



Financial Attest Audit Report
on the accounts of
Project Digital Jobs in Khyber Pakhtunkhwa
Financed by World Bank,
Grant No-TF-0A7171
Government of Khyber Pakhtunkhwa
Information Technology Board
For the Financial Year 2018-19

Auditor General of Pakistan Islamabad

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Abbreviations and Acronyms

ADP	Annual Development Program
BPO	Business Process Outsourcing
DAC	Departmental Accounts Committee
ECNEC	Executive Committee of National Economic Council
ESMP	Environmental and Social Management Plan
GFR	General Financial Rules
GIC	Global In-house Centers
GIS	Gender Inclusive Start ups
GoKP	Government of Khyber Pakhtunkhwa
GoP	Government of Pakistan
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institution
IUFR	Interim Unaudited Financial Reports
KPDYS	Khyber Pakhtunkhwa Digital Youth Summit
KPITB	Khyber Pakhtunkhwa Information Technology Board
MDTF	Multi Donors Trust Fund
P&D	Planning and Development
PC-1	Planning Commission Proforma-1
PIU	Project Implementation Unit
PSDP	Public Sector Development Program
TA/DA	Travelling Allowance / Daily Allowance
TEVTA	Technical Education and Vocational Training Authority
YEP	Youth Employment Program

PREFACE

The Auditor-General conducts audits subject to Article 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 Financial Attest Audit of the "Digital Jobs in Khyber Pakhtunkhwa" funded by the World Bank for the Financial Year 2018-19 was carried out accordingly.


The Directorate General Audit conducted audit of the "Digital Jobs in Khyber Pakhtunkhwa" funded by the World Bank for the Financial Year 2018-19 in August, 2019 with a view to reporting significant findings to stakeholders. Audit examined the economy, efficiency, and effectiveness aspects of the project. In addition, audit also assessed, on a test check basis, whether the management complied with the applicable laws, rules, and regulations in managing the project. The Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the project.

The report was finalized in light of discussion with the Project Management. The PAO through Management Letter was also requested to convene DAC meeting, but DAC was not convened till finalization of this report.

The Report consists of two parts. Part-I contains Auditor's Report (Audit Opinion) and Financial Statements. Part-II contains Executive Summary, Management Letter and Audit Findings.

The Report has been prepared for submission to the World Bank in terms of its grant agreement with the Government of Islamic Republic of Pakistan.

Dated: 12/12/2019
Peshawar


(Asmatullah Shah)
Director General Audit
Khyber Pakhtunkhwa

PART-I

- 1. PROJECT OVERVIEW**
- 2. AUDITOR'S REPORT**
- 3. FINANCIAL STATEMENTS**

PROJECT OVERVIEW

Name of the Project	:	Digital Jobs in Khyber Pakhtunkhwa
Sponsoring Authority	:	World Bank
Executing Authority	:	Khyber Pakhtunkhwa Information Technology Board
Grant No	:	TF0A7171
PC-I Cost	:	USD 2.00 Million (KPR 280.00 Million)
Date of Commencement	:	17 th October 2018
Actual Date of Commencement	:	17 th October 2018
Date of Completion (as per PC-I)	:	30 th June, 2020
Date of Administrative Approval	:	17 th October 2018
Date of Approval by PDWP	:	2 nd August 2018
Grant released during 2018-19	:	USD 7476.00 (Rs.1.109 million)
Expenditure during 2018-19	:	USD 28118 (Rs.4.355 million)
Grant Released Status in 2018-19		
Direct Payment (salaries)	:	Rs.1.109 Million
Outstanding Payment :		<u>Rs.3.246 Million</u>
Total	:	Rs.4.355 Million
Progressive Expenditure up-to June 2019		
Direct Payment (salaries)	:	Rs.1.109 Million
Outstanding Payment:		<u>Rs.3.246 Million</u>
Total	:	Rs.4.355 Million



OFFICE OF THE
DIRECTOR GENERAL AUDIT
KHYBER PAKHTUNKHWA
PESHAWAR

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AUDITOR'S REPORT (AUDIT OPINION)

Auditor's Report on the Financial Statements

We have audited the accompanying Financial Statements of the Project "Digital Jobs in Khyber Pakhtunkhwa Grant No. TF0A7171, financed by the World Bank that comprises of Statement of Receipts and Payments, Statement of Comparison of Budget and Actual together with the notes forming part thereof for the year ended 30th June, 2019.

