



**Special Study  
On  
Construction of Quaid-e-Azam Sports Complex  
By Local Government & Rural Development  
Khuzdar  
For the Audit Year 2019-20**

**AUDITOR-GENERAL OF PAKISTAN**

## **PREFACE**

The Auditor-General conducts audits subject to Article 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with the Sections 8 and 12 of the Auditor-General's (Function, Power and Terms and Condition of Service) Ordinance 2001. The Special Study on the "Construction of Quaid-e-Azam Sports Complex at Khuzdar City" was carried out accordingly.

The Directorate General Audit Local Councils Balochistan, conducted Special Study during Audit Year 2019-20 with a view to report significant results to stakeholders. Audit examined the economy, efficiency, and effectiveness aspect of the Construction of Quaid-e-Azam Sports Complex executed by the Assistant Director Local Government Khuzdar. In addition, audit also assessed, on test check basis whether the management complied with applicable laws, rules and regulations in managing the Construction of the Sports Complex. The Special Study Report indicates specific actions that, if taken, will help the management realize the objectives of the project. Most of the study results included in this report have been finalized in the light of discussions with the management.

The Special Study Report is submitted to the Governor of Balochistan in pursuance of the Article 171 of the Constitution of the Islamic Republic of Pakistan 1973 for causing it to be laid before the Provincial Assembly.

**Dated:**

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

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## ABBREVIATIONS AND ACRONYMS

ADLG	Assistant Director Local Government
BLG	Balochistan Local Government
BPPRA	Balochistan Public Procurement Regulatory Authority
BSTS	Balochistan Sales Tax on Services
CoA	Chart of Accounts
CoC	Chart of Classification
Coord	Coordination
Cft	Cubic Feet
DAC	Departmental Accounts Committee
DDO	Drawing & Disbursing Officer
DP	Draft Para
FY	Financial Year
GFR	General Financial Rules
GoB	Government of Balochistan
ISSAI	International Standards for Supreme Audit Institution
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
NOC	No Objection Certificate
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
Rs.	Rupees
SFT	Square Feet
Sq Yd	Square Yard

## EXECUTIVE SUMMARY

The Directorate General Audit, Local Councils, Balochistan, Quetta conducted a Special Study during Audit Year 2019-20 on “Construction of Quaid-e-Azam Sports Complex at Khuzdar” after obtaining approval of the Auditor General of Pakistan. The project was executed by office of the Assistant Director Local Government Department Khuzdar. The total cost of the project was 60.00 million out of which Rs. 59.880 million was incurred by the ADLG leaving a balance of Rs. 0.120 million as saving. The objective of the Project was to construct a Sports Complex in Khuzdar city to promote sports activities and to create a healthy environment in the vicinity, opportunities to explore talent in sports and conduct sports tournaments on regular basis.

The main objectives of the study were to assess whether outcomes of the project were inconsonance with the objectives conceived at the time of formulation and whether the authority discharged its duties in accordance with relevant rules and regulations. One of the main objectives of the study was also to ascertain whether the project was conceived and implemented successfully in providing sports facilities to the inhabitants of Khuzdar city. Moreover, the study was carried out with the intent to highlight the areas where further improvement is required, to make an overall assessment of the proper utilization of the government resources and to suggest measures to remove shortcomings.

### Major Issues:

1. Lack of planning in construction of Sports Complex.
2. Non provision of exclusive water supply and drainage system.
3. Non-competitive bidding of project.
4. Overpayments due to allowing excess quantity and higher premium Rs. 4.609 million
5. Mis-appropriation on installation of fiber glass, jogging track and in plantation of grass of Rs. 5.826 million.
6. Non-deduction of government taxes of Rs 6.235 million.
7. Non-recovery of liquated damages of Rs. 5.988 million.

