



**AUDIT REPORT ON
THE ACCOUNTS OF
IRRIGATION, WORKS & SERVICES,
PUBLIC HEALTH ENGINEERING & RURAL
DEVELOPMENT DEPARTMENTS,
EDUCATION WORKS DIVISIONS AND
DEVELOPMENT AUTHORITIES
GOVERNMENT OF SINDH
AUDIT YEAR 2024-25**

AUDITOR-GENERAL OF PAKISTAN

**SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND
GOOD GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES**

FOR THE CITIZENS OF PAKISTAN

PREFACE

Articles 169 and 170 (2) of the Constitution of 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, require the Auditor-General of Pakistan to conduct audit of expenditure from the Provincial Consolidated Fund and Public Account.

This report is based on the audit of various offices of Irrigation, Works & Services, Public Health Engineering & Rural Development Departments, Education Works Divisions and Development Authorities, Government of Sindh for the Financial Year 2023-24. It also includes audit findings pertaining to previous year of above mentioned departments. The Directorate General of Audit Works (Provincial) Sindh, Karachi conducted audit on a test check basis, with a view to report significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systematic issues and significant audit findings. Relatively less significant issues are listed in Annex-A (MfDAC) of this report which shall be pursued with the PAOs at the DAC level and in all cases where the PAOs do not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Two special categories of audit have also been included in this report. Firstly, an Impact Audit which determines the impact of any program or recent change to an existing program, specifically focusing on the results by segregating other contributing factors or variables. Secondly, Thematic Audit which is an attempt to analyze specific theme and make recommendations on the issues.

Audit findings indicate the need for adherence to the regulatory framework besides, instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities. The report has been finalized in the light of written responses of the departments and DAC meetings.

There are certain audit paras which were also reported in last three years' Audit Reports for the financial years. Recurrence of such irregularities is a matter of concern and needs to be addressed.

This Audit Report is submitted to the Governor of Sindh in pursuance of the Article 171 of the Constitution of Islamic Republic of Pakistan, 1973 for causing it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

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ABBREVIATIONS AND ACRONYMS

A.A	Administrative Approval
ABAD	Association of Builders & Developers
ADP	Annual Development Plan
AED	Anti-Encroachment Drive
AEN	Assistant Executive Engineer
AGP	Auditor-General of Pakistan
AIR	Audit Inspection Report
ASTM	American Society for Testing and Materials
BER	Bid Evaluation Report
BoQ	Bill of Quantities
C/W	Compound Wall
CAP	Corrective Action Plan
CC	Cement Concrete
CDR	Call Deposit Receipt
CFT	Cubic Feet
CPWA	Combined Public Works Account
CPWD	Combined Public Works Department
CRC	Complaint Redressal Committee
CSR	Composite Schedule of Rate
Cu.M	Cubic Meter
CWT	Hundred Weight
DAC	Departmental Accounts Committee
DAO	District Account Office/Divisional Accounts Officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DG	Director General
DHIS	District Health Information System
EC	Electric Conductance
FAP	Foreign Aided Project
FBR	Federal Board of Revenue
FD	Finance Department
FPA	Foreign Project Assistance
FY	Financial Year
GFR	General Financial Rules
GoS	Government of Sindh
GPD	Gallons Per Day
GST	General Sales Tax
HDA	Hyderabad Development Authority
HR	Human Resources
ICB	International Competitive Bidding
JV	Joint Venture
KDA	Karachi Development Authority

LDA	Lyari Development Authority
M&E	Monitoring and Evaluation
M&R	Maintenance and Repair
MB	Measurement Book
MDA	Malir Development Authority
MEC	Monitoring Evaluation Cell
MfDAC	Memorandum for Departmental Accounts Committee
MGD	Million Gallons Per Day
MGDs	Millennium Development Goals
MPAs	Members of the Provincial Assembly
MUET	Mehran University of Engineering and Technology
NAB	National Accountability Bureau
NCB	National Competitive Bidding
NEAP	National Environmental Action Plan
NGOs	Non-Government Organizations
NOC	No-objection Certificate
NTU	Nephelometric Turbidity Unit
O&M	Operation and Maintenance
P&D	Planning and Development
P/F	Providing and Fixing
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission Proforma-I
PCRWR	Pakistan Council of Research in Water Resources
PCSIR	Pakistan Council of Scientific and Industrial Research
PD	Project Director
PDP	Proposed Draft Para
PDWP	Provincial Development Working Party
PEC	Pakistan Engineering Council
pH	potential of hydrogen
PHE&RD	Public Health Engineering and Rural Development
POL	Petrol Oil and Lubricant
PPM	Parts per million
PPMS	Procurement Performance Management System
PSDP	Public Sector Development Programme
PWD	Public Works Department
RA	Running Account
RCC	Reinforced Cement Concrete
RD	Reduced Distance
RFT	Running Feet
RO	Reverse Osmosis
S/F	Supplying and Fixing
SAP	Systems, Applications and Products
SDGs	Sustainable Development Goals

SDOC	Stipulated Date of Completion
SFERP	Sindh Flood Emergency Rehabilitation Project
SFR	Sindh Financial Rule
SFT	Square Feet
SGA&CD	Services, General Administration & Coordination Department
SGDs	Sustainable Development Goals
SID	Special Initiative Department
SIDA	Sindh Irrigation and Drainage Authority
SLGO	Sindh Local Government Ordinance
SOPs	Standard Operating Procedures
SPPRA	Sindh Public Procurement Regulatory Authority
SPRIP	Sindh Provincial Road Improvement Project
SRB	Sindh Revenue Board
SST	Sindh Sales Tax
SRP	Sindh Resilience Project
SWAT	Sindh Water & Agriculture Transformation
TDS	Total Dissolved Solids
TS	Technical Sanction
UF	Ultra Filtration
UN	United Nations
W&S	Works & Services
WAPDA	Water and Power Development Authority
WASA	Water and Sanitation Agency
WHO	World Health Organization
XEN	Executive Engineer
µS/cm	Micro siemens Per Centimeter

EXECUTIVE SUMMARY

The Director General Audit Works (Provincial), Sindh is mandated to conduct Audit of entities under the administrative control of the Secretaries of the Irrigation, Works & Services, Public Health Engineering & Rural Development, School and College Education works divisions and Development Authorities under different Principal Accounting Officers.

Audit mandate includes Regularity Audit (financial attest audit of foreign aided projects and compliance with authority audit), Performance Audit, Thematic & Impact Audit. Audit was conducted with the following objectives;

- Regularity Audit to examine whether the expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for spending public money.
- Audit of sanctions to assess that the expenditure was incurred with the approval of the competent authority or otherwise.
- Propriety Audit which extends beyond scrutinizing formalities of expenditure to highlight cases of imprudent expenditure.
- Review and analysis of various policies relating to aforementioned government departments.

a) Scope of Audit

This office has a mandate to conduct audit of 403 formations working under the PAOs specified above. Total expenditure of these formations was Rs. 207,929.919 million for the Financial Year 2023-24. During the current audit year, 130 formations having a total expenditure of Rs. 171,091.685 million and revenue of Rs. 4,754 million were audited of the financial year 2023-24. In terms of percentage of the auditable amount, the audit coverage is around 10-15% of the auditable expenditure and revenue.

This audit report also includes audit observations of formations relevant to previous FY 2022-23 having a total expenditure of Rs. 50,591.579 million and revenue of Rs. 2,729.737 million. In addition to Compliance Audit, this office also conducted Financial Attest Audit of six Foreign Aided Projects, one Impact and Thematic Audit.

Impact Audit was conducted on ‘Installation of Reverse Osmosis / Ultra Filtration Plants and its impact on lives of the people.’ The scope of impact audit

is to examine the primary project's objective of providing clean drinking water to the public at large. The audit exercise strives to understand the efficacy of the RO/UF plants and evaluate how their installation has contributed to the betterment of overall socio-economic welfare of the public especially in the context of controlling the water-borne diseases and reducing government expenditure on health. Given the expansive nature of the research scope, the audit task was strategically confined to two districts of Sindh, i.e., Hyderabad and Tharparkar.

The Thematic Audit aims to identify the areas hindering the achievement of their objectives. The theme selected for Thematic Audit was 'Electrification of off-Grid villages through Solar Technology.' The scope of the audit is limited to the electrification work executed in the districts of Dadu & Sanghar.

b) Recoveries at the Instance of Audit

As a result of audit, recoveries of Rs. 14,952.448 million have been pointed out. An amount of Rs. 707.932 million was recovered from January to December, 2024 which was verified accordingly by Audit.

c) Audit Methodology

The audit exercise was carried out in accordance with Department of Auditor General of Pakistan auditing standards as prescribed in Financial Audit Manual. Prior to the field activity, desk review was conducted to attain comprehension of the system, procedures and environment of audit entities. The permanent files of the entities maintained in the Directorate General Audit were utilized for understanding their business and legal / institutional framework. The evidence was primarily gathered after applying systematic procedures by means of enquiries from the management, review of monitoring and progress reports and examination of payment vouchers.