Management Responsibility

It is the responsibility of Project Management to establish and maintain a system of internal controls, and prepare and present the Statements of Receipts and Payments in conformity with the requirements of Cash Basis IPSAS, Financial Reporting under the Cash Basis of Accounting Standard.

Auditor's Responsibility

The responsibility of the Auditor is to express an opinion on the financial statements based on the audit conducted. We conducted our audit in accordance with the International Standards of Supreme Audit Institutions. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatements. The audit process includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.


Opinion

In our opinion:

- a) The Financial Statements present fairly, in all material respects, the cash receipts and payments by the project for the year ended June, 2019 in accordance with Cash Basis IPSAS, Financial Reporting under the Cash Basis of Accounting Standard.

- b) The expenditure of Rs. 4.355 million has been incurred in accordance with the requirements of legal agreements.

Dated: 12/12/2019
Peshawar


(Asmatullah Shah)
Director General Audit
Khyber Pakhtunkhwa

**FINANCIAL STATEMENTS
PROJECT "DIGITAL JOBS IN
KHYBER PAKHTUNKHWA"
ASSISTED BY WORLD BANK
FOR THE YEAR ENDED 30TH JUNE, 2019**

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Statement of Cash Receipt and Payments	8
Statements of Comparison of Budget and Actual Amounts	9
Notes to the Financial Statement	10-12

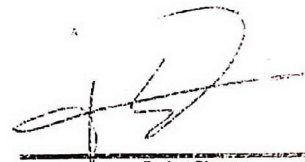
**DIGITAL JOBS IN KHYBER PAKHTUNKHWA
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Particulars	2018-19		2017-18	
	Receipts (Payments) Controlled by Project	Third Party Payment	Receipts (Payments) Controlled by Project	Third Party Payment
Receipts				
External Assistance	3	1.109		
Total Receipts		1.109		
Payments				
Component - 1 - Digital Jobs through Outsourcing:				
Advertisement (Payment to Information Department)	5	1.689		
Component - 2 - Women Empowerment through Inclusion Digital Economy:				
Grants Spend	7	1.285		
Sub Total		1.750		
Component - 3 - Program Management:				
PIU Staff Salaries (Direct Payment)	6.1	0.901		1.109
Incremental operating cost	6.2	0.276		
Sub Total		0.277		1.109
Total Payments		3.245		1.109
Increase (Decrease) in Cash		(3.245)		-
Cash at Beginning of Year				-
Cash at End of Year	9	(3.245)		-

The accompanying notes form an integral part of these financial statements and are to be read therewith.




Counter Signed
Audit Officer
Office of the D.G Audit
Peshawar, Khyber Pakhtunkhwa

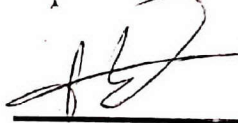


Project Director
Digital Jobs in KP
Khyber Pakhtunkhwa Information Technology Board
(KPITB)
Peshawar, Khyber Pakhtunkhwa

DIGITAL JOBS IN KHYBER PAKHTUNKHWA
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

		Rupees in Million			
		2018-19		2017-18	
		Budgeted Amount	Actual Amount	Budgeted Amount	Actual Amount
Cash Inflows					
External Assistance	5	98.288	1.109	-	-
Total Receipts		98.288	1.109	-	-
Cash Outflows:					
Component -1 - Digital Jobs through Outsourcing	6	88.178	1.689	-	-
Component -2 - Women Empowerment and Inclusion in the Digital Economy	7	5.190	1.280	-	-
Direct Payment	8.1	1.109	1.109	-	-
Component -3 - Program Management	8.2	3.811	0.277	-	-
Sub Total		98.288	4.355	-	-
Total Payments		98.288	4.355	-	-
Cash at End of Year (Net Cash Flow)	9	(3.245)		-	-


 Counter Signed
 Audit Officer
 Office of the D.G Audit
 Peshawar, Khyber Pakhtunkhwa


 Project Director
 Digital Jobs in KP
 Khyber Pakhtunkhwa Information
 Technology Board (KPITB)
 Peshawar, Khyber Pakhtunkhwa

**DIGITAL JOBS IN KHYBER PAKHTUNKHWA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Reporting Entity

The Financial Statements are for Digital Jobs in Khyber Pakhtunkhwa Project. The financial statements encompasses the reporting entity as defined in the Grant Agreement between the Islamic Republic of Pakistan and the World Bank. The Grant Agreement was signed on October 17, 2018 initially for US\$ 2.0 million. The project became effective from October 17, 2018 with the closing date of June 30, 2020.

