR 23 states that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

The management of LG & RD executed 2 schemes of street pavement in Jhangi Syedan & adjoining Dhok/villages during 2019-20.

Scheme No	**Tender Date**	**Lowest Rate received Rs**	**Tender Cost Rs**	**Value of Work done Rs**	**Completion cost Rs**
73(SDGs)	15.06.2020	2%above	25,500,000	28,186,950	28,750,000

140 (SDGs)	06.05.2020	32% Below	23,800,000	58,743,128	39,945,327
114(SDGs)	07.05.2020	0.5% above	32983500	33054933	31993045
116 (PSDP)	07.05.2020	At par	32000000	32075059	31993045
148(PSDP)	06.05.2020	5% Above	57750000	50796531	54985430

Further the management executed the 4 Schemes of streets pavement and rehabilitations in Pind Begwala. Details are as under:

Scheme No	**Tender Date**	**Lowest Rate received Rs**	**Tender Cost Rs**	**Value of Work done without tender rate Rs**	**Completion with tender rates Rs**
48 (SDGs)	10.02.2020	29% below	10,389,904	21,096,465	14,978,491
11(PSDP)	7.05.2020	19% Below	2,714,563	4491415	4,487,000
68(SDGs)	10.02.2020	1% below	7,244,737	8,414,387	8,330,244
97(PSDP)	7.05.2020	0.786% Above	10,078,600	9,998,134	9,998,134
108(PSDP)	7.05.2020	0.5% Below	4,975,000	5,020,424	4,995,322

Audit observed as under:

1. In spite of the fact that management had received the market lowest rate of 32% at Jhangi syedan for the similar nature of work their retender the remaining work and awarded the same at higher rates which resulted into excess expenditure of Rs. 52.380 million. Detail are as under:

	Street Pavement	at Jhangi Syedan		
Scheme No	**Work done Rs**	**Value @ 32% Below**	**Payment Made Rs**	**Excess expenditure Rs**
73(SDGs)	28,186,950	19,550,000	28,750,000	9,200,000
114(SDGs)	33054933	22477353	32947544	10,470,190
116(PSDP)	32075059	21755270	31993045	10,237,775
148(SDGs)	50796531	32513775	54986531	22,472,756
Total				**52,380,721**

2. Further the management had received the market lowest rate at 29% in Pind Begwal for the similar nature of work their retender the remaining work and awarded the same at higher rates which resulted into excess expenditure of Rs 7.984 million respectively. Detail are as under:

		Street Pavement at	Pind Begwal	
Scheme No	**Value of Work done without tender Rs**	**Value @ 29% Below**	**Payment Made Rs**	**Excess expenditure Rs**
11(PSDP)	4491415	3188905	4,487,000	1,298,095
68 (SDGs)	8,414,387	5,974,215	8,330,244	2,356,029
97(PSDP)	9,998,134	7,098,675	9,998,134	2,899,459
108(PSDP)	5,020,424	3,564,501	4,995,322	1,430,821
Total				**7,984,404**

Audit is of the view that Public exchequers was put to loss.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends that responsibility may be fixed and loss may be recovered.

3.2.4 Non recovery of penalties on late work on SDGs schemes-Rs 28.340 million

Clause 2 of tender documents states that the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor and shall be reckoned from the date on which the order to commence work is given to the contractor be proceeded with all due diligence. (Time being deemed to be of the essence of the contract on the part of the contractor) and the contractor shall pay as compensation an amount equal to one percent or such smaller amount as the executive Engineer LG & RD Department, ICT (Whose decision shall be final) may decide on the amount of the estimated cost of the whole work as shown by the tender for every day that the work remain un-commenced or un-furnished, after the proper date.

The management of LG & RD offered tender during 2019-20 as detailed in Annexure-N.

Audit observed that:

1. The delay of work was not observed and not recorded in document.
2. The contractor was not directed to complete the work within stipulated date of contract.
3. No penalties according to clause 2 of tender documents imposed on contractor for delay of work.
4. No recovery of Rs 28.383 million regarding delay of work made and deposited into Government Treasury.

Audit is of view that the Public exchequer was put to loss of Rs 28.383 million due to improper tracking of work and non-recovery on delayed work against contractors.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends that recoveries may be made and deposited in to Government Treasury.