### Recommendations:

1. Sports complex may be handed over to the Sports Department and be operationalized to achieve the objective of promoting sports activities.
2. Transparency and merit must be ensured in granting contracts. The instant case mentioned in report may be probed to fix responsibility.
3. Management must make arrangements for day to-day maintenance of the project on permanent basis.
4. Provision of exclusive water facility and drainage system for the complex.

5. Many deviations from PC-I were observed due to which overpayments were observed and recoveries were pointed which need to be effected by the management.
6. Management needs to look into the matter of non-installation of fiber glass over the audience sitting area, non-plantation of grass in the play-ground and non-construction of jogging track despite payments made to the contractor for these components.
7. Community involvement should be ensured to create sense of ownership.

# 1. INTRODUCTION

## 1.1 Background:

Khuzdar is an important district of Balochistan spreading over an area of around 35,380 Square Kilometers, located on Quetta-Karachi RCD highway. It is bordered with district Kalat to the north, districts Jhal Magsi to the east, districts Kharan, Washuk and Awaran to the west and district Lasbela to the South. It was given status of district on March 01, 1974, before which it was part of district Kalat. According to census conducted in 2018, its population was 802,207. Administratively it is divisional headquarters of Kalat Division and is subdivided into five tehsils namely Khuzdar, Zehri, Wadh, Naal and Moola. Main livelihood of the people is livestock and subsistence farming in addition to employment opportunities in the public sector and mining of minerals.

Sport activities like football and cricket are very popular among the youth of the area. To create a healthy environment, the Local Government and Rural Development Department to construct Quaid-e-Azam sports complex in the vicinity of the Government Boys Degree College Khuzdar. The main objectives of constructing the Sports complex were to encourage the youth to participate in sports activities. Moreover, it would provide an opportunity to polish the sporting skills of the players. The project was also planned to promote and enhance the prospects of sports by holding sports events on regular basis.

The Assistant Director Local Government Khuzdar received a grant of Rs 60.00 million from Finance Department, Government of Balochistan through Director General Local Government & Rural Development, Balochistan, Quetta during the year 2017-18 for construction of Quaid-e-Azam Sports Complex. Total cost of the project and availability of budget is as under:

(Amount in rupees)

S. No	Description	Estimated Cost	Expenditure	Savings
1	Construction of Quaid-e-Azam Sports Complex at Khuzdar City	60,000,000	59,880,000	120,000
<b>Total:</b>		60,000,000	59,880,000	120,000

The PC-I of the project was approved by the Secretary Local Government and Rural Development, Department Balochistan on December 15, 2017. The project management was given a period of six (06) months from January 2018 to June 2018 to complete the project.

### **1.2.1 Project Objectives**

1. To provide sports facilities in the area and facilitate youth to participate in sports activities.
2. To promote healthy activities among the youth by conducting sports tournaments.
3. To create opportunities to find out the real talent in the youth of Khuzdar.
4. To promote and enhance the prospects of sports.

## **2. STUDY OBJECTIVES**

Main objectives were to study whether the:

- 2.1 sports complex was constructed according to the provisions envisaged in PC-I.
- 2.2 objectives envisaged in the PC-1 were achieved.
- 2.3 record relating to construction of sport complex was properly maintained.
- 2.4 internal Controls and checks were adequately applied by the executing department, while awarding contracts and making payments.

## **3. STUDY SCOPE AND METHODOLOGY**

### **3.1 Limitations**

Special Study of the construction of sport complex was carried out in district Khuzdar covering the period of fiscal year 2017-18 to examine utilization of public funds on construction of the Sports Complex.

### **3.2 Study Methodology**

1. Examining the record relating to construction of sports complex. Analysis and its comparative assessment with the criteria provided in approved PC-I.
2. Conducted interviews to ascertain interest of youth in different games.
3. Preparation of the report with practical suggestions to avoid the problems in future.



