

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Presentation
on
**SAI – Pakistan’s Experience
of
Auditing Government SDG Implementation
Program at Federal, Provincial & Local
Levels of Governance**

By

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SEQUENCE OF PRESENTATION

- Introduction to SDG Implementation in Pakistan
- SDG Auditing by SAI – Pakistan
- Audit Findings on Execution Status of Schemes (FYs ‘16-20)
 - Federal Audit Entities
 - Provincial & Local Government Entities
- Audit Observations on SDG Planning, Execution & Reporting
- Critical Audit Analysis on SDGs Achievement Programs
- Main Audit Recommendations

Introduction to SDG Implementation in Pakistan

- ▶ Parliament of Pakistan adopted 2030 Agenda through a unanimous resolution
- ▶ Federal Government conducted discussions on the post-MDG scenario with all stakeholders
- ▶ Planning Commission & UNDP held National SDGs Conference on 10.10.2015
- ▶ Ministry of Planning, Development & Special Initiatives (MoP&SI) embedded SDGs in “Pakistan Vision 2025” & Initiated PM’s SDGs Achievement Program (SAP)
- ▶ Cabinet approved the Program on 30.09.2016 & Issued Guidelines on 10.10.2016
- ▶ Schemes Identified by Community to Executing Agencies submitted to Program Implementation Unit thru Steering Committees

Introduction to SDG Implementation in Pakistan (Cont'd)

- ▶ A Dedicated SDG Section was established in MoP&SI as a national coordinating entity
- ▶ Provincial Planning & Development Departments established **SDG Support Unit** for the project works on Mainstreaming, Acceleration & Policy Support – “MAPS” approach based on the following four pillars:
 - ✓ Plans, policies, and resource allocation alignment with the 2030 Agenda;
 - ✓ SDGs monitoring and reporting strengthening;
 - ✓ Financing flows alignment with the 2030 Agenda; and
 - ✓ Innovation and Partnerships: building synergies, implementation of pilots, etc.

Introduction to SDG Implementation in Pakistan (Cont'd)

SAP in Pakistan provided a community-based development opportunity in deficient areas by direct targeted intervention, leading to SDG targets achievement.

- ✓ Good health & Well-being - **SDG 3**
- ✓ Quality Education – **SDG 4**
- ✓ Clean Drinking Water & Sanitation – **SDG 6**
- ✓ Power, Natural Gas - **SDG 7**
- ✓ Industry, Innovation & Infrastructure - **SDG 9**
- ✓ Sustainable Cities & Communities - **SDG 11**
- ✓ Climate Action - **SDG 13**
- ✓ Partnership for the Goals - **SDG 17**

SDG Auditing by SAI – Pakistan

Vision: Adding value to national resources.

Mission: Serving the nation by promoting accountability, transparency & good governance in management and use of public resources

Integrity: Our Way of Life

- ▶ The AGP conducts audit subject to Articles 169 & 170 of the Constitution, read with Ss. 8 & 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. The Special Audit of SAP was carried out on request of the Government.
- ▶ Audit indicated specific actions that, if taken, will help Management realize Objectives of the Program.
- ▶ The Reports have been caused to be laid before the Parliament in pursuance of Art.171 of the Constitution.
- ▶ The Reports are available at <https://agp.gov.pk/AuditReports>

Audit Objectives

Whether:

- ▶ SAP schemes were aligned with targets & indicators of SDGs;
- ▶ the targets of SDGs set by the Punjab Government were in consonance with those of the Federal Government;
- ▶ the schemes were identified by the residents of the area & feasible;
- ▶ SDG targets were achieved;
- ▶ Expenditure was made for intended purpose after due approvals in accordance with relevant laws;
- ▶ Principles of economy, efficiency and effectiveness were followed.
- ▶ Cabinet Division Guidelines were duly followed

SDG Schemes Audit Execution

Field Audit Offices (FAOs) on SDG Auditing

Federal Government Entities:

- ▶ DG Audit Works (Federal): Housing & Works
- ▶ DG Federal Audit: FATA & ICT
- ▶ DG Audit Power: Electrification schemes
- ▶ DG Audit (PNR): Natural Gas

Provincial & Local Government Entities:

- ▶ DG Audit Punjab
- ▶ DG Audit (Provincial Works)
- ▶ DG Audit (District Governments)

Education, Road Sector, Clean Drinking Water, Sanitation,
Infrastructure & Community Development