The Project Development Objective is to :

- To train women and underserved youth in digital skills through the Youth Employment Program
- To support women entrepreneurs by expanding the Durshal - Community Innovation Labs network
- To capitalize on the opportunities available in the outsourcing industry and facilitate creation of digital jobs through the Business Process Outsourcing (BPO) industry

The project is implemented through Khyber Pakhtunkhwa Information Technology Board (KPITB)

Financing

The financing is made in the form of Credit based on Standard World Bank terms. The Financing Agreement No is Credit TF0A7171.

Certification by Project Management on Application of Funds

It is certified that funds have been applied/expenditure incurred for the purposes intended in the financing agreement.

Accounting Convention and Statement of Compliance

These Financial Statements have been prepared in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS), Financial Reporting under the Cash Basis of Accounting.

The accounting policies have been applied consistently throughout the period.

Significant Accounting Policies

1 Foreign Currency Transaction

Cash receipts and payments arising from transactions in US \$ are recorded in Pak Rupees by applying the US \$ amount the exchange rate between the Pak Rupee and US \$ at the date of receipts and payments. Exchange differences arising at the settlement of these transactions are recognized in the Statement of Receipts and Payments

2 Reporting Currency

All amounts in the financial statements are in Pak Rupees.

3 Revenue Recognition


Revenue is recognized on the date of receipt of money by bank or clearance of cheque. Revenue is recognized on gross basis and any related costs are recorded separately

4 Recognition of Expenditure

Expenditure is recognized on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued.

5 Employee Terminal Benefits

Service benefits of government deputations employees are accounted for in their respective departments while no service terminal benefits are paid to the contractual employees.



Counter Signed
Audit Officer

Office of the D.G Audit
Peshawar, Khyber Pakhtunkhwa



Project Director
Digital Jobs in KP

Khyber Pakhtunkhwa Information Technology Board
(KPITB)
Peshawar, Khyber Pakhtunkhwa

	2017-18	2017-18
	US\$	Pak Rupees
5.1	\$ 7,476.00	1,109,484
	<u>\$ 7,476.00</u>	<u>1,109,484</u>

Initially after signing the agreement as per the Disbursement Letter from the World Bank, External Assistance in the form of Advance payment to Designated Project Account was not provided. However PKR 1.109 million were received through Direct Payment Method on Account of PIU Salaries from the donor which were directly transferred to the PIU employees personal bank accounts. For other expenditure Khyber Pakhtunkhwa Information Technology Board used its own funds which were PKR 3.245 million on reimbursable basis.

There has been no instance of non compliance with the terms and conditions of the financing agreement between the World Bank and GoP which have resulted in cancellation of grant.

Undrawn External Assistance : Not Applicable

Undrawn External Assistance : Not Applicable

Advertisement (Payment to Information Department)

		Amount in Pak Rupees	
		2018-19	2017-18
Paid to Information Department for the Advertisement of Durshal PKR.549,792 and PKR.75,490 MDTF Project Advertisements	6.1	625,282	-
Paid to Information Department for the Advertisement	6.2	66,600	-
Paid to Information Department for the Advertisement	6.3	405,489	-
Payment to Directorate of Information for Durshal Advertisement	6.4	591,876	-
		<u>1,689,247</u>	<u>-</u>

Incubates Stipend

		2018-19	2017-18
Incubates Stipend	7.0	1,280,000	-
		<u>1,280,000</u>	<u>-</u>

PIU Staff Salaries

		2018-19	2017-18
Communication Manager Salary	8.1.1	470,774	-
Monitoring and Evaluation Officer Salary	8.1.2	307,742	-
Finance and Accounts Officer Salary	8.1.3	330,968	-
		<u>1,109,484</u>	<u>-</u>