Audit tests and analytical procedures were followed to evaluate that the expenditure was completely recorded and receipts were timely deposited into government treasury. The review of payments was made to ensure that these were validated by proper supporting documents and approval of competent authority as per applicable rules and regulations. Budget comparison with actual expenditure was carried out to ensure that the expenditure was made in accordance with the approved budget, including the revisions made therein.

The data pertaining to audit activity, starting from the planning to execution stage was uploaded to the Audit Management Information System (AMIS), wherein the chronological status and findings of audit programs were duly incorporated.

With respect to **Impact and Thematic** audits, field visits/surveys of selected areas were also conducted.

d) Audit Impact

- PAO of the PHE&RDD issued directives vide letter No.SO(PHE)10(13)/2019 dated 21st October, 2024 on the audit paras prohibiting misuse of the provision of the payment on part rate without execution of works at site.
- On the recommendation of the audit, the irregular practice of incurring expenditure through employees instead of vendors was stopped in Development Authorities.
- Number of work-charged employees were reduced from 599 to 456 in Malir Development Authority.
- On the pointation of the audit, WASA assured to allocate sufficient funds on purchase of chemicals for purification of the water to ensure supply of clean drinking water to the population of Hyderabad.
- Audit observations highlighted excess payments in civil engineering works. Accordingly, DAC directed in 66 paras to initiate enquiry for fixing of responsibility on the person(s) responsible for mismanagement.
- The impact of the audit observations raised was witnessed in the form of recoveries effected. This year, recoveries of Rs. 707.932 million were effected which are 465% higher than the last year's recoveries of Rs. 125.280 million.

e) Comments on Internal Controls

The audit observations in the report clearly indicate that the system of internal controls within the departments is ineffective and weak. Internal control violations are reported by the Audit every year, but the response of the entities to address this pressing issue is relatively lukewarm. A general review of the

activities and transactions of various formations of departments with regard to Internal Control System are embodied in the following comments:

- The instances of losses to government, recoveries and violation of rules are outcome of the laxity in exercise of internal controls and violation of authorized procedures for processing transactions.
- The instances of splitting the expenditure to avoid sanction of the higher authorities were observed to be a common practice. This is a violation of the process of delegation of financial powers as laid down in ‘The Sindh Delegation of Financial Powers and Financial Control Rules 2019.’
- Frequent deviations were observed regarding contract management, whereby the scope of the work was increased beyond the permissible limits resulting in irregular and uneconomical expenditure.
- Maintenance of the security deposit register is a mandatory requirement which was missing in most of the cases in order to link the refund of security deposit with SAP system.
- The periodic incorporation of security deposit is not being made in SAP system and the same should be reflected therein as all payments are being made through it.
- Another common issue observed by Audit was the improper recording of measurement books, as most of the measurements were recorded without mentioning their dates.
- Another important issue highlighted was allowing secured advance on building material to the contractors without fulfilling the required criteria.
- Internal Audit, being a basic component of Internal Controls, investigates and appraises the efficiency of an organization. An independent, effective and efficient internal auditing system ensures well planned evaluation and proficiency besides, avoiding recurring irregularities. A major reason for weak internal controls is the non-existence of internal audit.

f) Key Audit Findings

Audit observed various key issues which showed inefficiencies and poor project and contract management in various departments of Sindh Government. Several development projects /schemes remained incomplete despite lapse of 2 to 18 years. In some cases, even more than 80% expenditure was incurred thereon. New schemes were being initiated without completing the on-going schemes which was a major planning issue at policy level.

Due to weak project oversight, quality of the works was also compromised in many cases. Weak financial management was reflected in the shape of excess payments, advance / hasty payments to the contractors without physical execution of works at site, non-recoveries of the dues, non-maintenance of proper record of security deposits, etc. Audit also noticed transparency issues in tendering process such as non-formulation & ineffective technical and financial evaluation criteria, unnecessary splitting of the expenditures to avoid open competitive bidding etc.

Ineffective Governance issues were also reported in the audit of Development Authorities since no effective measures were taken either to achieve their revenue targets or remove encroachment on their command areas / parks and play grounds. Public importance matters were not accorded any priority by Development Authorities. The litigation cases were on increasing trend however, appointments/ selections of legal counsels were not merit-based, exposing the organization at risks of losing cases, having negative impact on the resources of the Authority. Funds were placed in current accounts of commercial banks as management has no strategy to earn income from their surplus funds.

The summarized categorization of the audit paras are as under:

- i. Non-production of record in five (05) cases.¹
- ii. Reported cases of fraud, embezzlement, and misappropriation in three (03) cases Rs. 791.557 million²
- iii. Employees related irregularities in nine (09) cases Rs. 502.085 million³
- iv. Procurement related irregularities in one hundred and twenty (120) cases Rs. 41,900.595 million⁴

¹ Paras-2.2.6.1, 2.4.6.1, 3.5.1, 4.5.1, 6.5.1

² Paras- 2.2.6.8, 2.3.6.3, 5.5.1

³ Paras- 2.2.6.10, 2.2.6.7, 2.2.6.9, 2.3.6.15, 2.4.6.10, 2.4.6.11, 2.4.6.9, 4.5.137, 5.5.29

⁴Paras- 2.2.6.17, 2.2.6.20, 2.2.6.21, 2.2.6.23, 2.2.6.24, 2.2.6.25, 2.2.6.5, 2.2.6.6, 2.3.6.10, 2.3.6.13, 2.3.6.2, 2.3.6.6, 2.3.6.7, 2.3.6.9, 2.4.6.13, 2.4.6.14, 2.4.6.15, 2.4.6.3, 2.4.6.4, 2.5.6.1, 2.5.6.2, 2.5.6.3, 2.5.6.4, 2.5.6.5, 2.5.6.6, 2.5.6.7, 3.5.10, 3.5.11, 3.5.13, 3.5.14, 3.5.15, 3.5.18, 3.5.19, 3.5.20, 3.5.24, 3.5.34,

- v. Planning & Execution issues in fifteen (15) cases -Rs. 27,930.354 million⁵
- vi. Recoverable against dues/charges in two (02) cases -Rs. 18,830.690 million⁶
- vii. Non-achievement of targets in two (02) cases -Rs. 11,668.215 million⁷
- viii. Inordinate delay in execution of schemes in four (04) cases -Rs. 14,293.176 million⁸
- ix. Core activities, value for money and service delivery issues in fourteen (14) cases – Rs. 7,767.576 million.⁹
- x. Management of accounts with commercial banks in six (06) cases-Rs. 4,183.626 million¹⁰
- xi. Jurisdiction issues in execution in two (02) cases -Rs. 1,889.317 million¹¹
- xii. Others in one hundred and fifty nine (159) cases - Rs. 12,946.987 million.¹²
- xiii. Recovery of dues in twenty-three (23) cases - Rs. 5,023.538 million.¹³

g) Key Audit Findings (Impact Audit)

Very negligible impact was observed in terms of provision of safe drinking water to the people, consequently no tangible impact was observed in reduction of the waterborne diseases and government expenditure on health care. Operations & maintenance of the plants were not up to the mark. Procurement process lacks transparency and sites selection for installations of the plants were also not merit-based.

3.5.37, 3.5.39, 3.5.41, 3.5.45, 3.5.6, 4.5.10, 4.5.100, 4.5.11, 4.5.113, 4.5.118, 4.5.12, 4.5.121, 4.5.125, 4.5.127, 4.5.128, 4.5.13, 4.5.130, 4.5.131, 4.5.132, 4.5.133, 4.5.14, 4.5.27, 4.5.30, 4.5.48, 4.5.50, 4.5.51, 4.5.52, 4.5.53, 4.5.54, 4.5.56, 4.5.60, 4.5.63, 4.5.64, 4.5.66, 4.5.68, 4.5.71, 4.5.73, 4.5.77, 4.5.82, 4.5.83, 4.5.98, 5.5.10, 5.5.12, 5.5.13, 5.5.15, 5.5.16, 5.5.17, 5.5.18, 5.5.19, 5.5.20, 5.5.4, 5.5.5, 5.5.6, 5.5.7, 5.5.8, 5.5.9, 6.5.12, 6.5.23, 6.5.24, 6.5.26, 6.5.28, 6.5.29, 6.5.3, 6.5.31, 6.5.33, 6.5.38, 6.5.42, 6.5.46, 6.5.47, 6.5.49, 6.5.5, 6.5.53, 6.5.54, 6.5.57, 6.5.6, 6.5.63, 6.5.64, 6.5.65, 6.5.67, 6.5.68, 6.5.72, 6.5.82, 6.5.83, 6.5.9

⁵Paras- 2.4.6.7, 4.5.20, 4.5.26, 4.5.28, 4.5.34, 4.5.37, 4.5.38, 4.5.4, 4.5.6, 6.5.10, 6.5.22, 6.5.27, 6.5.32, 6.5.34, 6.5.75