## **4 STUDY FINDINGS AND RECOMMENDATIONS**

### **4.1 PLANNING AND MANAGEMENT ISSUES**

#### **4.1.1 Lack of planning in construction of Sports Complex**

Planning Commission has devised three Proformas in 2005; one each for Infrastructure Sector, Production Sector and Social Sector, providing that “It is mandatory that the projects of Infrastructure Sector and Production Sector should be undertaken after proper feasibility studies before submission of the PC-I”.

The Assistant Director, Local Government and Rural Development, Department Khuzdar, prepared PC-1 of Quaid-e-Azam Sports Complex at an estimated cost of Rs 60 million. However, neither a feasibility study for construction of the building, nor a survey was conducted by the management in which feedback/views of local population could have been acquired. Audit conducted interviews of youth to ascertain their interest. The interviews showed that the local office did not take any input from the local population, sports clubs etc. as majority of the people were found interested in tennis and indoor games, facilities of which were not made available in the complex. Moreover, it was not decided by the management till finalization of study that to which department the Sports Complex will be handed over after completion. It was not mentioned anywhere that which department will bear maintenance cost of the project which is prerequisite for sustainability. All this bears testimony to the fact that department was just interested in incurring capital cost of the project without looking at future cost of the project.

Audit is of the view that this project was undertaken in haste without considering its potential benefits in future which were linked with comprehensive planning and sustainability. A visionary approach was not adopted to cater for future needs of the youth of the area.

The matter was reported to the department on August 26, 2020 but no reply was received.

DAC meeting was held on September, 15, 2020, it was admitted by the management that no feasibility study of the project was conducted before construction of the Sports Complex. The Engineer in charge could not inform the forum that to whom the Sports Complex was required to be handed over. It was also not known that which department will bear maintenance cost of the Complex. Have they made any budgetary provision for the same? All of the questions raised by audit remained unanswered. However PAO directed that the Complex may be handed over to Sports Department and in future, feasibility study should be carried out for each project.

It is recommended that no project should be launched without conducting feasibility study.

#### **4.1.2 Non-provision of exclusive water supply and drainage system**

According to Para No. 1.47 of Planning Commission Manual for development projects, “Unless projects are carefully prepared in substantial detail, inefficient or even wasteful expenditure of money is almost sure to result”.

It was observed that the sports complex was located almost three feet below normal ground level. However, PC-I of the project did not have provision of drainage system. Similarly, exclusive water supply scheme was also not conceived at the time of preparation of project which shows that project was not properly planned in accordance with the guidelines of the Planning Commission of Pakistan.

The matter was reported to the department on August 26, 2020 but no reply was received.

In the DAC meeting held on September, 15, 2020, it was admitted by the management that neither PC-I of the project contained exclusive water supply scheme for the Complex nor any provision was made for the drainage system. However, ADLG was of the view that since there was natural slope in the ground so no drainage system was required to flush out rain water, which was not convincing. PAO also agreed with the audit point of view that exclusive water supply and proper drainage system are the basic requirements of a playground which should have been conceived by the management.

It is recommended that exclusive water supply scheme for the Complex and drainage system for the ground may be ensured.

## **4.2 PROCUREMENT AND CONTRACT MANAGEMENT**

### **4.2.1 Non-competitive bidding of Rs. 59.880 million**

According to BPPRA rule 43(i) “Single bid may be considered for acceptance if it meets the evaluation criteria expressed in bidding documents and is not in conflict with any other rules, regulations or policy of the Government. The price may be compared with the prevailing market prices, if so required”. Further as per rule 41(1)(c), registration with Income Tax, Sales Tax and Pakistan Engineering Council is necessary for participation in open competitive bidding.

The Assistant Director Local Government and Rural Development Khuzdar, awarded the work of Construction of Quaid-e-Azam Sports Complex at a cost of Rs 59.880 million to a single bidder in violation of the above rule. Further, NIT was uploaded only on the BPPRA’s Website without placing advertisement in the print media for wide publicity. Moreover, the licenses of contractor from Pakistan Engineering Council (PEC) and Income Tax Registration were valid up to 31 December, 2016 and 31 July, 2012 respectively. In view of above the management was required to retender the project to ensure transparency but the contract was awarded un-justified to a contractor who was not qualified for the job.

