'Project Report Template' (Version-3)
dated 30 September, 2026
Approved for circulation

Auditor-General of Pakistan

Audit Report of…… (*insert complete name of the project*) (Volume-I, if applicable)

(Note: In case of a single audit report for the whole period of project, there will be no need to give reference to specific volume. However, if there is more than one report covering the project at various stages / life cycles, reference like Volume I, II shall be given)

(Name of Sponsoring / Executing Agency)

Report No: DGA----25-001

(Indicate the exact period of project covered in this audit report)

Audit Year-------

PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 & 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor-General of Pakistan to conduct audit of receipts and expenditure of the Federation and the Provinces or the accounts of any authority or body established or under the control of the Federal or a Provincial government.

This report is based on the audit of (*name of project*) executed by *(name of executing agency/Ministry/Department*). The Directorate General Audit (*name of FAO*) conducted the audit of the project during (*month, year*) for the period covering (*indicate relevant financial years here*) on a test check basis with a view to make an independent assessment of the project's status & performance, highlight potential gaps, issues & risks and identify areas for improvement. The report also aims at improving the internal controls system of the project, thereby allowing the management to take corrective action and improve effectiveness of the overall project management processes.

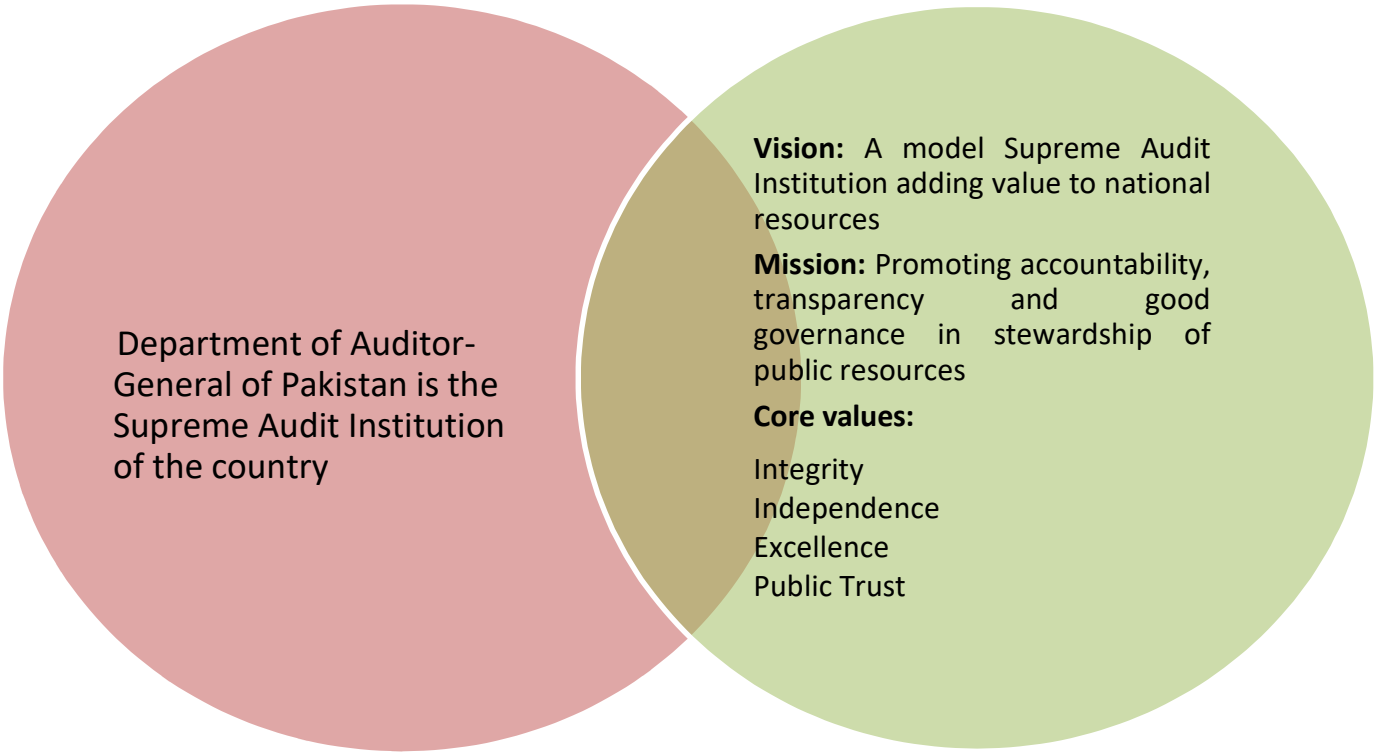
At the outset, the report provides key facts and details about the project followed by an audit snapshot summarizing the reasons for conducting the audit, findings on a various matters and actionable recommendations. The Audit Report covers a variety of aspects of the project including project objectives, project planning, Human Resource Management, financial management, procurement, contract management, monitoring & evaluation and physical/on-site progress. The report also includes conclusion and recommendations for executive action.