⁶Paras- 2.3.6.1, 2.4.6.6

⁷Paras- 2.2.6.12, 4.5.76

⁸Paras- 3.5.2, 3.5.9, 4.5.7, 6.5.20

⁹Paras- 2.2.6.18, 2.2.6.4, 2.3.6.4, 4.5.123, 4.5.129, 4.5.40, 4.5.46, 4.5.8, 5.5.11, 5.5.14, 5.5.2, 5.5.3, 6.5.2, 6.5.80

¹⁰Paras- 2.2.6.19, 2.4.6.2, 2.4.6.5, 2.4.6.8, 6.5.40, 6.5.52

¹¹Paras- 3.5.3, 6.5.45

¹²Paras- 2.2.6.11, 2.2.6.2, 2.2.6.22, 2.2.6.26, 2.2.6.27, 2.2.6.3, 2.3.6.11, 2.3.6.12, 2.3.6.14, 2.3.6.8, 2.4.6.12, 2.4.6.16, 2.5.6.8, 3.5.12, 3.5.16, 3.5.17, 3.5.21, 3.5.22, 3.5.23, 3.5.25, 3.5.26, 3.5.27, 3.5.28, 3.5.29, 3.5.30, 3.5.31, 3.5.35, 3.5.36, 3.5.38, 3.5.4, 3.5.40, 3.5.42, 3.5.43, 3.5.44, 3.5.5, 3.5.7, 3.5.8, 4.5.101, 4.5.102, 4.5.103, 4.5.104, 4.5.105, 4.5.106, 4.5.107, 4.5.108, 4.5.109, 4.5.110, 4.5.111, 4.5.112, 4.5.114, 4.5.115, 4.5.116, 4.5.117, 4.5.119, 4.5.120, 4.5.122, 4.5.124, 4.5.126, 4.5.134, 4.5.138, 4.5.139, 4.5.140, 4.5.15, 4.5.16, 4.5.17, 4.5.18, 4.5.19, 4.5.2, 4.5.21, 4.5.24, 4.5.25, 4.5.29, 4.5.3, 4.5.31, 4.5.32, 4.5.33, 4.5.35, 4.5.36, 4.5.39, 4.5.41, 4.5.42, 4.5.43, 4.5.44, 4.5.45, 4.5.47, 4.5.49, 4.5.5, 4.5.55, 4.5.57, 4.5.58, 4.5.59, 4.5.61, 4.5.62, 4.5.65, 4.5.67, 4.5.69, 4.5.70, 4.5.72, 4.5.74, 4.5.75, 4.5.78, 4.5.79, 4.5.80, 4.5.81, 4.5.84, 4.5.85, 4.5.86, 4.5.9, 4.5.93, 4.5.94, 4.5.95, 4.5.96, 4.5.97, 4.5.99, 5.5.23, 5.5.24, 5.5.25, 5.5.26, 5.5.28, 6.5.11, 6.5.15, 6.5.16, 6.5.17, 6.5.18, 6.5.19, 6.5.21, 6.5.25, 6.5.30, 6.5.35, 6.5.36, 6.5.37, 6.5.39, 6.5.4, 6.5.41, 6.5.43, 6.5.44, 6.5.48, 6.5.50, 6.5.51, 6.5.55, 6.5.56, 6.5.58, 6.5.59, 6.5.60, 6.5.61, 6.5.62, 6.5.66, 6.5.69, 6.5.7, 6.5.70, 6.5.71, 6.5.73, 6.5.74, 6.5.76, 6.5.77, 6.5.78, 6.5.79, 6.5.8, 6.5.81

¹³Paras- 2.2.6.13, 2.2.6.14, 2.2.6.15, 2.2.6.16, 2.3.6.5, 3.5.32, 3.5.33, 4.5.135, 4.5.136, 4.5.22, 4.5.23, 4.5.87, 4.5.88, 4.5.89, 4.5.90, 4.5.91, 4.5.92, 5.5.21, 5.5.22, 5.5.27, 6.5.13, 6.5.14, 6.5.84

h) Key Audit Findings (Thematic Audit)

Distribution of the solar systems was not equitable and transparent in Khipro Taluka of Sanghar District. Villagers were deprived of free repair & maintenance by the contractors. Some of the villagers were also not provided solar systems despite provision in the PC-I.

i) Recommendations

- i. Responsibility should be fixed for non-production of record and the same be provided to audit.
- ii. Effective project planning and its execution must be ensured to avoid time and cost overrun.
- iii. Ongoing schemes must be prioritized to avoid wastage of resources already incurred thereon.
- iv. Efficient project oversight mechanism should be adopted to ensure quality of development works.
- v. Public importance works/ functions must be prioritized.
- vi. Disciplinary action should be taken against the officials involved in cases of embezzlement of public money, mis-procurements, violation of rules and regulations.
- vii. Recovery of outstanding dues should be expedited at the earliest.
- viii. There is a need to strengthen internal controls to ensure that the recurring irregularities may not be repeated in future and value for money is obtained subsequent to public spending.
- ix. Systemic issues such as application of incorrect rates, unauthorized payment of secured advance, non-obtaining of performance / additional performance securities as well as their revalidation need to be focused to avoid recurrence of such instances.
- x. Asset management mechanism needs to be put in place to safeguard government assets.
- xi. Pro-active approach is required to vacate the encroachment from public land, parks & play grounds.
- xii. Sound revenue management system including investment strategies be adopted for Development Authorities in order to make them self-reliant.

- xiii. Selection of legal counsels must be merit-based in order to safeguard the interest of the government.
- xiv. Principal Accounting Officers need to conduct Departmental Accounts Committee meetings on a regular basis and ensure timely compliance of decisions taken therein. The directives of Public Accounts Committee should be implemented emphatically.
- xv. In terms of **Impact Audit**, effective strategies are required to make all RO/UF plants functional besides ensuring their timely maintenance. Regular laboratory tests must be ensured besides appointing technical staff for operating and handling of these plants.
- xvi. In purview of **Thematic Audit**, concerns raised by the local population regarding inequitable distribution, non-maintenance of the equipment by the contractor besides training to the local population about the handling of the equipment must be addressed.
- xvii. An internal audit wing, directly reporting to the PAO may be established in the departments to strengthen the effectiveness of the internal controls.

Chapter-1. SECTORAL ANALYSIS

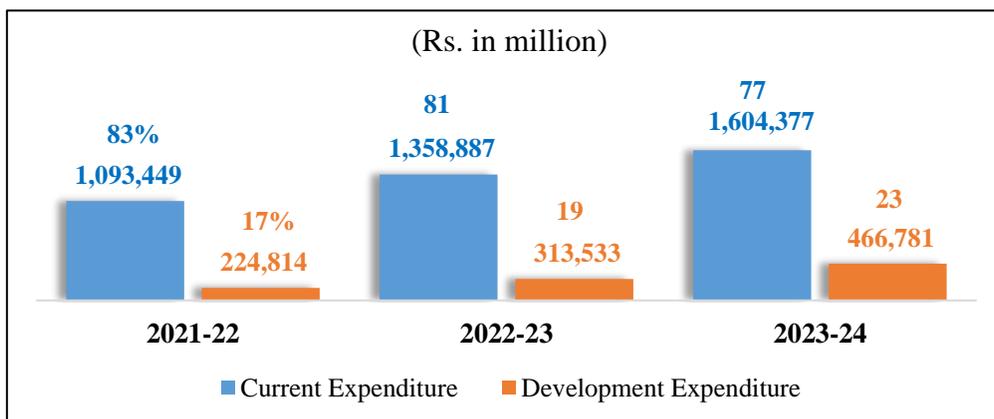
1.1 Introduction

The development works in Sindh are executed by specialized public works departments like Works & Services, Irrigation, Education Works Divisions and Public Health Engineering & Rural Development Department. These departments are allocated funds by the government through development grants. They also carry out the work of other provincial departments like Health, Law and Home departments etc. in the shape of Deposit Works.

Besides, there are development authorities which have been established to carry out development works in their specified geographical jurisdiction. The development authorities execute development projects from their own resources as well as funds received from Government of Sindh. Development authorities which include Karachi Development Authority (KDA), Malir Development Authority (MDA), Hyderabad Development Authority (HDA), Sehwan Development Authority (SDA), Zulfikarabad Development Authority (ZDA), Gorakh Hills Development Authority (GDA) and Lyari Development Authority (LDA) are entrusted with urban development works in their respective areas of jurisdiction.