Thus the management gave undue favor to an unqualified contractor in violation to PEC rules.

The matter was reported to the department on August 26, 2020 but no reply was received.

In the DAC meeting held on September, 15, 2020, it was intimated by the management that only one contractor participated in the bidding process, therefore contract was awarded to him as allowed in the BPPRA rules. Audit did not agree with the department as market survey was necessary to obtain economical rates as provided in the BPPRA Rules. Moreover PEC registration of the Contractor was also expired in the year 2016 and Income Tax registration in 2012. Therefore, award of contract to an un-registered contractor was irregular.

It is recommended that an inquiry into the matter may be conducted for fixing responsibility against the officers at fault.

### **4.2.2 Non-recovery of liquated damages -Rs. 5.988 million**

According to Clause 39 read with Clause 37 of contract with contractor “if a contractor fails to complete the work within stipulated period, he is liable to pay compensation @ 1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer In-charge to be worked out per day but not exceeding maximum of 10% of the cost of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

The work of Construction of Quaid-e-Azam Sports Complex which commenced on November 24, 2017 was to be completed till June 30, 2018. While in December 2019 (six months after the date of completion), it was found that the electrification work on pavilion area was still under process despite the fact that management had given completion certificate to the contractor on June 30, 2018. The above position reflects undue favour to the contractor in clear violation to rules.

The matter was reported to the department on August 26, 2020 but no reply was received.

In the DAC meeting held on September, 15, 2020, the management informed that the complex was completed in time except electrification work which was under process as observed by the audit team. Audit did not agree with the contention of the department and emphasized on imposition of penalty @ 10% as prescribed in the rules. DAC agreed with the audit and directed officer concerned to take action as suggested by audit as soon as possible.

It is recommended that recovery of the amount may be affected at the earliest.

### 4.3 FINANCIAL MANAGEMENT

#### 4.3.1 Overpayment due to allowing excess quantity –Rs. 4.609 million

According to B&R Code 2.86, “the authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide Accordingly, any anticipated or actual savings on a sanctioned • estimate for a definite project should not, without special authority be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.”.

The Assistant Director, Local Government and Rural Development Department Khuzdar, paid different items of work to contractor by allowing excess quantities than provided in approved PC-I and technically sanctioned estimates as detailed below:

(Amount in Rs)

Quantity Paid	Quantity Admissible	Rate % CFT	Diff. Qty Cft	Amount	Excess Quantity%
67712 % CFT	9459 % CFT	342.82 % CFT	58,253	199,703	715
6199.50 % CFT	2369.67 % CFT	8479.22 % CFT	3829.83	324,739	62
3835.48 % CFT	204.75 % CFT	10907.29 % CFT	3630.73	396,014	1,773
1705 CFT	673.68 % CFT	10305.26 % CFT	1031.32	106,280	153

17694.88 CFT	2414 CFT	7782.6 % CFT	15280.88	1,189,249	633
Sub total				2,215,985	
Add 108% above				2,393,264	
<b>Total:</b>				<b>4,609,250</b>	

The payment of excess quantity either was due to negligence or inaccurate estimation of work which resulted into an overpayment of Rs 4,609,250 as mentioned in Annexure A and thus loss to government.

The matter was reported to the department on August 26, 2020 but no reply was received.

In DAC meeting held on September, 15, 2020, the management intimated that excess quantities have been paid as per site requirement but not more than 15% the cost of work as allowed under the rules, which was not agreed. It was decided that notification of allowing variation up to 15% may be provided to audit for verification. No document was provided till finalization of this report.

It is recommended that recovery be affected at the earliest.