Incremental operating cost

		2018-19	2017-18
Hon. paid to Committee members for shortlisting		5,000	-
Hon. paid to Committee members for shortlisting		5,000	-
Hon. paid to Committee members for shortlisting		5,000	-
Hon. paid to Committee members for shortlisting		34,350	-
Payment made in respect of Meeting held for gender inclusive space in Durshal Peshawar		81,325	-
Payment for Shields and Panaflex Banners for Advertisements		5,000	-
Honorarium paid to Committee members for Interview of Communications Manager		5,000	-
Honorarium paid to Committee members for Interview of Communications Manager		5,000	-
Honorarium paid to Committee members for the Interview of Monitoring & Evaluation Officer		10,000	-
Honorarium paid to Committee members for the Interview of Fin & Accounts Officer		4,190	-
Adjustments of adv issued for IT Board Office Pesh		5,000	-
Honorarium paid to Committee Members for the interview of Monitoring & Evaluation Officer		900	-
Adjustments of adv issued for Ope Exp Pesh Office		10,840	-
Reimbursement made to Umar Waqas Khattak for BPO		7,349	-
Adjustments of advance issued to IT Pesh Office		9,995	-
Rental carpet for one day for BPO Ready Spaces (Opening Ceremony)		5,280	-
TADA paid to Saad Javed for official visit		48,500	-
Videography of Different Event for BPO		11,680	-
Paid for official visits		1,000	-
WH Tax on Salaries		11,680	-
Paid for Official Visit		2,960	-
Adjustments of adv issued to IT Board Office Peshawar		<u>276,649</u>	<u>-</u>

Reimbursable Payments made by KPITB

This represents funds paid from KPITB account to meet the expenditure of Digital Jobs in Khyber Pakhtunkhwa Project. Which is the outstanding liability of the project.

	2018-19	2017-18
9.0	3,245,896	.
	<u>3,245,896</u>	.

Authorization for Issue

These financial statements have been authorized for issue by the respective competent authorities of each component on June 30, 2019

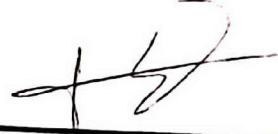
General

Figures have been rounded off to the nearest rupee.

Comparative figures have been rearranged where necessary for the purpose of comparison.



Counter Signed
Audit Officer
Office of the D.G Audit
Peshawar, Khyber Pakhtunkhwa



Project Director
Digital Jobs in KP
Khyber Pakhtunkhwa Information
Technology Board (KPITB)
Peshawar, Khyber Pakhtunkhwa

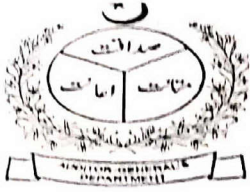
PART-II

COVERING LETTER TO THE MANAGEMENT

EXECUTIVE SUMMARY

MANAGEMENT LETTER

1. Introduction
 2. Audit Objectives
 3. Audit Scope and Methodology
 4. AUDIT FINDINGS AND RECOMMENDATIONS
 - 4.1 Organization and Management
 - 4.2 Financial Management
 - 4.3 Construction and Works
 - 4.4 Asset Management
 - 4.5 Monitoring and Evaluation
 - 4.6 Compliance with Grant / Loan covenants
 - 4.7 Environment
 - 4.8 Sustainability
 - 4.9 Overall Assessment
 - 4.10 Relevance
 - 4.10.1 Efficacy
 - 4.10.2 Efficiency
 - 4.10.3 Economy
 - 4.10.4 Effectiveness
 - 4.10.5 Compliance with rules
 - 4.10.6 Performance Rating of the Project
 - 4.10.7 Risk Rating of the Project
 5. CONCLUSION
- ACKNOWLEDGEMENT



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Director Audit: 091-9222525

No. Audit/Admn/HQ/Audit Program/2019-20/94
To

Dated: 26-08-2019

The Project Director,
Digital Jobs in KP,
Peshawar.

Subject: ANNUAL AUDIT OF ACCOUNTS FOR THE FINANCIAL YEAR 2018-19

According to the Constitution of Islamic Republic of Pakistan Articles 168-170 read with Ordinance 2001 Sections 8 to 12 of Auditor General of Pakistan, this office is mandated to conduct audit of your entity/ formation.

The competent authority has been pleased to assign Annual Audit of accounts record of your office for the Financial Year 2018-19 to the Field Audit Team (FAT) comprising **Mr. Iftikhar Aziz (AO) and Mutabar Shah (AAO)** with effect from **26th August, 2019.**

A requisition of record for audit will be provided by the FAT before audit or upon arrival. The audit will cover all the financial matters pertaining to observance of Rules/ Regulations, cash management expenditure, receipts, stocks, budgetary controls and store accounts etc during the period.

It is, therefore, requested to extend full co-operation to the visiting audit team in production of record/information as per requisition for audit with the direction to the staff concerned of your office to remain present during audit. Separate room for audit team, Typist, computer along with printer & stationery, photo copies facilities of required record, and necessary logistic support may be provided to the audit team.