1.2 Total Expenditure of Sindh

Total expenditure of Sindh for the last three years is depicted in the following graph:

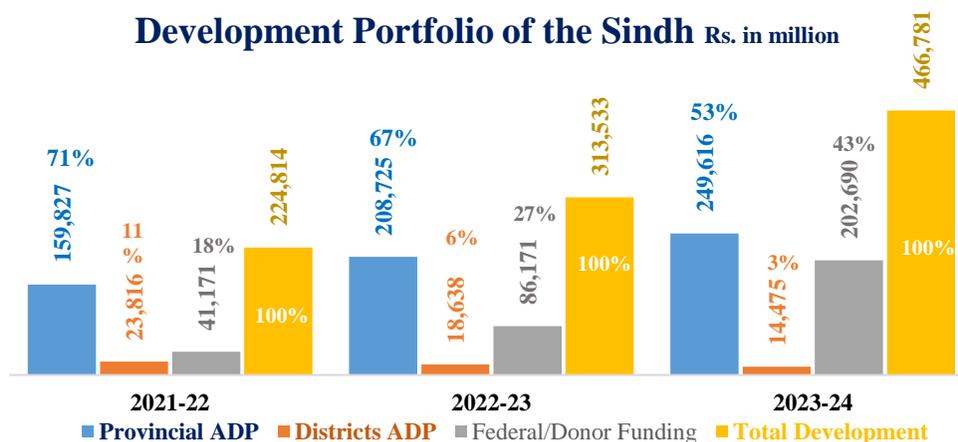


Source: SAP Data

The graph shows a general upward trend in expenditure over the specified period. However, the proportion of current expenditure has decreased i.e., from 83% to 77%, while the share of development expenditure has increased, i.e., from 17% to 23%, during the same period.

1.3 Total Development Expenditure of Sindh

The total development expenditure of Sindh for the last three years is depicted in the following graph:

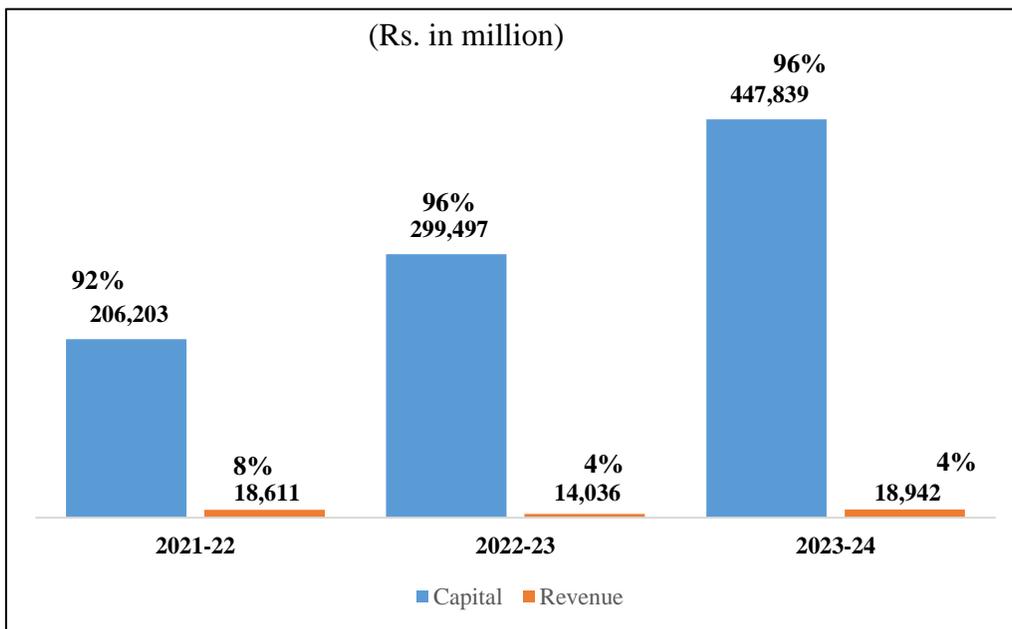


The overall development expenditure in Sindh province has shown a significant upward trend over the last three financial years. However, the proportions of Provincial & District ADP have significantly decreased i.e. from 71% to 53% and from 11% to 3% respectively, while the share of Federal/Donor Funding has shown significant increase i.e. from 18% to 43%, during the same period.

The data suggests a shift in focus towards larger-scale projects funded by federal and donor contributions, while local district-level projects have seen lesser funding. The major reason behind this increase was the government's focus on building infrastructures in the aftermath of the devastating impact of floods.

1.4 Total Development Expenditure (Component-wise) of Sindh

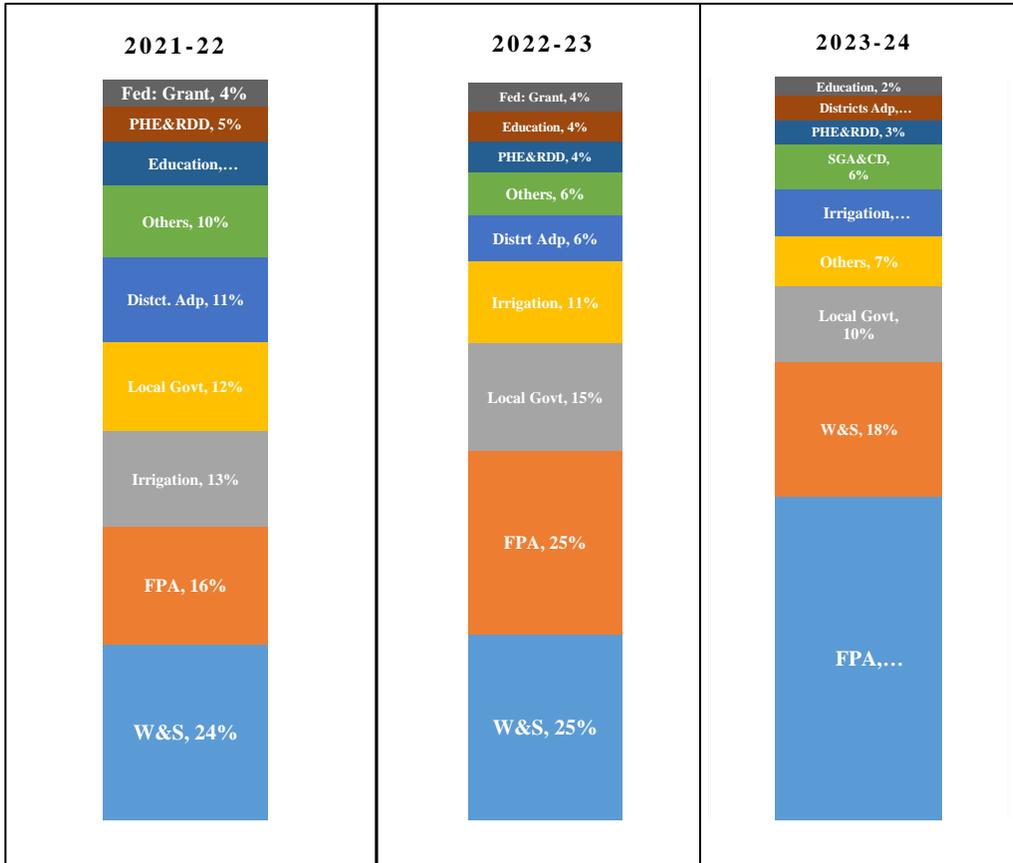
The component-wise total development expenditure of Sindh for the last three years is depicted in the following graph:



The graph shows that the proportion of capital component have increased i.e., from 92% to 96%, while the share of revenue component has decreased i.e., from 8% to 4%, during the same period.

1.5 Total Capital Development Expenditure (Grant-wise) of Sindh

The grant-wise priority of the government with respect to the capital development expenditure for the last three years is depicted below:

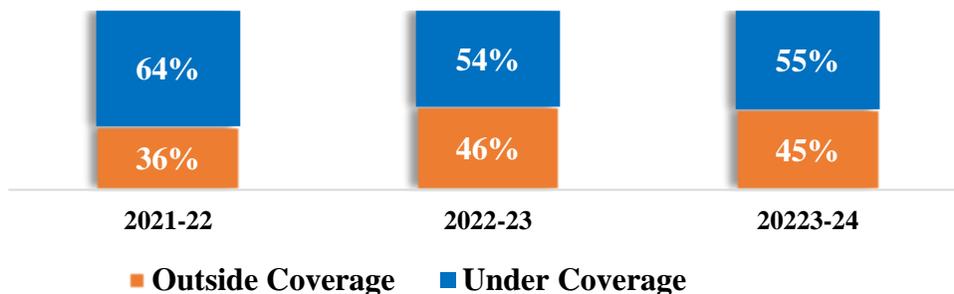


The above graphical representation depicts the prioritized grants allowed in terms of capital component of development expenditure. It shows that the proportion of highest eight grants has increased i.e. from 90% to 93%, while the share of remaining grants has decreased i.e. from 10% to 7%, during the same period.