#### **4.3.2 Mis-appropriation on installation of Fiberglass shed - Rs. 1.297 million**

According to PC-1 technically sanctioned by the competent authority, a quantity of 24019.50 % sft was allowed for providing, fabricating and installing fiber glass shed 06 mm thick sheet of any colour, using steel pipe frame”. As per Para 221 of CPWA Code, “The Sub Divisional Officer before signing the bill should compare the quantities and rates in the bill with those recorded in measurement book and check arithmetically.”

It was observed that fiber glass was not installed by the contractor over the sitting steps for audience but payment of this item was made by the ADLG as detailed below;

(Amount in Rupees)

S.No.	Particular	Quantity	Size	Cost
1.	Providing, fabricating and installation of fibre glass shed 06 mm thick sheet of any colour, using steel pipe frame of 1-1/2" * 1-1/2" * 16 SWG applying (2) coats anti rust paint including fitting of pipes and frame in position, fixing of sheet with screw and pack the joints with silicon, special plastic caps etc, complete as direction of engineer in-charge. (13-22.ii)	24019.50	5400 % SFT	1,297,053
<b>Total:</b>				<b>1,297,053</b>

Non installation of fibre glass by contractor and payment made thereof resulted in loss of Rs. 1,297,053 to the Government.

The matter was reported to the department on August 26, 2020 but no reply was received.

In the DAC meeting held on September, 15, 2020, it was informed by the officer concerned that fiber glass was installed just after visit of the Audit Team. DAC directed to provide documentary evidence of installation of fiber glass to audit for verification. No evidence was provided till finalization of this report.

It is recommended that responsibility may be fixed against the concerned officer(s) and recovery may be affected from the contractor besides physical verification of the work.

#### **4.3.3 Mis-appropriation on planting grass- Rs. 2.570 million**

As Per PC-1, technically sanctioned by the competent authority, "a quantity of 5625 % cft , 67372.80 cft , 204160 of Supplying and stacking and spreading approved for garden soil free from slats, pebbles and grass roots including all leads and lifts, supplying and stacking well decayed sewage manure from approved soured including all leads and lifts and supplying of grass seed". As per Para 221 of CPWA Code, "The Sub Divisional Officer before signing the bill should compare the quantities and rates in the bill with those recorded in measurement book and check arithmetically."

The Assistant Director, Local Government and Rural Development Department Khuzdar, awarded the work the work of Construction of Quaid-e-Azam Sports Complex at an agreement cost of Rs. 59.880 million. During the physical inspection of the Sports Complex, it was observed that although contractor was paid for supplying, stacking and spreading of garden soil for planting grass in the play grounds of cricket and football as approved in PC-I but grass was not planted on the ground. (Photographic evidence is at Annexure "C"). It has also been mentioned in preceding

para that water facility for the complex was not arranged to fulfill its requirements. The detail of payment made to the contractor is as under;

(Amount in Rupees)

S.No.	Particular	Size	Rate	Amount
1.	Supplying and stacking and spreading approved for garden soil (sweet earth) free from slats, pebbles and grass roots including all leads and lifts. Spreading approved garden a soil (sweet earth) in uniform thickness including mixing and breaking clods and dressing for grassing including disposal of rubbish within 90m (3chains). (29-6 + 29-7)	5625 % CFT	586.05	32,965.31
2.	Supplying and stacking well decayed sewage manure from approved soured including all leads and lifts. Spreading sewage in uniform thickness in the prepared bed including mixing with original soil up to any depth including breaking clods dressing for grassing including disposal of rubbish up to 9m.	67372.80 CFT	442.90	298,394.13
3.	Supplying of grass seed ever green (Denmark)	204160	442.90	904,224.64
	<b>Total</b>			1,235,584.08
	<b>Add 108 % on civil works</b>			1,334,430.80
	<b>Grand total</b>			<b>2,570,014.90</b>

Non implantation of grass by the contractor and payment made against the item leads to mis-appropriation.