The report was shared with the entity as well as the Principal Accounting Officer (PAO) and executive responses were evaluated before finalization this report. The report was discussed with the PAO in Departmental Accounts Committee (DAC) meeting held on (*indicate date of DAC meeting*) and outcome of the meeting has been incorporated in this report.

The Audit Report is submitted to the President of Pakistan in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before both Houses of Majlis-e-Shoora (Parliament).

Islamabad (Maqbool Ahmad Gondal)
Dated: *Month, Year* **Auditor-General of Pakistan**

Department of the Auditor-General of Pakistan



The Auditor-General of Pakistan is appointed under Article 168 of the Constitution of Islamic Republic of Pakistan. The reports of the Auditor-General are laid before the legislature and are discussed by the Public Accounts Committees of the respective Assemblies. The constitutional mandate enables the Auditor-General to strengthen legislative oversight by providing an independent, reliable and objective assessment of the process of governance at the federal, provincial and district level.

SNAPSHOT

Audit Report of *(….insert name of the project*)

DGA----25-001

Why did we do this audit?

(Outline reasons for conducting the subject audit)

What did we find?

(Give a summary of the key findings from the report)

Key assessment

(assessment of execution of project as per schedule given in PC-I/project document, phase and activity-wise progress, public value creation, operational efficiency, governance, productivity, achievement of stated objectives, output, impact and revenue & expenditure analysis of the project may be given here)

(Indicative)

15,064	3.7	452%

Note: Snapshot should be on (01) Page only and brief

What did we recommend?

(Give recommendations of the report here)

Audit Report of *(……insert name of the project)*

Highlights

DGA---25-001

Data Summary Sheet

Description	Details
Project Name and Code/Loan No. (if, any)	
Loan/grant agreement date	
Sector (Education, health, transport, energy, social etc.)	
Location	
Sponsoring Ministry/ Department	
Executing Entity/Agency	
Funding Sources	
In case of Donor funded/FAP, the respective shares of donor and government (s)	
Approving Forum & Dates	
Feasibility Study	
Approved cost	
Total Allocations (year-wise)	
Total Releases (Year-wise & date-wise)	
Expenditure (year-wise)	
Expenditure up to date	
Allocation/provision for Procurement	
Expenditure on Procurement	
Was procurement made through e-PADS (Yes or No)	
Status of project i.e. Completed or Ongoing	
Cost Over-run	
Stated Completion date	
Status of PC-II to V	
Time over-run	
Scope of work (Targets / Deliverables of project)	
Sustainability	
Outcome of the project	
Physical Progress in terms of %	
Financial Progress in terms of %	
Checklist	As at **Appendix-II**
Composite (risk) Rating (derived from audit finding to provide an at-a-glance summary of project integrity and performance) *('A' indicating highest risk). In case financial statements/accounts of the project are not audited as per the legal requirements, highest risk rating shall be awarded ('A' indicating highest risk).The assessment for assigning Composite Risk Rating (A-D) may be based on factors like financial & materiality risk, compliance & internal control risk, governance risk and performance & service delivery risk.*	A B C D
Limitations (If, applicable)	
Compliance Status of audit recommendations	