3.2.5 Un-supported expenditure in sustainable development goals - Rs 6.695 million

FTR-205 states that every Government officer entrusted with the payment of money should obtain for every payment he makes a voucher setting forth the full and clear particulars regarding the claims and all relevant information necessary for its proper identification and classification in accounts. Every voucher must bear to have attached to it an acknowledgement of payment signed by the person by whom or on whose behalf the claim is put forward.

As per reconciled statement the management of LG & RD, ICT incurred expenditure amounting to Rs 898.302 million during 2019-20 on 55 schemes.

Audit observed as under:

1. The management had the expenditure record against the expenditure of Rs 892.061 million. Details are as under:

S. No.	Detail	Expenditure (Rs. in Million)
1	Value Of work done on development schemes executed by LG & RD, ICT	750.824
2	Funds released to the SNGPL for laying of Gas pipelines	141.783
	Total	**892.607**

2. The whereabouts of the difference amount of 6.695 million are not known.

Audit is of the view that in the absence of supporting record the expenditure cannot be treated as reliable.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends investigation in the matter.

3.2.6 Loss due to non-deduction of 1/12th material quantity - Rs 3.022 million

Para 2.12.2 of MES Schedule of rates 2014 states that In measuring stacked sand, bajri, shingle, broken stone broken bricks, or the like, a deduction of one-twelfth (1/12th) shall be made from the measured quantity to allow for unevenness in ground, loose stacking etc.

The management of Local Government & Rural Development made payment of Rs 36.268 million for providing and laying base course, mixed shingle, sand cushion and filling of retaining wall in 32 schemes of ICT during 2019-20. (Annexure-O)

Audit observed that in measurement deduction @ of 1/12th of quantity was not measures before processing for payment. The amount for which comes to Rs 3.022 million.

Audit is of the view that undue favor was awarded to the contractors.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends that the responsibility of financial loss may be fixed, amount may be worked out, recovered and deposited into government treasury.

3.2.7 Non-recovery of Secured Advance - Rs 761,600

As per Para 226 of Central Public Works Accounts Code, Secured Advance must be recovered by deduction from the contractor's bills for work done as the materials are used in construction and the items of work in which they are used are billed for on the basis of actual measurements.

The Executive Engineer Local Government executed scheme street pavement at Darbar Bari Imam to “Mandiala No 65” under the project Sustainable Development Goal during 2019-20 the total value of work done was Rs 11,193,816.

In the 1st Running Bill the contractor was made payment against the supply of material at site vide “MB No 442 page 6” as detail below:

Sr. No	**Material**	**Quantity**	**Amount Rs**
1	Cement	1000 bags	350,000
2	Bajri	9600 cft	268,800
3	Sand	6000 cft	142,800
	Total		**761,600**

Audit observed that there was neither any adjustment of the material supplied nor the amount paid was recovered from the contractor payments.

Audit is of the view that the contactor was overpaid.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends recover may be made and deposited into Government Treasury.

3.2.8 Overpayment due to wrong calculation - Rs 308,263

GFR 23 states that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

The management of LG & RD executed two schemes in Federal area Islamabad details are as under:

1. For the schemes 59 “street payment at Lohibher and adjoining area” the lowest rates received were 27.67% below of schedule rates of MES 2014 including 15% premium. The value of work done including premium was Rs 7,770,241 the amount after deduction @ 27.67% comes to Rs 5,620,215.
2. Similarly, management executed the scheme rehabilitation and up-gradation of Kijnah- Chakhtan road in UC Tumair in which an item of work P/L 1:4:8 was executed for the

quantity of 649.45 ^{m3}. The cost of quantity executed comes as under:

Quantity	Rate Rs	Amount Rs	Amount with Premium Rs	Tender cost Rs
649.45 m^3	5,173.94	3,360,215	3,864,247	3,864,247

Audit observed as under:

1. In the scheme at Serial No.1 the deduction was made @ the rate of 26% due to which the amount paid to contractor was Rs 5,749,978 instead of Rs 5,620,215 which resulted into over payment of Rs 129,762.
2. In the scheme in Serial No 2 the payment made was Rs 4,042,748 which resulted into overpayment of Rs 178,501.

Audit is of the view that public exchequer was put to loss of Rs 308,263 by making overpayment to contractors.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends that amount over paid via cheque no 7891622 dated 29.06.2020 may be recovered AJEC Contractors and Chirah Valley Builders.