1.6 Development Expenditure under Audit purview of DG, Audit Works Provincial Sindh, Karachi.

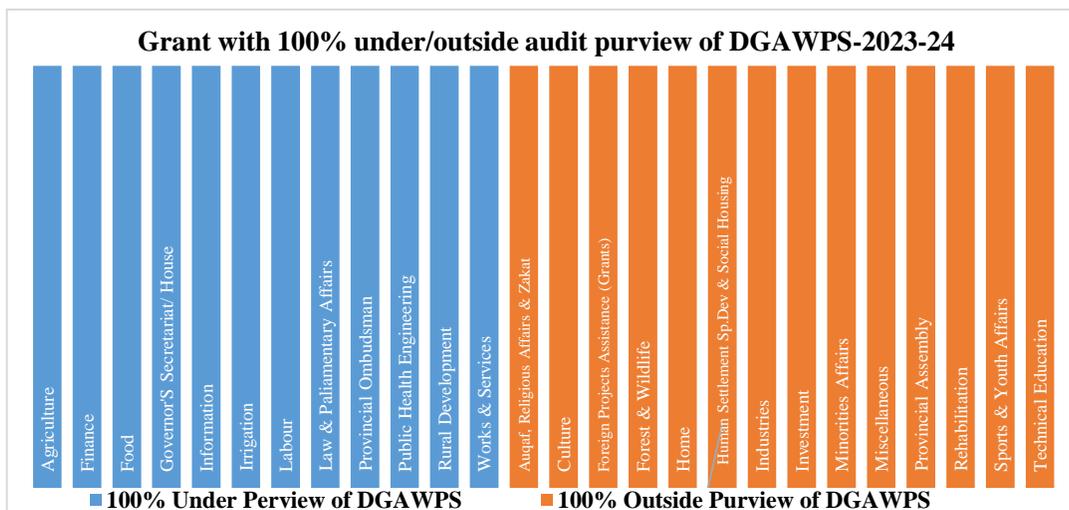
The following graph represents the proportion of total development expenditure (Capital Component) under the audit jurisdiction of this office. It shows decrease in coverage from financial years 2021-22 to 2022-23 i.e. from 64% to 54%. Whereas the slight increase of 1% has been observed in FY 2023-24.

Development Expenditure (Capital Component)

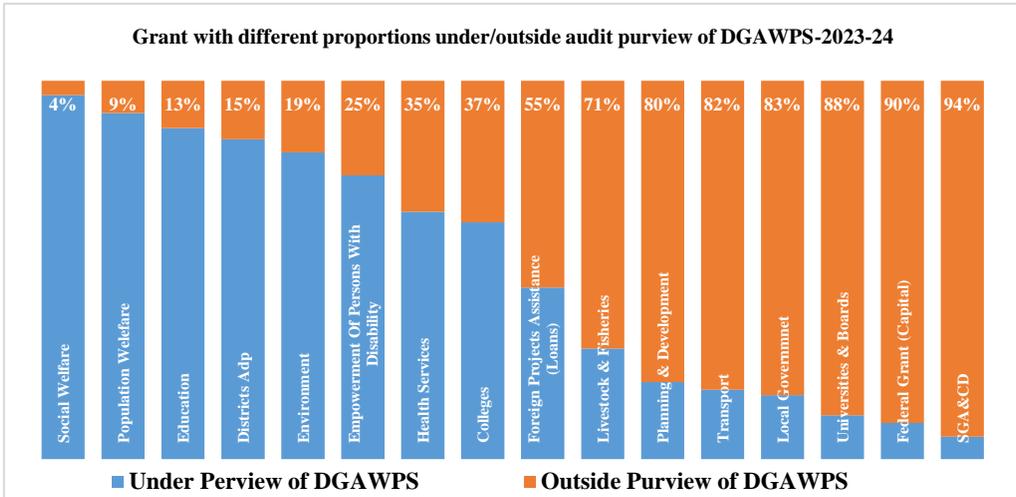


1.7 Development Expenditure under/outside audit purview (Grant-wise)

The grant wise analysis of development expenditure (capital component) under/ outside the audit purview of this office is reflected in the following graphs:



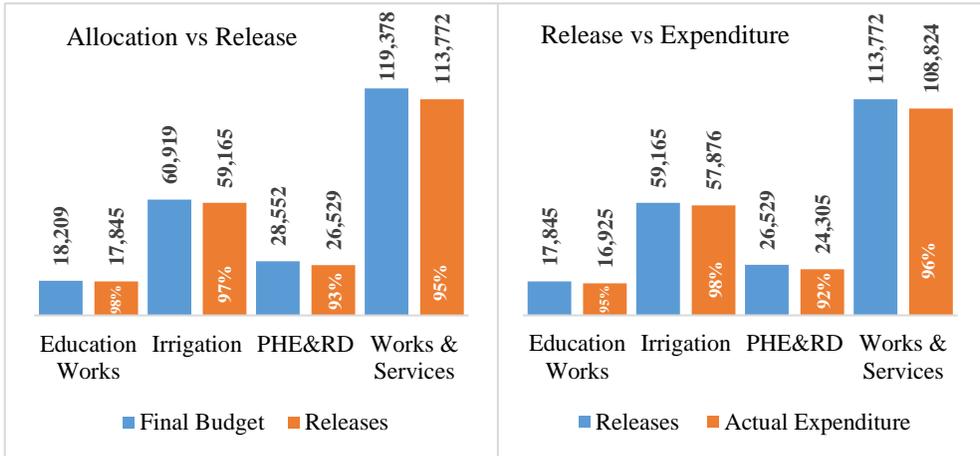
The above graph shows that 12 grants are completely under the audit purview and 14 grants are completely outside audit purview out of total 42 development grants. However, with respect to remaining 16 grants the proportionate development expenditure is depicted in the following graph.



1.8 Releases and Expenditure Pattern

1.8.1 Releases pattern

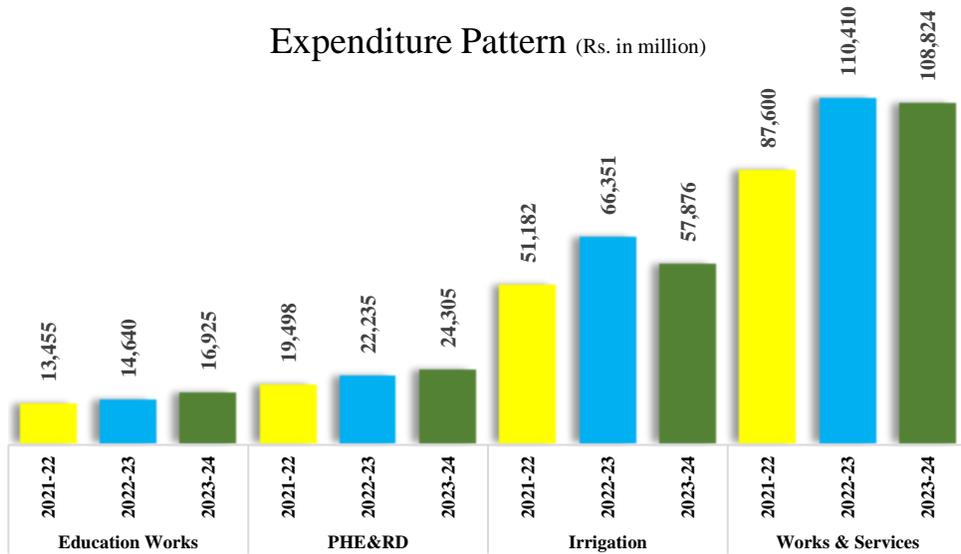
The graph below reflects releases and its utilization pattern in departments. On an average each department received almost 95.84% release of its final budget. Education Works leads in this aspect with 98%, while PHE&RDD trails at 93%.



However, with respect to the expenditure incurred, on an average each department utilized 94.48% of its released budget. Irrigation leads in this aspect with 98%, while PHE&RDD trails at 92%.

1.8.2 Expenditure pattern

The following graph shows the actual expenditure incurred by the relevant departments during last three financial years. It is evident from this graph that Works & Services and Irrigation are on priority in terms of funding, indicating a focus on infrastructure and water management. However, education works and Public Health Engineering & Rural Development received comparatively less funding.



Chapter-2. DEVELOPMENT AUTHORITIES

2.1 Introduction

This office conducts audit of 07 Development Authorities under administrative control of various Principal Accounting Officers as mentioned below:

Sr#	Name of Authority	PAOs
1.	Karachi Development Authority	Secretary Local Government, and Housing Town Planning Department.
2.	Hyderabad Development Authority	
3.	Malir Development Authority	
4.	Lyari Development Authority	
5.	Sehwan Development Authority	
6.	Zulfikarabad Development Authority	Secretary Services, General Administration & Coordination Department
7.	Gorakh Hills Development Authority	Secretary Culture, Tourism & Antiquities Department

The first six authorities are responsible for planning & coordination of public housing schemes, low-cost housing schemes, beautification of areas and management of land record within their respective geographical jurisdiction.

The Gorakh Hills Development Authority was established under the Gorakh Hills Development Authority Act, 2008. It covers the areas of the Gorakh Hills, Kurchat Hills, Darharyo Hills and Kirthar Ranges. The main purpose of the authority is to formulate, implement and execute development schemes of Gorakh Hills Resorts including commercial, residential, industrial and any other scheme which needs uplift of the socio-economic conditions of the local population.

Audit of four development authorities i.e. Karachi Development Authority (KDA), Hyderabad Development Authority (HDA), Malir Development Authority (MDA) and Lyari Development Authority (LDA) was conducted and the relevant findings are elaborated in their respective sections.