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Abbreviations and Acronyms

1. Background and Overview
2. Project Objectives
3. Project Planning
4. Human Resource Management
5. Financial Management
6. Procurement
7. Contract Management
8. Asset management
9. Monitoring and Evaluation
10. Sustainability Assessment
11. Internal Audit
12. Physical/On Site Progress
13. Limitations
14. Conclusions
15. Recommendations
16. Appendices

Tables
Table 1:
Table 2:
Table 3:

Figures
Figure1:
Figure2:
Figure3:

Background and Overview

Give background and introduction of the project on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG. (Sub-headings can be given).

1. Brief description about the project and its overview including PC-I
2. Approving Authority (ECNEC,CDWP, DDWP, Board etc.)
3. Project objectives,
4. Intended outcome,
5. Allocation of resources,
6. Timelines and status of progress so far
7. Complete Profile of Project Director (PD) with names and period of assignment to be given in the report. The factual position regarding appointment of PD on regular basis through regular/contract appointment internally or through open competition shall be included in the report. Further, in case the charge of PD is assigned to JS/Add. Secretary of the Ministry/Division, the same shall also be indicated in audit report along with dates
8. The report shall indicate whether the performance-based contract of the PD and other positions was executed and whether performance of the PD was evaluated in accordance with the applicable governing framework and requirements and KPIs contained in the PC-1, project document or any other instrument or policy applicable to the project

(*The purpose is to give the reader context and clarity of the project*)

Project Objective (s)	(Whether the stated project objective(s) were fully achieved in case of completed projects. In cases of ongoing projects, whether achievement of specific deliverables in given timelines was ensured)
Objective 1: Objective 2: Objective 3: Objective 4:	*(Give comments on achievement status of **each objective** as per the timelines indicated in the project document. Indicate the achievement of objective in quantifiable terms, percentages and rankings where possible. This should be an objective assessment of the achievements of the project)* *The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding* *Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only*

Project Planning

(Whether Project goals are clear, realistic and whether they were achieved as conceived)

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG)

1. Project documentation (feasibility study, PC-I and other applicable PC forms and related approval from respective forums)
2. Project schedule (adherence to timelines etc.)

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Human Resource Management

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG)

1. Hiring
2. Compensation
3. Training
4. Performance measurement
5. Placement of staff
6. Temporary / casual establishments

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Financial Management

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG)

1. Budgeting and cost control (budgeted vs actual expenditure & cost-overrun)
2. Risk management & Forecasting
3. Financial reporting
4. Releases (timelines)
5. Payment Process
6. Compliance with PFM Act
7. Taxation
8. Revenue management
9. Bank accounts of the project to be analyzed along with details of bank accounts, opening balance, closing balance etc.
10. All bank statements to be checked and end-to-end reconciliation be carried out
11. The project shall be audited in totality covering 100% expenditure and receipts and not on a sample basis.
12. 100 % audit of Public Accounts including all security deposit accounts of the project (i.e. receipts into the deposits, payments from the deposits, adjustments against contractors/beneficiaries payments and all other transactions) shall be carried out
13. All instruments related to guarantees i.e. bank guarantees, insurance guarantees and performance guarantees shall be confirmed from head office of the concerned bank/financial institution directly by the audit team through sealed envelopes. The findings shall be incorporated in the report accordingly
14. In terms of Rule 12 of the Rules of Business, 1973, read with Finance Division O.M. dated 23.01.2024, prior consultation/approval of the Finance Division is mandatory in all cases involving financial implications. Para 5(iv) of the Finance Division O.M. dated 23-01-2024 provides that the Auditor-General of Pakistan shall ensure, during audit of all offices of the Federation, that specific approval of the Finance Division is available and duly verified in respect of all expenditures and charges, including pay and allowances, pay structures, rental ceilings, monetization and other benefits etc. The FAOs shall thoroughly examine this aspect during audit and add findings on this account, if any, in the reports.