Performance

3.2.9 Non-handing & Taking over of complete work to concerned parties - Rs 750.278 million

PC-I of the schemes states that after completion of schemes the operation and managements of schemes was by the concerned union council of the area.

The management of Local Government & Rural Development executed 55 SDGs development schemes amounting to Rs 750,278,017 during 2019-20.

Audit observed that the schemes were not taken over by the respective union councils/CDA after completion.

Audit is of view that in the absence of completion/taken report cannot be ascertained that schemes were completed as per tender documents and would be maintained by the respective agency.

Audit pointed out the irregularity in May 2021 but the management did not reply.

DAC meeting was also not convened by the Principal Accounting Officer.

Audit recommends that matter may be investigated and responsibility may be fixed.

Annexure-A

1.2.1 Unauthorized payments without approval of contract agreements - Rs 3,596.358 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	37	CCD-III Karachi	700.000
2	18	CCD-VI Karachi	600.707
3	47	CCD-IX Karachi	558.847
4	8	PCD Batkhela	431.615
5	26	PCD-I Karachi	252.240
6	4	CE/M Peshawar	248.026
7	3	CCD-II Peshawar	175.490
8	3	CCD-I Karachi	154.800
9	9	CCD-I Lahore	58.552
10	2	CCD Mirpurkhas	49.951
11	12	CE/M-I Karachi	44.457
12	6	CCD Sialkot	37.937
13	40	CCD-III Karachi	17.400
14	2	CCD-II Peshawar	7.317
15	5	CCD Sargodha	182.00
16	15	CCD Sargodha	77.019
	Total		**3,596.358**

Annexure-B

1.2.2 Unjustified Execution of Works of SDG's Achievement Programme (SAP) involving - Rs 2,307.553 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	4	CCD-II Peshawar	555.958
2	15	CCD-II Peshawar	267.914
3	4	CCD Hyderabad	267.141
4	5	CE/M Peshawar	248.026

5	7	CE/M Peshawar	248.026
6	1	CE/M Peshawar	248.026
7	1	CCD Larkana	142.000
8	6	CE/M Peshawar	102.964
9	1	CCD-II Peshawar	49.999
10	4	CCD Mirpurkhas	49.618
11	5	CE/M-I Karachi	44.457
12	9,9a	CE/M-I Karachi	47.517
13	7	CCD Hyderabad	20.213
14	10	CE/M Peshawar	10.059
15	-	CE/M-II Karachi	5.635
16	2	CCD-II Peshawar	0
	Total		**2,307.553**

Annexure-C

1.2.4 Unauthentic payment without recording detailed measurement of work in Measurement Book - Rs 692.531 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	7	PCD Batkhela	254.000
2	4	PCD Batkhela	89.124
3	7	CCD-II Peshawar	50.000
4	8	CCD-II Peshawar	45.000
5	5	CCD-II Peshawar	40.000
6	6	CCD-II Peshawar	39.375
7	16	CCD-II Peshawar	35.387
8	9	CCD-II Peshawar	30.620
9	3	CCD Abbottabad	21.000
10	4	CCD Abbottabad	19.109
11	10	CCD-II Peshawar	18.769
12	5	CCD Abbottabad	13.317
13	17	CCD-II Peshawar	10.842
14	3	CCD-III Peshawar	9.763
15	1	CE/M-I Karachi	5.702

16	1-A	CE/M-I Karachi	4.155
17	19	CCD-II Peshawar	2.984
18	18	CCD-II Peshawar	2.773
19	14	PCD Batkhela	0.611
Total			**692.531**

Annexure-D

1.2.6 Irregular Procurement of works – Rs 258.448 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	44	South Region Karachi	109.634
2	1	CCD Gujranwala	48.084
3	10	CE/M-I Karachi	44.457
4	32	PCD-I Karachi	21.923
5	3	PCD Sahiwal	12.124
6	5	PCD Sahiwal	5.802
7	11	CE/M-I Karachi	5.702
8	3	CCD Gujranwala	4.762
9	15	CE/M-I Karachi	3.910
10	14	CCD Faisalabad	2.050
	Total		**258.448**

Annexure-E

1.2.7 Unjustified approval and execution of works in violation of guidelines of the Cabinet Division - Rs 128.100 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	13	CCD Faisalabad	83.127
2	13	CCD-I Lahore	19.916
3	7	CCD Gujranwala	7.623
4	14	CCD-I Lahore	5.948
5	8	CCD Gujranwala	5.150
6	7	CCD-I Lahore	3.532
7	12	CCD-I Lahore	1.798
8	6	CCD-I Lahore	1.006