The matter was reported to the department on August 26, 2020 but no reply was received.

In the DAC meeting held on September, 15, 2020, the local office intimated that the grass was planted but due to negligence of the staff and non-availability of sufficient amount of water, the grass dried but could not substantiate its reply with evidence. It was decided that either contractor may be directed to maintain/provide grass as provided in the PC-1 or recovery be affected. No progress was intimated till finalization of this report.

It is recommended that the recovery may be affected from the contractor besides fixing responsibility against the concerned officer(s).

#### 4.3.4 Mis-appropriation in construction of jogging track - Rs. 1.959 million

As per PC-1, technically sanctioned by the competent authority, “a quantity of 25,400 % cft and 25,400 sft of execution in foundation in shingle or gravel soil of buildings, bridges and other structures and leveling ramming watering of track, providing and laying gauge, alignment of track as per drawing and fixing of bricks on sides of track”. According to Para 1.59 of B&R Code, “The Divisional Officers are strictly prohibited from making or permitting any material deviation from any sanctioned design in course of execution.”. Further As per para 221 of CPWA Code, “The Sub Divisional Officer before signing the bill should compare the quantities and rates in the bill with those recorded in measurement book and check arithmetically.”

The Assistant Director, Local Government and Rural Development Department Khuzdar, awarded the work of Construction of Quaid-e-Azam Sports Complex at an agreed cost of Rs. 59.880 million. During physical inspection of the ground (Photographic evidence at Annexure “D”), it was observed that jogging track around cricket and football grounds were not constructed by the contractor but payment of this item was made as detailed below:

(Amount in Rupees)

S.No.	Particular	Size	Quantity	Amount
1.	Execution in foundation in shingle or gravel soil of buildings, bridges and other structures, depth up to 4 meters including dressing refilling around structures with executed earth watering and ramming lead up to 30m lift up to 1.5m. (3-21-d)	25400 % CFT	342.8	87,076
2.	Leveling ramming watering of track, providing and laying gauge, alignment of track as per drawing and fixing of bricks on sides of track complete in all respects. (NSR item)	25400 SFT	70	1,778,000
<b>Civil work</b>				87,076
<b>108% on civil work</b>				94,042
<b>Grand Total</b>				<b>1,959,118</b>

Non construction of jogging track by the contractor and payment made against that item is misappropriation of public money and loss to the Government.

The matter was reported to the department on August 26, 2020 but no reply was received.

In the DAC meeting held on September, 15, 2020, the management intimated that the work of construction of jogging tract was completed by the contractor but while laying water pipes by the B&R department, the track was damaged. It was decided in the DAC meeting that jogging track may be got repaired either by the contractor or B&R Department as deemed fit under intimation to Audit. No further action was taken till finalization of this report.



It is recommended that the recovery may be affected from the contractor besides fixing responsibility against the concerned officer(s).

#### **4.3.5 Overpayment due to allowing higher premium - Rs. 1.037 million**

As per work order No PRQ 756/3-11-17, issued to the contractor “premium would be granted for earth work @ 24.80% above, civil work 104.80% above and steel work @ 204.80% above.”

The Assistant Director, Local Government and Rural Development Department Khuzdar, awarded the work of Construction of Quaid-e-Azam Sports Complex at an agreed cost of Rs. 59.880 million. The items of works provided in PC-I were based on Balochistan scheduled of Rates, 1998. The contractor quoted premium @ 24.80% above for earth work, 104.80% above for civil work and 204.80% above for steel work. But while making final payment to the contractor, premium was allowed @ 28% above on earth work, 108% above on civil work and 208% above on steel work. This resulted in overpayment to the contractor as detailed below;

(Amount in Rupees)

<b>S. No</b>	<b>Particulars</b>	<b>Premium Allowed</b>	<b>Premium Paid</b>	<b>Difference %</b>	<b>Payment</b>	<b>Premium overpaid</b>
1.	Earth Work	24.80 %	28 %	3.2	118,138	3,780
2.	Civil Work	104.80 %	108 %	3.2	26,274,775	840,793
3.	Steel Work	204.80 %	208 %	3.2	6,044,123	193,412
<b>Total</b>						<b>1,037,985</b>

The excess payment of premium was made in violation of the rates approved in agreement resulting into an over payment of Rs 1,037,985 and have loss to Government.