2.2 Section-I: Karachi Development Authority

2.2.1 Introduction

Karachi Development Authority (KDA) was established in 1957 by merging Karachi Improvement Trust and Karachi Joint Water Board under the Presidential Order No. 5 of 1957.

Initially, KDA was responsible for Water Supply System of Karachi and Building Control Management, but after establishment of Karachi Water & Sewerage Board and Sindh Building Control Authority, KDA now performs the following functions:

- i. Planning, Coordination and rendering Planning advice.
- ii. Land Development.
- iii. Housing (Public Housing Scheme, Low-Cost Housing Scheme).
- iv. Development of Roads & Bridges.
- v. Manufacturing of pipes.
- vi. Designing of Infrastructure.
- vii. Anti-Encroachment and Resettlement.
- viii. Research and Publication.
- ix. Horticulture - Parks & Recreation.
- x. Computerization of land record and Accounting system.
- xi. Archiving of land record.
- xii. Land acquisition.
- xiii. Charged parking.

KDA is the mother of all development authorities of Pakistan and has achieved tremendous objectives since 1957. It has developed about 7 lacs plots in 45 schemes, out of which 4 schemes (Shah Latif Town, Hawkes Bay, Taiser Town & Halkani Town) were transferred to Malir and Lyari Development Authorities in 1993.

KDA was merged with City District Government, Karachi in 2002. Now the Government of Sindh has restored KDA to its original position vide Provincial Assembly of Sindh Notification No: PAS/Legis-B-06/2016, dated: 11.05.2016, Karachi Development Authority (Revival & Amending) Act, 2016 - Sindh Act No. XVI of 2016. All policy matters and important cases are dealt by the Governing Body of the Authority.

At the time of its establishment, the integral function of the KDA was to develop Karachi city. The population of the city at that time was about 1.6 million, which has now increased to 22 million. Resultantly, there is a great need to develop more schemes in the city, but KDA is unable to play a proactive role due to various political and administrative reasons.

2.2.2 Governing Laws & Policies

- i. Karachi Development Authority Order, 1957.
- ii. KDA (Employee's Service) Regulations, 1973
- iii. Sindh Financial Rules.
- iv. CPW Code - A & D.
- v. Sindh Public Procurement Act, 2009.

2.2.3 Comments on Budget and Expenditure (Variance Analysis)

(Rs. in Million)

Particulars	Budgeted	Actual Exp/Revenue	Excess (+) Savings (-)
Establishment	5,949.495	5,949.495	-
Contingencies	192.081	192.081	-
Development Expenditure (Own sources)	486.014	486.014	-
Development Expenditure (ADP Schemes)	7,989.609	7,867.197	-122.412
Total	14,617.199	14,494.787	-122.412
Revenue	12,595.754	2,689.435	-9,906.319

2.2.4 Classified Summary of Audit Observations

Observations amounting to Rs. 13,880.593 million were raised in this report. This amount also includes recoveries of Rs. 3,106.164 million. The major issues observed by audit includes in-effective governance, non-achievement of their revenue targets, non-vacation of encroached land, parks/play grounds, irregularities in civil works contracts, in-efficient financial management etc. Classification of the audit observations is as under:

		(Rs. in Million)
Sr.#	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	34.722
3	HR/Employees related irregularities	20.931
4	Procurement related irregularities	722.396
5	Management of Accounts with Commercial Banks	21.383
6	Value for money and service delivery issues	6.680
7	Recovery	3,106.164
8	Non achievement of revenue targets	9,906.319
9	Others	61.998
Total		13,880.593

2.2.5 Brief comments on the status of compliance with PAC directives

Karachi Development Authority falls under the administrative jurisdiction of the Local Government and Housing Town Planning Department. PAC meeting of Local Government Department on the accounts of KDA was convened on audit reports for the years 2019-20 & 2020-21. Further, the status of printed paras is as follows:

Year	No of Paras	Total Paras discussed
2016-17	9	Nil
2017-18	13	Nil
2019-20	22	6
2020-21	7	2
2021-22	15	Nil
2022-23	13	Nil
2023-24	26	Nil

2.2.6 Audit Paras

2.2.6.1 Non-production of record of Land & other Directorates

As per Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001:

- (2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During the audit of Karachi Development Authority for the financial year 2023-2024, auditable record relating to development and non-development expenditures was not produced despite repeated requisitions. Details are at **Annex-01 of Section-I of Chapter-2.**

Audit is of the view that non-production of record is a violation of AGP ordinance which reflected negligence on the part of management. Due to non-production of record, the authenticity of expenditure could not be ascertained.

The matter was reported to the management in September, 2024. The management replied that auditable record is available for ready reference.

DAC in its meeting dated 02.01.2025 directed that PAO to take disciplinary action against the Director Land and other concerned individuals who failed to provide the required record to audit. It further recommended that the same record should be made available at the time of the next audit.

Audit recommends implementation of DAC directives besides ensuring provision of record without any hindrance in future.

Note: The issue was reported earlier also in the audit reports for Audit Years 2021-2022 & 2022-2023 vide para numbers 2.3.6.1 & 2.4.6.1. Recurrence of same irregularity is a matter of serious concern.

(PDP#13)

2.2.6.2 Non-conducting of Financial Attest Audit of Accounts from Chartered Accountant firms

As per Rule-25 (1&2) of Karachi Development Authority President's Order No. of 5 of 1957, "The authority shall with the previous approval of Provincial Government appoint Auditors who shall be chartered accountants within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961). A Statement of accounts in the prescribed form audited by the Auditors referred to in the preceding clause shall be furnished to the Provincial Government as soon as possible after the end of every financial year."

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that management failed to carry out mandatory financial attest audit of accounts of the authority from the chartered accountants since 2016 in violation of above Act.

Audit is of the view that failure in conducting certification audit of annual accounts reflected lack of transparency, neutrality and authenticity in financial statements. Thus, true and fair view of its financial position cannot be ascertained.

The matter was reported to the management in September, 2024. The management replied that KDA has started hiring of a chartered accountant firms. The approval from competent Authority has already been obtained.

DAC in its meeting dated 02.01.2025 directed the DG, KDA to take concrete efforts for appointment of reputable CA firms and place the issue before the Governing Body for certification of accounts from the CA Firm and furnish progress report to Audit and Administrative Department.

The management did not produce documentary evidence in support of its contention till the finalization of this report.

Audit recommends appointment of CA firms on priority basis.

(PDP#06)

2.2.6.3 Non-development and encroachment on Amenity Plots

According to Section-3 (1) of the Sindh Public Property (Removal of Encroachment) Act, 2010, "Government or any authority or officer authorized

by the government in this behalf may require the person directly or indirectly responsible for encroachment to remove such encroachment together with the structure, if any, raised by him on the public property, within the period not less than two days as may be specified in the order.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that 193 amenity plots situated in different areas of Karachi were not developed for their intended purpose i.e. Parks & Playgrounds as provided in the Master Plan. Out of these 193 plots, 139 plots valuing billions of rupees have been encroached by illegal occupants. Two apartments, one office, one shop & one community center of KDA is also under illegal occupation.

Audit is of the view that due to negligence and ineffective management, parks & play grounds could not be developed hence, same were encroached and public interests were not safeguarded by the authority.

The matter was reported to the management in September, 2024. The management replied that various letters sent to the Director Estate & Enforcement Cell for removal of encroachment.

DAC in its meeting dated 02.01.2025 directed that development plan may be chalked out to make these parks functional and vacate encroachments on these public parks / play grounds / properties and progress report may be submitted to Administrative Department and Audit on monthly basis.

Besides implementation of DAC directives, audit recommends formulation of strategy for involving the local citizens of the area for safeguarding the public assets.

(PDP#46,47&48)

2.2.6.4 Unauthorized execution of tenancy agreement of premium Amenity Plot

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud

and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that the management executed tenancy agreement of open plot measuring 800 square yards for 05 years i.e. January 2024 to December 2028 for commercial use (Car parking space for visiting customers to M/s Bin Hashim Supermarket) at the rate of Rs. 77,000 per month with the increase of 10% per annum. The plot was rented at very nominal price for commercial use without open auction. The plot is located at a premium location which could offer higher value.

Audit is of the view that undue favor was extended to the tenant and chances of subsequent encroachment of the amenity plot cannot be ruled out.

The matter was reported to the management in September, 2024. The management replied that letter of license agreement for reserved parking space in front of Bin Hashim Pharmacy & Supermarket on amenity plot was as per approved lay out plan.

DAC in its meeting dated 02.01.2025 showed serious concern on this transaction and directed the PAO to conduct enquiry & fix responsibility in this matter and look the legal issue of vacation of the plot and submit report to Audit and Administrative Department.

Audit recommends implementation of DAC directives besides strengthening the internal controls to prevent such illegal actions in future.