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
	Total		128.100

Annexure-F

1.2.8 Overpayment due to allowing excess quantities without approval - Rs 97.812 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	3	CCD Hyderabad	14.000
2	2	CCD Larkana	13.395
3	12	CCD-I Karachi	11.376
4	31	CCD-VI Karachi	9.652
5	6	CCD Abbottabad	9.008
6	9	South Region Karachi	6.459
7	8	CCD-I Lahore	4.728
8	6	CCD D.G Khan	3.961
9	5	CCD-III Peshawar	3.815
10	1A	CCD Mirpurkhas	2.801
11	10	PCD Batkhela	2.294
12	51	CCD-IX Karachi	2.133
13	4	CCD D.G Khan	2.121
14	41	CCD-III Karachi	2.020
15	1B	CCD Mirpurkhas	1.739
16	1C	CCD Mirpurkhas	1.728
17	23	CCD-VI Karachi	1.538
18	16	CCD-I Lahore	1.156
19	33	PCD-I Karachi	1.060
20	13	PCD Batkhela	0.898
21	1	PCD Batkhela	0.819
22	8	CE/M-I Karachi	0.568
23	1-D	CCD Mirpurkhas	0.543
	Total		97.812

Annexure-G

1.2.9 Un-authorized Payment due to execution of work beyond the approved scope of work – Rs 62.407 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	6	PCD Batkhela	19.403
2	2	PCD Batkhela	11.760
3	11	PCD Batkhela	9.944
4	11	CCD-I Karachi	8.778
5	42	CCD-III Karachi	7.942
6	52	CCD-IX Karachi	4.580
	Total		**62.407**

Annexure-H

1.2.11 Overpayment due to execution of market rate items at higher rates – Rs 33.477 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	45	South Region karachi	13.369
2	7	CCD-I Karachi	5.190
3	9	CE/M Peshawar	3.725
4	12	CCD-II Peshawar	3.700
5	15	CCD-I Lahore	3.036
6	8	CCD-I Karachi	1.594
7	10	CCD-I Karachi	1.288
8	21	CCD-VI Karachi	1.001
9	11	CCD Faisalabad	0.574
Total			**33.477**

Annexure-I

1.2.16 Non-preparation of PC-IV of schemes / works under Prime Minister's Global SDGs Achievement Programme - Rs 2,532.857 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	48	CCD-IX Karachi	558.847
2	36	CCD-III Karachi	511.027
3	27	PCD-I Karachi	411.701
4	4	CCD-I Karachi	389.000
5	8	CCD Hyderabad	267.441
6	7	CCD Larkana	142.000
7	9	CCD Mirpurkhas	49.618
8	13	CE/M-I Karachi	44.457
9	6	PCD Sahiwal	7.791
10	4	CE/M-II Karachi	7.100
11	11	CCD Sargodha	100.330
12	17	CCD Sargodha	43.545
	Total		**2,532.857**

Annexure-J

1.2.17 Non-obtaining of non-duplication certificates for works and non-handing over of completed schemes alongwith operating cost - Rs 4,003.277 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	12	PCD Batkhala	689.728
2	46	CCD-IX Karachi	600.000
3	34	CCD-III Karachi	563.618
4	2	CCD-I Karachi	450.462
5	15	CCD-VI Karachi	449.885
6	5	CCD-I Lahore	434.058
7	24	PCD-I Karachi	419.118
8	4	CCD Sialkot	145.928
9	2	CCD Bahawalpur	106.344

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
10	3	PCD-II Islamabad	99.679
11	14	CE/M-I Karachi	44.457
	Sub-Total		4,003.277
12	17 (ii)	CCD Sargodha (Non-handing over schemes)	96.742

Annexure-K

1.2.19 Non-surrender of funds of development scheme in violation of guidelines of Cabinet Division – Rs 205.036 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	2	CE/M Peshawar	67.647
2	1	CCD Abbottabad	27.407
3	5	CCD-I Karachi	26.458
4	3	CCD Bahawalpur	25.400
5	11	CCD-I Lahore	17.412
6	10	CCD-I Lahore	14.292
7	15	PCD Batkhela	11.107
8	2	CCD Gujranwala	8.010
9	2	CCD Sialkot	4.072
10	1	PCD-I Sahiwal	1.716
11	1	CE/M-II Karachi	1.514
	Total		**205.035**