The matter was reported to the department on August 26, 2020 but no reply was received.

In the DAC meeting held on September, 15, 2020, it was argued by the management that premium on earth work, civil work and steel work was not paid on higher rates. Actually there was a clerical mistake in the MB which has been rectified. DAC directed that MB along with running bills may be provided to audit for verification. No document was provided till finalization of this report.

It is recommended that amount overpaid to the contractor may be recovered.

#### **4.2.6 Non-deduction of Government taxes –Rs 6.235 million**

According to BRA Act, 2015 passed by Balochistan Provincial Assembly vide Notification No. PAB/Legis-v (16)/2015 dated 03-07-2015 and under 2<sup>nd</sup> Schedule, 15% BST to be charged

and thereafter the withhold 1/5<sup>th</sup> of taxable amount has been imposed on consultancy service/surveyors etc.

Further, according to Section 153 Income Tax Ordinance 2001 as amended from time to time, “Income Tax is required to be deducted @ 7.5%, from the bills of suppliers.”

The Assistant Director, Local Government and Rural Development Department Khuzdar, awarded the work Construction of Quaid-e-Azam Sports Complex at an agreement cost of Rs. 59.880 million and paid an amount of Rs. 59,390,000 to the contractor but failed to deduct Income Tax and Balochistan Sales Tax on Services (BSTS) as detailed below;

(Amount in Rupees)

S.No	Particulars	Cost of Project	Income Tax (7.5%)	BST (3%)
01	Construction of Quaid-e-Azam Sports	59,390,000	4,454,250	1,781,700
<b>Total</b>			4,454,250	1,781,700
<b>Grand Total</b>			<b>6,235,950</b>	

Non-deduction of Income Tax and BSTS resulted in loss to the government exchequer.

In the DAC meeting held on September, 15, 2020, it was informed that Income Tax/BSTS was deducted at source by the DAO, Khuzdar. DAC directed that evidence of Income Tax and BSTS deduction may be obtained from the DAO office and be provided to Audit for verification. However, no documentary evidence was provided till finalization of this report.

It is recommended that documentary evidence of recovery of Income Tax and BSTS may be provided to audit for verification or recovery be affected from the contractor.

#### **4.4 Environment**

The construction of a Sports Complex will have a positive impact on the environment of the area, however, arrangement of water facility for the ground is necessary to grow grass and avoid dust which is hazardous for players.

#### **4.5 Sustainability**

The ownership of this sport complex is not yet decided. It is also not known that which department will bear maintenance cost of the Complex. Hence, sustainability is questionable. In order to ensure sustainability, the project needs ownership and budgetary provisions.

#### **4.6 Overall Assessment**

##### **i. Relevance:**

The overall scope of the project was in line with the sectoral policies and sectoral priorities of the government.

##### **ii. Efficacy**

Although provision of a sports facility for youth of the area is a commendable job but efficacy of the project was reduced by lack of planning and without considering the sustainability factor.

##### **iii. Efficiency**

The project was commenced on November 24, 2017 which was to be completed by June 30, 2018. The contractor failed to complete the work in stipulated period. Due to inefficiency on the part of management the complex was neither completed on time nor was its essential components completed like grass in grounds, jogging track and fibre glass shed for spectators. Moreover, key issues like provision of water supply and a drainage system were ignored altogether. Hence, project was not handled efficiently.