(PDP#15)

2.2.6.5 Excess award of works above the quoted bid- Rs. 65.552 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that management awarded works involving Rs.255.844 million, however, as per arithmetic calculations of items from BOQ, the cost of the bids was Rs. 190.292 million. Thus, an excess award of works of Rs. 65.552 million was made. Details are as under:

(Rs. in Million)

WO dt	Name of Scheme/Work	Contractor	Awarded cost	Bid cost as per BOQ	Difference
<u>133/23</u> 12-5-23	Construction / Rehabilitation of Roads, Drain Work, and Paver Blocks at UC 41 Baba/Bhitt/Shamspir/ Younusabad/Salehabad Island's District Kemari Karachi	Shahzad Yousuf Zai	128.110	70.343	57.767
<u>130/23</u> 12.5.23	Rehabilitation and Reconstruction of Roads & Laying of CC flooring/ Paver Block at different areas of PS- 97	Riasat Brothers	127.734	119.949	7.785
Total			255.844	190.292	65.552

Audit is of the view that due to improper evaluation of financial bids by procurement committee, excess award of works was made which reflected financial mis-management.

The matter was reported to the management in September, 2024. The management replied that the excess amount paid to these companies will be recovered from next bills.

DAC in its meeting dated 02.01.2025 directed that PAO to conduct enquiry in this matter and submit the report to audit.

Audit recommends recovery of excess amount and fixing of responsibility on the person(s) at fault besides strengthening the financial management to avoid such lapses in future.

(PDP#24)

2.2.6.6 Defective execution of development scheme – Rs. 37.223 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud

and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that expenditure of Rs. 159.995 million was incurred on works but following shortcomings were noticed:

- i. Excess payment of Rs. 1.151 million was made on carriage of material.
- ii. Either defective execution of work was done or excess payment amounting to Rs. 16.081 million was made on account of sub-base course, base-course and prime coat.
- iii. Two different rates were offered of item “Providing & laying granular sub-base course material” in same scheme that shows either sub-standard work was executed or excess payment of Rs. 3.223 million was made.
- iv. An extra item “Providing & laying plant mixed asphalt concrete binder course compacted thickness 3 inches” amounting to Rs. 16.769 million was executed without revision of estimate and justification regarding 5 inches thickness of asphalted road at islands without showing heavy traffic load.

Further, details are at **Annex-02 of Section-I of Chapter-2.**

Audit is of view that due to defective execution of road and sewerage scheme, public welfare was compromised which is tantamount to wastage of public money.

The matter was reported to the management in September, 2024. The management replied that in compliance to the recommendation of audit, an enquiry committee has been constituted

DAC in its meeting dated 02.01.2025 directed the PAO to conduct enquiry in this matter and submit the report to audit.

Audit recommends implementation of DAC directives besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#27)

2.2.6.7 Suspicious appointments in the Authority

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that 47 employees' appointments were found suspicious on following grounds:

- (i) Their basic salary does not correspond with their date of appointments. All the employees were shown as Sub-Engineers and their appointments were made from 1994 to 2014, but their basic salary still ranges in Rs. 30,330 to Rs. 41,630. It appears that fake appointments were made.
- (ii) Every employee appointed was given M.R No. (Medical Registration Number) which should be in sequence, however discrepancies were also observed in sequence of M.R Nos. as employees appointed earlier were awarded M.R No. of later appointees.
- (iii) Only six personal files were provided out of 47 employees which were neither complete nor their degree certificates, M.R allotment letter, domicile etc. was available in the original files.
- (iv) Abnormal variation in working strength was also found based on data from the Personal Information System (PIS) in the IT Department along-with number of employees retired during the year. It indicated non-reconciliation of salaries viz a viz number of employees over the years.
- (v) Fake appointments in the authority is a serious issue since (53) employees other than these 47 employees were also highlighted by the KDA itself as well vide letter No.PA/Secy /KDA/2024/315/2 dated: 22-08-2024.

Further details are at **Annex-03 of Section-I of Chapter-2.**

Audit is of the view that appointments of (47) employees appeared back-dated and suspicious since their record does not correspond with other internal documents.

The matter was reported to the management in September, 2024. The management replied that these 47 employees were promoted to the post of Sub-Engineers (BS-16) on 04-08-2022. Further, employees were appointed on different grades in accordance with that time, their salaries are ranges relatively low in respect of their first recruitment and their salaries were adjusted at that time.

DAC in its meeting dated 02.01.2025 directed that the PAO to take up the matter with Chief Minister Inspection Team for enquiry into the matter and submit the progress report to Audit.

Audit recommends adoption of technology-based maintenance of HR data to ensure merit-based transparent appointments in future besides implementation of DAC directives.

(PDP#39)

2.2.6.8 Doubtful payment of arrears of pay & allowance – Rs. 34.722 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that payment of Rs. 34.722 million was made to the officers/officials on account of arrears /adjustments /difference of pay & allowances. Following irregularities were noted;

- i. Even 14 years old arrear bills were claimed/paid which created doubt about possibility of payments to back-dated suspicious appointments made in the past.
- ii. Relevant record i.e. office orders, promotion/upgradation orders, personal files, LPCs, service history, previous financial years payrolls,

- due drawn statements and other necessary record was not available to authenticate the claims. Besides, register of difference bills was also not maintained.
- iii. An amount of Rs. 7.905 million was paid to employees who were neither on payroll nor on pension roll.
 - iv. Arrear pay bills were also paid to employees on lump sum basis without ascertaining the exact amount of arrears.

Further details are at **Annex-04 of Section-I of Chapter-2.**

Audit is of the view that the payments of arrears were non-transparent and suspicious.

The matter was reported to the management in September, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue.

DAC in its meeting dated 02.01.2025 was not satisfied with the justification given by the management and directed the PAO to constitute the committee under the supervision of Special Secretary who shall probe the matter and submit the report to Audit.

Audit recommends placing of effective financial controls to avoid such lapses in future besides implementation of DAC directives.

(PDP#04)

2.2.6.9 Unauthorized payment of salaries to retired employees – Rs. 20.931 million

According to Sl. No. 5 Retirement & Re-employment of Civil Establishment Code, “Notifying retirement of an officer on attaining the age of superannuation.- It has come to notice of the Establishment Division that in some cases no notification was issued regarding retirement of the officer who retired from service on attaining the age of superannuation, i.e., the age of 60 years. The absence of a notification regarding their retirement led to delay in payment of their pension and other dues.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that an amount of Rs. 20.931 million was paid to 24

retired employees as salaries despite their retirements. Details are at **Annex-05 of Section-I of Chapter-2.**

Audit is of the view that due to payments made to retired employees, authority sustained loss which reflected weak financial oversight.

The matter was reported to the management in September, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that the Secretariat Department of KDA issued a retirement letter well before time of retirement of each employee and sent copies to all concerned. If anything, outstanding against each individual, same will be recovered accordingly.

DAC in its meeting dated 02.01.2025 directed the management to recover the amount from concerned and get the same verified from audit.

The management did not produce documentary evidence showing recovery of excess amount till the finalization of this report.

Audit recommends implementation of DAC directives and to strengthen the financial controls in order to avoid recurrence of such lapses in the future.

(PDP#30)

2.2.6.10 Unjustified appointment / promotions of officers / officials

According to Rule-16 of Chapter-III, “Qualifications, experience and age limit on initial recruitment” Karachi Development Authority Employees Service Regulation 1973, “No person shall be appointed to a post unless he/she produces a Nationality Certificate showing that he/she is National of Pakistan, a domicile certificate showing his/her domicile on the province of Sindh.”

According to Rule-88 of Sindh Financial Rules, volume-I, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as person of ordinary prudence would exercise in respect of expenditure of his own money”.

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that hiring/promotions were made without observing rules & regulations. Following observations were noted:

- i. Employees were appointed from other provinces.
- ii. Appointment of Chief Security Officer on contract basis despite sanctioned post of Additional Director (BPS-18) in the Security Cell.
- iii. 03 Sub-Engineers were promoted as Assistant Executive Engineer without being in seniority list.

Audit is of the view that appointments/promotions of staff without observance of codal formalities is contradiction of rules which reflected poor human resource management in the organization.

The matter was reported to the management in September, 2024. The management at (Sr. i & ii) did not submit replies. The management at (Sr. iii) replied that due to unknown reasons, the files of these three persons were not presented in the record room at the time of maintaining Seniority list, therefore they were neglected in seniority. Further, they had submitted an application in the office of Deputy Secretary to add their names in accordance, due to which they were added in the list for consideration in DPC to remove their grievances.

DAC in its meeting dated 02.01.2025 directed to submit replies and get the stance verified. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends adoption of technology-based maintenance of HR data to ensure merit-cum-seniority based promotion in future.

(PDP#40,42 & 44)

2.2.6.11 Unjustified advance payments to employees for various works/ services – Rs. 36.599 million

As per Para-668 of Treasury Rules, “Advances granted under special orders of competent authority to government officers for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed accounts supported by vouchers or by refund, as may be necessary.”