Annexure-K

1.2.20 Execution of works without required lab tests - Rs 128.305 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
1	39	CCD-III Karachi	72.758
2	7	CCD Sialkot	28.404
3	5	CCD Gujranwala	6.772

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
4	50	CCD-IX Karachi	4.530
5	25	CCD-I Karachi	4.168
6	22	CCD-VI Karachi	3.960
7	5	CCD D.G Khan	3.891
8	13	CCD-II Peshawar	3.822
	Total		**128.305**

ANNEXURES

Annex-L

Minutes of DAC Meeting in respect of Ministry of Energy (Power Division) and its attached Entities held on January 4, 2021 to January 7, 2021 at committee room of GHCL, Islamabad for the year 2020-21

"It was noted that 1708 Nos. SDGs schemes were not completed and 228 Nos. SDGs have not started. After receiving funds from Govt. of Pakistan the concerned DISCOs were not interested to execute the schemes. DAC directed to look into the matter and complete the schemes and put all these on public website and give a completion date of such schemes even if the CEO of concerned DISCOs were transferred / retired. DAC also directed the Chief Executive Officer / Chief Financial Officer to sit jointly with audit to examine / review each and every PDP to address the matter if possible. If the matter is not addressable then the action to be taken would be discussed with audit and after the concurrence of audit, suggest to take appropriate action. The said report should be submitted to DAC within one month."

Annexure-M
Ref to Para 3.2.2

Scheme	Estimated area	Actual area	Excess work area	% increase in work area
50-Street Pavement at Majohan, Diptian, Khadrypur, Saknal, Punjgran, Batala PH-I UC Alipur	72000	90811	18811	26%
51-Street Pavement at Kurri & Chakshahzad Phase-I	24948	36420	11472	46%
56-Street Pavement at Nara Sayadan, Chakian, Thub, Herdogher, Pathan Colony PH-I US Mughal	24840	32988	8148	32%
57-Street Pavement at Mohra Kalu, Rajwal Main Street I/C Nullah & Dhok Awan Phase-I UC Humak	45000	58800	13800	31%
58-Street Pavement at Old Abadi Kangota Syedan, Dhok Sihan Gagri Phase-I UC Sihala	24840	43500	18660	75%
60-Street Pavement at Peija / Dhok Malali UC Pag Panwal	24864	34478	9614	39%
61-Street Pavement at Koral and Adjoining Dhokes	48696	81144	32448	67%
70-Street Pavement at Sohan Phase-I	24000	44534	20534	85%
71-Street Pavement at Bani Gala UC Kurri	67470	91280	23810	35%
75-street pavement	79200	127808	48608	61%
77-Street Pavement at Sara-e-Kharboza & Adj Dhoks Phase-I	96000	138045	42045	44%
78-Street Pavement at Shah	86400	147767	61367	71%

Scheme	Estimated area	Actual area	Excess work area	% increase in work area
Allah Ditta & Adj Dhoks Phase-I				
79-Street Pavement at Golra Sharif & Adj Dhoks Phase-I	86400	202497	116097	134%
131-Rehablitation / Up-gradation of Road at Shahdara	38724	57722	18998	49%
135-Dev Work / Street Pavement at Kot Hathyal South US 5	62852	73764	10912	17%
136-Dev Work / Street Pavement at Phulgran US 6	30693	37422	6729	21%
137-Dev Work / Street Pavement at Chak Shahzad	23424	39262	15838	68%
141-Dev Work / Street Pavement in Village at Tarnol	26928	172348	145420	141%
144-Dev Work / Street Pavement in Villages of Sara e Kharbooza	54272	131000	76728	141%
146-Dev Work /Street Pavement in Villages of Golra Sharif	79184	142961	63777	80%
147-Dev Work in Villages of Shah Allah Ditta	13816	20188	6372	46%
Total	**1185471**	**1967908**	**782437**	**66%**

Annexure-N
Ref to Para 3.2.4

Scheme no	Tender Date of work	Stipulated date of completion	Estimated cost Rs	Actual Date of completion	Penalty Rs
51(SDGs)	10.02.2020	30.04.2020	3,072,853	1.12.2020	307,285
54(SDGs)	10.02.2020	30.04.2020	6,062,612	19.06.2020	606,261