##### **iv. Economy:**

Competitive bidding for award of contract was not held to obtain economical rates. Besides, management allowed various payments to the contractor in excess of work done or even without work. Some of the funds were misappropriated and taxes were not realized from contractor which resulted in a loss to the government.

##### **v. Effectiveness:**

The complex was planned and designed to provide sports facilities for only football and cricket. Indoor sports facilities like tennis, volleyball, badminton, and table tennis even hockey and basketball were ignored. Effectiveness of the project could have been enhanced if all these

games were considered at the planning stage. Moreover, sports complex was not handed over to any department for its utilization. Hence, the objective for which the complex was constructed was not achieved.

**vi. Performance rating of the project:**

Unsatisfactory

**vii. Risk rating of the project:**

High

## **5 CONCLUSION**

### **5.1 Key Issues for the future:**

- Weaknesses in proper planning, execution and implementation of the work.
- In-efficiencies in carrying out overall activities of the project.
- Non competitive bidding process and over payments.
- Completion of project in time along with all key components.
- Lack of monitoring and supervision by the management.
- Lack of training to staff in making feasibility studies, conducting surveys and supervision.

### **5.2 Lessons Identified:**

- Planning is a key for success of a project.
- Non-compliance of contractual obligations.
- Sustainability should not be ignored at any stage.
- Economy of expenditure can be ensured by executing work on merit.
- Internal controls should be strengthened to avoid inadmissible and overpayments.
- Ownership of government assets should be assigned to save them from losses.
- Proper training for the relevant staff.

## **ACKNOWLEDGEMENT**

We wish to express our appreciation to the Management and other staff of Assistant Director Local Government and Rural Development Department, Khuzdar for the assistance and cooperation extended to the auditors during this assignment.

## ANNEXURES

**Annexure-A  
Para- 4.2.1**

**Overpayment due to allowing excess quantity –Rs. 4.609 million**

(Amount in Rupees)

Item of work	Paid Qty	Admissible Qty	Rate % CFT	Diff.Qty CFT	Amount
Excavation in foundation in shingle or gravel soil of buildings, bridges and other structures, depth up to 4 meters including degbelling dressing refilling around structure. (3-21.d)	67712 % CFT	9459 % CFT	342.82 % P.CFT	58,253	199,703
Providing and laying cement concrete in column walls and pillars etc upto 225mm (9") in thickness using shingle or bajri 19 mm (3/4") and down gauge including compacting, dressing etc.(5-8-d+5-42-d)	6199.50 % CFT	2369.67 % CFT	8479.22 % CFT	3829.83	324,739
Providing and laying cement concrete 1:2:4 (1 cement 2 sand 4 crush) using crush size 19mm (3/4") and down gauge in superstructure columns.(5-10-c +5-42-c)	3835.48 % CFT	204.75 % CFT	10907.29 % CFT	3630.73	396,014
Providing and laying 1:2:4 cement concrete using crush stones 19mm and down gauge in plinth beam, door band and roof band of required shape or section including form work all sections. (5-45-a + 5-42-C)	1705 CFT	673.68 % CFT	10305.26 CFT	1031.32	106,280
Providing and laying first class solid burnt brick masonry in any kind of wall of any thickness including scaffolding raking out joint set in CM 1:4 in super structure 9" to 13-1/2" thick etc. (11-32 a)	17694.88 CFT	CFT	7782.60 CFT	15280.88	1,189,249.76
<b>Sub total</b>					<b>2,215,985.80</b>
<b>Add 108% above</b>					<b>2,393,264.7</b>
<b>Grand Total</b>					<b>4,609,250.5</b>

**Mis-appropriation on installation of fibre glass shed at sitting steps of sports complex of  
Rs. 1.297 million**







**Mis-appropriation on planting of grass in play grounds- Rs. 2.570 million**



MAIN BUILDING/ PLAYER'S DRESSING ROOM



CRICKET GROUND

**Mis-appropriation in construction of jogging track of sports complex of Rs. 1.959 million**