Status of SDG Schemes - Federal Entities

EA / FY	Schemes		Funds (Billion)	
	Approved	Executed	Released	Utilized
PPWD/ '16-17	1,121	766	5.374	4.853
PPWD/ '17-18	832	791	5.213	4.855
DISCOs/ '16-17	6,909	6,895	6.239	5.552
DISCOs/ '17-18	9,785	8,589	7.506	5.801
SNGPL/ '16-17	27	19	3.491	0.511
SNGPL/ '17-18	82	55	5.230	0.511
SSGCL/ '16-17	03	03	0.315	-
SSGCL/ '17-18	02	02	0.70	0.104
PEPCO/ '18-19	25	17	0.40	0.15
PEPCO/ '19-20	6,210	4,360	6.671	1.602
ICT/ '19-20	55	55	0.900	0.898

Status of SDG Schemes - Federal Entities (FYs 2018 - 20)

Executing Agency / Province	Schemes			Funds (Rs. Billion)		
	Approved	Not Completed	Not Initiated	Approved	Released	Utilized
PPWD/ Sindh	1,292	31	774	7.239	3.399	2.820
PPWD/ Punjab	798	237	156	4.949	4.014	2.277
PPWD/ KP	325	94	50	2.423	1.997	1.910

Status of Schemes-Punjab & District Entities (FYs 2018 – 20)

Sector	Schemes			Funds (Rs. Million)		
	Appr- oved	Not Com- pleted	Not Initiated	Approved	Released	Utilized
Social & Infra	181	68	04	1,989	1,587	1,484
Municipal & Infra	685	235	19	3,442	2,467	2,083
Municipal	791	224	18	4,163	3,507	3,185
District Health	04	04	-	31.950	31.950	15.887
District Education	02	02	-	10.573	10.342	8.711

Audit Observations

- ▶ Guidelines were silent on any special consideration for marginalized sections of society
- ▶ Lack of Guidelines for Priority III (mitigating the impact of climate change) although funds for Clean & Green Pakistan were earmarked in each scheme
- ▶ Non-Availability of data at EAs for selection of schemes
- ▶ PM's approval for Schemes above Rs.30m was not obtained.
- ▶ Schemes were deleted after release of funds (DISCOs), Schemes were declared non-feasible after initial execution

Audit Observations (Cont'd)

- ▶ Non-involvement of Community in Identification of Schemes
- ▶ Funding of the Schemes, disregarding inequality index weakened spirit of “furthest behind first” & “all-inclusive and leaving no one behind”
- ▶ Contract Award & Administration was not in order in some of the cases. Even Clauses were not inserted in contract agreements
- ▶ Estimates were finalized without consultants review / inflated

Audit Observations (Cont'd)

- ▶ Weak coordination among Executing Agencies,
- ▶ Non – effective role of Public Private Partnership (PPP) Cell of P&D Board on awareness and public participation.
- ▶ There were instances of financial mismanagement. Lapsable funds were placed in non-lapsable accounts. Contract payments made on very next day of Award of Work & without recording in MBs.
- ▶ Payments of Rs.2.166 bn made against dues of Rs.699 m (PPWD). Expenditure recorded without actual payment to contractors.
- ▶ Ineligible payments were made.

Audit Observations (Cont'd)

- ▶ Funds were utilized for commercial purpose schemes.
- ▶ SDG funds were utilized for 42 incomplete gas schemes of other programs.
- ▶ Quality check on executed works was not performed.
- ▶ Non - submission of monthly physical progress reports.
- ▶ Handing over of completed schemes was not made over to concerned.
- ▶ Non-maintenance of separate bank accounts.
- ▶ Third party evaluation / impact assessment not carried out.

Critical Audit Analysis of SDGs Achievement Program

- ▶ Instances of Identification of schemes without involving respective communities,
- ▶ Non – initiation & time over-run in significant number of schemes,
- ▶ Financial mismanagement of SDG schemes – related funds,
- ▶ Issues in contract award & administration,
- ▶ Weak Monitoring and Lack of impact analysis / third party evaluations of the executed schemes

Points of concern for effective implementation of SDG – related schemes and attainment of the desired results on SDG targets.

Main Audit Recommendations

- ▶ Assessment of effectiveness of the tools used for data-gathering
- ▶ Analysis of the criteria adopted for prioritization of development goals keeping in view ground realities
- ▶ Assessing effectiveness of means adopted for promotion of PPP
- ▶ Allocation of resources on appropriate regional need assessment.

Main Audit Recommendations (Cont'd)

- ▶ Assessment of District Development Committees role in Selection & Identification of Schemes
- ▶ Effective Coordination among FD, P&D and Executing Agencies
- ▶ Adequate timely release of funds
- ▶ Impact assessment of schemes executed
- ▶ Effective Monitoring, Evaluation & Reporting System

Quotation:

Coming together is the Beginning. Keeping together is Progress. Working together is Success.

Henry Ford