56(SDGs)	10.02.2020	30.04.2020	3,149,047	15.06.2020	3,149,047
58(SDGs)	10.02.2020	30.04.2020	3,282,696	10.06.2020	328,269
59(SDGs)	10.02.2020	30.04.2020	3,528,045	27.07.2020	352,804
60(SDGs)	10.02.2020	30.04.2020	3,921,858	16.06.2020	392,185
61(SDGs)	10.02.2020	30.04.2020	6,062,529	10.06.2020	606,252
62(SDGs)	10.02.2020	30.04.2020	13,413,475	26.10.2020	1,341,347
63(SDGs)	10.02.2020	30.04.2020	7,951,407	27.07.2020	795,140
64(SDGs)	10.02.2020	30.04.2020	7,966,200	09.06.2020	796,620
65(SDGs)	10.02.2020	30.04.2020	8,161,615	28.07.2020	816,161
69(SDGs)	10.02.2020	30.04.2020	20,829,521	16.06.2020	2,082,952
71(SDGs)	10.02.2020	30.04.2020	10,944,982	21.05.2020	1,094,498
74(SDGs)	10.02.2020	30.04.2020	8,599,691	22.06.2020	859,969
75(SDGs)	10.02.2020	30.04.2020	16,097,709	2.11.2020	1,609,770
76(SDGs)	10.02.2020	30.04.2020	12,292,704	22.06.2020	1,229,270
77(SDGs)	10.02.2020	30.04.2020	12,292,868	20.11.2020	1,229,286
78(SDGs)	10.02.2020	30.04.2020	10,648,239	14.10.2020	1,064,823
79(SDGs)	10.02.2020	30.04.2020	10,888,037	28.05.2020	1,088,803
125(SDGs)	06.05.2020	20.06.2020	10,000,000	30.06.2020	1,000,000
127(SDGs)	06.05.2020	20.06.2020	6,000,000	not known	600,000
128(SDGs)	06.05.2020	20.06.2020	15,999,680	not known	1,599,868
130(SDGs)	06.05.2020	20.06.2020	9,000,000	30.06.2020	900,000
134(SDGs)	06.05.2020	04.06.2020	14,000,000	30.06.2020	1,400,000
138(SDGs)	06.05.2020	20.06.2020	5,000,000	not known	500,000
139(SDGs)	06.05.2020	20.06.2020	5,000,000	not known	500,000
146(SDGs)	06.05.2020	20.06.2020	27,000,000	27.06.2020	1,890,000
147(SDGs)	06.05.2020	20.06.2020	4,995,000	24.06.2020	199,800
Total					**28,340,410**

Annexure-O
Ref to Para 3.2.6

S. No.	Bill No	P/L Mixed Amount	Base Course	P/L Sand Cushion	Filling R/wall	Tender rate payment Rs
1	48	772,778	2,019,518			2,279,910
2	49	0	862306	66952		673,247
3	50	0	843,339	91,262		1,074,737

S. No.	Bill No	P/L Mixed Amount	Base Course	P/L Sand Cushion	Filling R/wall	Tender rate payment Rs
4	51	242,680	0			175,822
5	52	0	450,019			372,616
7	53	0	471,927			369,047
8	55	0	1,030,282	67,040		784,157
9	56	0	90892			67,482
10	58	0	203,864			157,781
11	60	0	695,280			535,713
12	62	0	846,828			669,426
13	63	0	883,706			637,095
14	65	220,211	0			162,962
15	67	959,440	0			1,103,356
16	69	0	3,739,932			2,623,562
17	71	3,444,775	0			2,539,316
18	74	0	1,868,678			1,306,365
19	76	0	0		1,692,977	1,226,562
20	77	0	3,519,159	2,313	131,597	2,646,648
21	78	0	278,569			218,527
22	79	0	1,519,118			1,083,131
23	130	3,865,569	1,116,121			5,728,944
24	131	1,682,308	0		44,513	1,973,930
25	132	772,551	0			888,434
26	134	871,356	0			1,002,059
27	136	1,035,147	0			1,190,420
28	136	1,035,147	0			1,190,419
29	142	608,903	0			700,238
30	144	934,204	911,425			2,122,453

S. No.	Bill No	P/L Mixed Amount	Base Course	P/L Sand Cushion	Filling R/wall	Tender rate payment Rs
31	146	146,242	0			168,178
32	147	0	518870			596,104
		Total				**36,268,640**