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Procurement

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG)

1. Annual procurement planning
2. Allocation of resources for Procurement vs Actual expenditure
3. Comments on e-procurement/e-PADS
4. Analysis of procurement process with special focus on award of work on single bid basis and direct contracting etc.
5. Tendering process
6. Bidding document
7. Bidding process
8. Bid evaluation
9. Disqualification and qualification of bidders
10. Award of work etc.
11. Variation orders, Extension of Time, liquidated damages and risk and expense
12. Inventory management & inspections
13. Procurement of works/goods/services/consultancy to be comprehensively covered

Note: Latest and updated version of PPRA Rules to be consulted by the audit teams. ***The Public Procurement Rules, 2026*** *have been notified on* ***28th September, 2026*** *repealing the Public Procurement Rules, 2004.*

The new rules make the use of e-Pak Acquisition and Disposal System (EPADS) mandatory for public procurement and disposal by federal procuring agencies.

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Contract Management

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG)

1. Legal / regulatory Compliance and risk management (Retention money, PBG, advances etc.)
2. Supplier performance
3. Billing/payment accuracy as per terms of contract
4. Performance / delivery of the contract
5. Payment certifications i.e.
    a. Validate physical progress before approval of interim payments
    b. Finality clauses (check for delays, non-compliance and enforcement of LDs)
6. Overpayments
7. Recoveries
8. Timelines and terms of relevant contracts / arrangements, including their award, commencement and expiry shall be thoroughly examined. The basis and process of award/engagement and the mode of operation/management should be examined to assess transparency, competitiveness and economy. Where different modes of operation or management have been adopted, a comparative analysis of their financial and operational performance should be carried out, with the methodology and results clearly explained in the Project Report for the information and Understanding of the reader

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Asset Management

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG)

1. Physical existence of assets
2. Location and condition
3. Asset register
4. Physical Existence
5. Safeguarding and safe custody of assets
6. Periodical Stock Taking
7. Utilization
8. Valuation and accounting of assets
9. Asset utilization
10. Disposal
11. Intangible assets
12. Detailed analysis of the procurement, timely provision and installation, operational efficiency, utilization and performance of procured assets/equipment shall be carried out. Relevant internal records and performance data shall be examined, corroborated and appropriately reflected in the report

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Monitoring and Evaluation

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgement of DG)

1. M&E Framework and System
2. PC-III
3. PC-IV
4. Final Bill
5. Financial Closure of the Project
6. Total Cost
7. Accuracy of performance monitoring (data accuracy)
8. Result based monitoring
9. Progress Reporting

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Sustainability Assessment

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition / deletion and professional judgement of DG)

1. Regulatory adherence (environmental approvals etc.)
2. Environmental performance (Carbon Emission, Waste Management etc.)
3. Social performance (Health & safety, Impact on local communities)
4. Economic sustainability (Long term financial viability)
5. Governance & reporting (ESG Disclosures etc.)

The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Internal Audit

(Give information and findings on the following areas, where applicable. These areas are indicative only and the template is flexible for further addition/deletion and professional judgment of DG)

1. Existence of Internal Audit function in the Project.
2. No of Employees hired for Internal Audit
3. Internal Audit Plan whether prepared and implemented or not.
4. No of reports of Internal Audit produced during the year.
5. Implementation status of recommendations of Internal Audit Reports.
6. Presentation of Internal Audit Reports before the Project Management Board/Steering Committee and recommendations by the Forum.
7. Review, revision and updation of Internal Controls in the light of Internal Audit findings.

(Give details of the findings. The titles should be neutral and objective without any negative connotation. Further, the titles of findings should not include amounts. Details of amounts (if, any) shall be indicated in the body of the finding)

Management response to a particular finding and DAC outcome may also be given here, while the recommendations should be given in recommendations section only

Physical / on-Site Progress

The audit of projects shall not be limited to examination of expenditure and payments. Field visits should be conducted to access the actual execution on ground for analysis of achievement of targets and actual execution of project and corresponding payments.