Your co-operation in the matter will highly be appreciated in the best interest of public and in discharge of the constitutional responsibility.

(This issues with the approval of Director General Audit)

Deputy Director Audit (FAP)

EXECUTIVE SUMMARY

Director General of Audit, Khyber Pakhtunkhwa conducted an audit of the Financial Statements of the "Digital Jobs in Khyber Pakhtunkhwa" Grant No.TF0A7171 financed by World Bank for the financial year 2018-19 in August, 2019. The main objectives of the audit were to express an opinion on financial statements of the project, to assess whether the project was managed with due regard to economy, efficiency and effectiveness, to review project performance against the intended objectives, and to review compliance with applicable rules, regulations and procedures. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI).

Audit findings:-

- Unjustified expenditure-Rs. 1.280 million
- Slow pace of implementation of project activities

Recommendations:

- Charging expenditure of Durshal Program from the funds of Digital Jobs needs justification.
- The Project completion within the stipulated time period may be ensured.



OFFICE OF THE
DIRECTOR GENERAL AUDIT
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No.Audit/FAP/DAC/2018-19/935

Dated: 04/10/2019

To

The Managing Director,
KP IT Board, Peshawar.

Subject: Management Letter on accounts of Project Director "Digital Jobs in Khyber Pakhtunkhwa, funded by the World Bank" for the Financial Year 2018-19

This office has recently completed audit of the Financial Statements of the Project "Digital Jobs in Khyber Pakhtunkhwa, funded by the World Bank" for the year ended 30th June 2019. While executing the audit, INTOSAI Auditing Standards as adopted by the Auditor General of Pakistan, were applied to express audit opinion on the Financial Statements of the Project.

During audit, the focal areas of internal controls and other operational spheres were examined and results thereon presented in the Appendix for consideration. The following observations were made:

- Unjustified expenditure-Rs. 1.280 million
- Slow pace of implementation of project activities

The points contained in the appended report may please be looked into for remedial measures.

Dated: 04/10/2019
Peshawar


Deputy Director Audit (FAP)

1. INTRODUCTION

The Director General Audit Khyber Pakhtunkhwa conducted audit of the Project "Digital Jobs in Khyber Pakhtunkhwa". The Project is being financed by assisted by World Bank.

The project actually commenced with effect from 17th October 2018 and will be completed in June 2020. The PC-I cost of the project is Rs. 280.00 million.

2. AUDIT OBJECTIVES

2.1 The major objectives of the audit were to:-

- i. Attest the Project's Financial Statements.
- ii. Report on compliance with relevant laws, policies and procedures.
- iii. Report on the overall management of the project.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Audit Scope

The audit scope included the examination of documents, record, accounts, etc. of the Project for the Financial Year 2018-19.

3.2 Audit Methodology

Audit methodology was devised as per the following terms of reference:

- a) **Eligibility of expenditure incurred**
Expenditure was reviewed to check that funds were expended for authorized purposes only in line with the provisions of PC-I and Contract Agreement.
- c) **Amount expended was incorporated in the Project Account supported by documents and records.**
Expenditure trail was reviewed and with the help of supporting vouchers traced to accounting record and the financial statements.
- d) **Assessing effectiveness of monitoring and evaluation mechanism**
Project internal controls were assessed and test checked for effectiveness.
- e) **Maintenance of books of accounts**
Audit examined the quality and completeness of books of accounts.

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization and Management

The program is being executed by the Government Khyber Pakhtunkhwa Information Technology Board. The World Bank agreed to provide the funds and the execution has been entrusted to the Khyber Pakhtunkhwa Information Technology Board.

4.1.1 Unjustified expenditure-Rs. 1.280 million

According to the para-11 of the GFR (Vol-1), head of the Department is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

In Digital Jobs in Khyber Pakhtunkhwa Project, during financial year 2018-19, it was observed that a sum of Rs. 1.280 million was paid to the incubates of the two GIS startups on the recommendation of manager, IM Durshal for the ongoing Durshal Program of the KPIT Board however, the expenditure was charged to the un-operational project under report.

The audit termed the expenditure as unjustified on the following grounds.

- i. The said program (Durshal) is being funded by the KPITB for which an agreement was signed with the Institute of Management Sciences Hayatabad in July 2018, much prior to the commencement of the project and now the charging of expenditure to the Project "Digital Jobs in Khyber Pakhtunkhwa" is beyond understanding because the payment pertains to the ongoing program (Durshal) of the KPITB and not to the project Digital Jobs in KP.
- ii. The contract was executed with the KPIT Board as evident from the documentary evidences and not with the project Digital Jobs in Khyber Pakhtunkhwa, so the expenditure should also be borne by the relevant project instead of charging to the Project Digital Jobs in Khyber Pakhtunkhwa.