(Physical/on-Site Progress shall be carries out as per following notified SOPs)

Step 1:	Clearly establish audit objective and scope of Inspection/physical verification. The date and time must be decided in consultation with audited entity along with a representative of the entity.
Step 2:	Identification of the location/site and time schedule
Step 3:	Prepare checklist (specific points, areas etc. to be verified during inspection). This includes the identification of baseline against which progress is proposed to be monitored.
Step 4:	Notify Auditee
Step 5:	Conducting physical inspection (the audit team shall visit the site, collect evidence through observation, interviews, data, inspect the facility against established checklist). Pictorial evidence and images must also be made part of the activity.
Step 6:	Prepare report (document the findings, identify areas of conformity, non-conformity and the report shall be jointly signed with the representative of auditee)
Step 7:	Compare physical progress on ground with the financial progress (payments released)
Step 8:	Communicate the findings of physical inspection in the Project Report.

Note: For projects without physical works (IT systems, technical assistance, social sectors or capacity building projects), progress shall be assessed based on completion of agreed deliverables, outcome, impact and timelines

Limitations (If, applicable)

(In cases, the project management had not produced the entire requisitioned record, the limitations arising due to non-production of record shall be mentioned in this section along with its implications on the findings)

Any other limitation, (other than non-production of record) can also be included here.

Suggestive text for guidance of FAOs is as under:

'The audit was subject to certain limitations arising from the non-availability/non-provision of complete records and information requested from the entity. The details and nature of such limitations, and their potential impact on the scope of audit and assessment of the relevant matters, are set out below. The conclusions drawn in this report should, therefore, be read in conjunction with the limitations disclosed herein'

Conclusion

(*Give conclusions here*)

Recomendations

Give 8-10 clear and actionable recommendations. The recommendations shall clearly address the issues pointed out in the findings for facilitating meaningful discussion in PAC meetings and acceptance of such recommendations by the forum)

Note: In most reports, the recommendations given are too general and will neither drive action nor accountability. Most recommendations are limited to inquiries, fixing responsibility, recovery of dues, production of records, or provision of explanations. While these recommendations are appropriate for addressing individual irregularities, they do not adequately address the systemic weaknesses in the project identified during the audit.

There is a strong need to strengthen the quality and actionability of audit recommendations by requiring recommendations to address the root causes and systemic weaknesses underlying audit findings, with clear corrective actions.

Appendices

Appendix-I	Audit Objectives, Scope, Methodology (*Detailed and meaningful*)
Appendix-II	Check List
Appendix-III	*(Any other details)*

(Appendix-II)

CHECKLIST

Sr. No.	Section	Ref	Check Point	Yes/No/Not Applicable
1	**Human Resource Management**	1.1	Project governance structure (Steering Committee, Board) is clearly defined, active, and effective.	
		1.2	Roles, responsibilities, and reporting lines are documented and understood by all parties.	
		1.3	The Project Manager has the requisite authority and competence to lead the project.	
		1.4	Staffing levels (client, consultant, contractor) are adequate and match the project's current phase.	
2	**Financial Management**	2.1	A detailed and approved cost baseline/budget exists and is being used for tracking.	
		2.2	Actual expenditures are tracked accurately against the budget, with variances clearly explained.	
		2.3	Forecasts for Cost at Completion are regularly updated and credible.	
		2.4	Invoices from contractors are certified and paid in a timely manner.	
		2.5	Contingency funds are managed formally, with clear justification for any drawdowns.	
3	**Procurement and Contract Management**	3.1	All major contracts are in place, executed, and readily available.	
		3.2	Contractor performance is actively monitored against contractual KPIs and Service Level Agreements (SLAs).	
		3.3	A formal variation/change order process is in place and is being strictly followed.	
		3.4	There is evidence of robust claims management and dispute resolution mechanisms.	
		3.5	Procurement of materials and equipment is aligned with the construction schedule to prevent delays.	
4	**Asset Management**	4.1	There is a clear plan for the handover of assets to the operations team.	
		4.2	"As-built" drawings and documentation are being prepared progressively, not	