The lapse occurred due to weak internal control.

When pointed out in August 2019, it was stated by the management of the project that detailed reply would be furnished before DAC.

Audit recommends that the charging of expenditure of Durshal Program from the funds of the Digital Jobs in KP needs justification.

4.1.2 Slow pace of implementation of project activity

According to the Revised PC-I (Page-11) provisions, the implementation period of the project is 18 months. The commencement date of the project is 17.10.2018, completion date is 30.06.2020 and estimated cost is Rs. 280 millions.

In digital jobs in Khyber Pakhtunkhwa Project, during financial year 2018-19, it was observed that the implementation pace of the project activities was very much slow as evident from the following progress.

- i. Fourteen (14) employees were required to be hired for the project activities including Project Manager but till the date of audit i.e; 30.08.2019, only three employees were hired in March 2019.
- ii. No fund was released to the Project by the World Bank due to non opening of the Assignment/Designated Bank Account till the date of audit i-e 31-08-2019 and all the expenditure are being paid from KPIT Board account on reimbursable basis.
- iii. Out of the total estimated cost of Rs. 280 million, Rs. 4.355 million only were expended till 30.06.2019.
- iv. No progress towards the achievement of the core project objectives was made i.e; as per PC-I (2.1) the training of 3000 women will be carried out in different digital skills, creation of jobs through BPO (Business Process Outsourcing) and to train women and underserved youth in digital skills through YEP (Youth Employment Program).

Audit held that the achievement of the core objectives and targets of the project within the stipulated time period with such slow pace would be impossible to achieve.

The matter is brought to the notice for justification and corrective measures.

The lapse occurred due to weak internal controls.

When pointed out in August 2019, it was stated by the Management of the Project that detailed reply will be furnished before DAC.

Audit recommends that the project completion be ensured within the stipulated time period.

4.2 Financial Management

Fund was not released from the Donor to the Government of Khyber Pakhtunkhwa.

4.3 Construction and Works

Not applicable

4.4 Asset Management

No assets have been procured. Physical verification of project assets has not been carried out as required under Para 159 of GFR Vol-I.

4.5 Monitoring and Evaluation (M&E)

Monitoring and Evaluation system of the project activity is the integral part of the project management but in this particular case. No full fledge activity have been started due to non transfer of funds.

4.6 Compliance with grant / loan covenants

As nominal amount has been spent so far, from own resources of the Khyber Pakhtunkhwa Information Technology Board, no deviation from the loan agreement can be incorporated in the audit findings.

4.7 Environment

The Project has no negative environmental impacts.

4.8 Sustainability

After completion of the project, it will not only facilitate the Government departments in expanding their digitalization process but will always help absorb the local digitally skilled talent pool within the province. Hence, the project is sustainable.

5. Overall Assessment

This project will create numerous digital jobs through the use of Information Technology. The project has recently been started that is 17-10-2018 and regular training of youth & funds will be initiated from 12-2019.

5.1 Relevance

The project is in line with Government Sector policies.

5.2 Efficacy

Achievement of physical outcome, financial performance would be analyzed during the next financial year after its full fledged performance.

5.3 Efficiency

Internal controls should be strengthened to achieve the project objectives within the approved budget and time.

5.4 Economy

The funds should be released in accordance with the PC-I to avoid cost overrun and abnormal delay.

5.5 Effectiveness

The project is likely to achieve its objectives effectively.

5.6 Compliance with rules

The Financial Rules & Regulations of Government were not violated.

5.7 Performance Rating of the Project

The performance rating of the project is moderate.

5.8 Risk Rating of the Project

The risk rating of the project is medium.

6. CONCLUSION

As nominal amount have been spent so far, from the own resources of the Khyber Pakhtunkhwa Information Technology Board. No deviation from the loan agreement can be incorporated in the audit findings.

6.1 Key issued for the future:

i. Issues that could limit/hamper project/program's performance and achievement of intended objectives were:

- a. The Program should be implemented efficiently to avoid cost and time overrun.
- b. DAC meeting should be arranged on the audit observations.
- c. Funds released should be utilized as per PC-I.

ii. Lessons identified:

Funds should be released in line with the approved PC-I.

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