			just at project end.	
		4.3	Operation & Maintenance (O&M) manuals and spare parts lists are under development.	
		4.4	Training plans for the end-users and maintenance staff are defined and funded.	
5	**Monitoring and Evaluation**	5.1	A comprehensive Project Monitoring Framework (with KPIs, baselines, targets) is in use.	
		5.2	Progress reports are accurate, timely, and used for decision-making.	
		5.3	Risks and issues are logged in a live register with clear owners and mitigation actions.	
		5.4	Independent audits or reviews (e.g., cost, technical, risk) are conducted as planned.	
6	**Sustainability**	6.1	All required environmental permits and licenses are in place and valid.	
		6.2	The Environmental Management Plan (EMP) is being implemented on-site.	
		6.3	There is evidence of monitoring for environmental compliance (e.g., water, air, noise).	
		6.4	Waste management (hazardous and non-hazardous) follows the approved plan.	
		6.5	The project has defined sustainability objectives (economic, social, environmental).	
		6.6	Local content/employment targets are being met and documented.	
		6.7	Plans for enhancing community benefits and managing negative social impacts are operational.	
		6.8	Resource efficiency (energy, water, materials) is considered in design and execution.	
7	**Overall Assessment**	7.1	The project is likely to deliver its intended benefits and strategic objectives.	
		7.2	The project is on track to be completed within the approved budget and schedule.	
		7.3	Major risks to project success are being adequately managed.	
		7.4	The client/stakeholder satisfaction level with project progress is acceptable.	

Instructions on specifications of Audit Reports

Following specifications shall be adhered:

1. Title page: Font size 20 (uppercase) in white color
2. Title page (hard-coated) in light green color with yellow strip on left side.
3. Font type: Times New Roman
4. Body font size: 12
5. Line spacing: 1.15
6. Heading font size: 14
7. Printing on back to back pages
8. Dimensions of report: length 23.5 cm x width 18 cm

Page Numbering:

Title page shall be assigned a page number i.e. lower case Roman numeral (**i**), however, the page number shall be hidden, while the pages from **preface** to **Table of Contents** shall be overtly numbered using lowercase Roman numerals in continuation i.e. (**ii, iii, iv**). The main body of report following Table of Contents shall be reset to page "**1, 2, ,3** ....."

Note: *Policy Wing can be contacted for any clarification and for obtaining a copy of standard format / specifications for the reports.*

MANDATORY CONSIDERATIONS

1. The indicated areas, guidance and instructions specified in the template form an integral part thereof. Audit reports shall accordingly be prepared in conformity with the template, suitably covering all prescribed areas and relevant issues.

2. The **Audit Teams shall read and fully understand the template** and its requirements before undertaking the audit. Similarly, the supervisory **Dy. Directors**, **Directors**, **Directors General**, **Dy. Auditors General** and **Internal and external QCCs** are also required to be fully conversant with the template and its requirements in order to ensure that the indicated areas and issues are comprehensively and properly covered in the reports.

3. Audit methodology and approach for each project audit should be designed keeping in view the activities and objectives of the project.

4. PC-I, project document or Loan Agreement of the project should be obtained and thoroughly examined to understand project planning, objectives, intended outcomes, and executing mechanism so that the activity is designed accordingly and methodology and audit approach suitably developed.

5. The FAO / Audit team should verify whether the project, or any component thereof, overlaps with or duplicates an existing, ongoing or previously completed project or scheme undertaken by the same or any other government department, agency or public entity. Relevant development plans, project records, budgets, approvals and expenditure data should be cross-checked, and any instances of duplication, overlapping scope or parallel implementation should be identified and appropriately reported, along with the financial and operational implications.