Further, as per Rule-303 of Treasury, “Contingent bill for payment to Suppliers etc. which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that an amount of Rs. 36.599 million was paid to the employees for carrying out various works/ services instead of vendors. However, an amount of Rs. 11.425 million was still outstanding. Details are at **Annex-06 of Section-I of Chapter-2.**

Audit is of the view that non-compliance of government rules reflected weak financial controls in the organization.

The matter was reported to the management in September, 2024. The management replied that majority of advances were granted to meet medical expenses of employees of KDA. A warning letter has already been issued for adjustment of advances, otherwise salaries of employees will be stopped. Further, the management informed that some expenditures are of emergency nature, award of assignment to vendors need advertisement, which is a time taking task, therefore small expenses were allowed to be incurred after obtaining approval of Competent Authority i.e. Director General KDA.

DAC in its meeting dated 02.01.2025 directed to stop practice of incurring expenditure through employees instead of vendors immediately and recover/adjust the outstanding amount.

Audit recommends implementation of DAC directives besides placing technology-based financial controls to stop such practices in future.

Note: The issue was reported earlier also in the audit reports for Audit Years 2021-2022 & 2023-2024 vide para numbers 2.3.6.11, & 2.3.6.20 having financial impact of Rs. 41.442 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#01&05)

2.2.6.12 Short receipt of targeted revenue – Rs. 9,906.319 million

As per Rule-28 of General Financial Rules, Volume-I, “No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable, the order of the competent authority for their adjustments must be sought.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that management estimated to achieve revenue target of Rs. 12,595.754 million from various schemes, but recovered only Rs. 2,689.435 million resulting in short recovery of the revenue target of Rs. 9,906.319 million.

Audit is of the view that due to non-realization of targeted revenue, the authority had to rely upon grant-in aid provided by the Government of Sindh to run its affairs which reflected weak revenue management in the organization.

The matter was reported to the management in September, 2024. The management replied that the target of revenue budgeted for the year under audit could not be achieved because as the primary source of revenue of KDA is auction of plots and launching of new housing/ land schemes, but unfortunately during the financial year 2023-24, neither auction for sale of plots/ properties/ commercials areas was held nor any new schemes were launched.

DAC in its meeting dated 02.01.2025 directed that PAO to issue explanation to all concerned who were not taking effective efforts to realize its revenue and a fact-finding enquiry be conducted so that causes of non-realization of potential revenue can be ascertained.

Audit recommends implementation of DAC directives besides formulation of effective revenue and investment policies.

Note: The issue was reported earlier also in the audit report for Audit Year 2022-2023 vide para numbers 2.4.6.7 having financial impact of Rs. 90.00 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#07)

2.2.6.13 Non-recovery of outstanding dues – Rs. 2,710.143 million

As per Rule-41 (a) of Sindh Financial Rules, “The department controlling officers should see that all sums due to Government are regularly received and checked against demand and that they are paid into the Treasury.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that outstanding dues of Rs. 2,710.143 million were not recovered from various Government and private institutions on account of rental payment pending since 2016. Details are given as under:

(Rs. in Million)

Sr. No.	KDA building Civic Center	Allotted to	Covered Area (Sq.ft)	Rate	Period	Months	Amount
01	Basement + 4 th floor	SBCA	68232.5	275	July-16 to June-24	96	1,801.338
02	Basement + ground floor	SBCA	20336	275	--do--	--do--	536.870
03	4 th floor	DG LDA	7100	275	--do--	--do--	187.440
04	5 th floor	DG LDA	3873.5	275	Oct-22 to June-24	21	22.369
05	6 th floor	Director Health	5900	275	July-16 to June-24	96	155.760
06	Ground floor	NBP	2400	--	Upto June-2024	--	1.742
07	--do--	GPO	400	--	--do--	--	0.114
08	--do--	Insurance Co-operative Society	317	--	--do--	--	0.319
9	--do--	Dow university	2208.11	--	--do--	--	4.191
Total							2,710.143

Audit is of the view that due to non-recovery of outstanding dues, the authority sustained loss of its potential revenue, which reflected existence of weak revenue management.

The matter was reported to the management in September, 2024. The management replied that as per directives of the Govt. of Sindh, negotiation with various Govt. institutions are in progress. In some cases, notices have also been issued.

DAC in its meeting dated 02.01.2025 directed the management to expedite recovery along-with reconciliation of recoverable amount with

concerned departments and furnish report to Audit and Administrative Department.

Audit recommends prompt recovery of dues under intimation to audit.

Note: The issue was reported earlier also in the audit reports for Audit Years 2021-2022, 2022-2023 & 2023-2024 vide para numbers 2.3.6.4, 2.4.6.13 & 2.3.6.13 having financial impact of Rs. 2,487.431 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#10)

2.2.6.14 Non-forfeiture of occupancy value – Rs. 87.288 million

As per Term & Condition of sale of plots by auction, “If the successful bidder after depositing 25% of the bid money withdraws his bid or fails to complete other formalities required by the KDA within the stipulated time for issuance of formal allotment order, 10% of the total bid money shall be forfeited and plot will be resumed immediately for re-auction. The balance of the amount deposited by the successful bidder will be refunded through crossed cheques on making formal application accompanied with the original receipt for the deposit.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that various plots/shops worth Rs. 355.047 million were allotted through auction, out of which Rs. 87.288 million was received as 25% occupancy value and balance amount of Rs. 267.760 million was still not recovered despite the lapse of considerable time. Summary is given below:

(Rs. in Million)

Sr. No.	Name of office	AIR Para	Bid knocked amount	Recovered amount	Balance amount
01	Recoveries, KDA	47	332.827	81.732	251.095
02	Public Housing Scheme, KDA	71	22.220	5.556	16.665
Total			355.047	87.288	267.76

Audit is of the view that the management did not take any effective steps to either recover the due amount or forfeit deposited amount and cancel the auctioned plots as per policy.

The matter was reported to the management in September, 2024. The management replied that due to encroachments by different political, social and

natural disasters affectees, parties failed to get possession, resultantly they became defaulters. And in some cases, the department issued several demand notices published in newspapers and now case has been processed for cancellation of their plots.

DAC in its meeting dated 02.01.2025 directed either to recover the amount or process of cancellation of plots may be initiated as per rules and progress may be submitted to Administrative Department and Audit.

Audit recommends compliance with DAC directives besides strict adherence to policies of the authority for revenue collection.

(PDP#37)

**2.2.6.15 Non-recovery of occupancy value along-with surcharge–
Rs. 237.833 million**

As per Terms & Conditions of sale of plots through auction, (i) The highest bidder shall deposit 25% of total cost of land at the fall of hammer through pay order/demand draft from his own accounts within 03 days. In case of said 25% of Occupancy Value not paid at the fall of hammer the bid shall be cancelled and the amount of security shall be forfeited, the auction proceeding shall be continued but the bidder shall be debarred from taking part in the said auction proceeding. (ii) The successful bidder whose offer is approved by the Auction Committee constituted by Director General, KDA shall pay the second installment of 25% of total cost/Occupancy Value within 15 days from the date of issuance of bid acceptance letter. (iii) The remaining 50% of the occupancy value from his own account whether demanded or not, shall be paid within 120 days from the date of issuance of bid acceptance letter.

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that the management failed to recover occupancy value along-with surcharge of Rs. 237.833 million from allottees of various schemes which indicates inefficiencies in revenue management. Summary is given below:

(Rs. in Million)

Sr. No.	Name of office	Particulars	AIR Para	Total
01	Recoveries Department, KDA	Occupancy Value	45	135.493
		Surcharge		52.146
02	Public Housing Scheme, KDA	Occupancy Value	70	35.742
		Surcharge		14.452
Total				237.833

Audit is of the view that the failure to recover the due amount reflected inefficient revenue management.

The matter was reported to the management in September, 2024. The management replied that the primary function of office of the Directorate of Recoveries is to prepare challans for receipt of payments according to approved value of files processed related to land & recovery on account of sale, auction, transfer, and mutation etc. of Authority's land / plots. Authority has taken hectic efforts to recover occupancy value. Several reminders were issued and surcharge was imposed according to applicable rules for default time period at the time of recovery by defaulter(s).

DAC in its meeting dated 02.01.2025 directed the authority to provide the recovery of outstanding dues on a monthly basis to the Administrative Secretary and Audit for monitoring the progress.

Audit recommends compliance with DAC directives and effective implementation of policies of the authority for revenue collection to avoid seeking funds from government.

Note: The issue was reported earlier also in the audit reports for Audit Years 2021-2022 & 2022-2023 vide para numbers 2.3.6.4 & 2.4.6.8 having financial impact of Rs. 489.739 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#36)

2.2.6.16 Non-recovery of various taxes – Rs. 70.900 million

As per Section-3(1) of Sindh Sales Tax on Services Act, 2011, "Service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 13%. Further, according to Rule-2(2) of S.R.O. 660(I)/2007 dated 30th June, 2007 issued by FBR, a withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the registered suppliers and make payment of the balance amount to him."

According to Section-153 & 233 of Income Tax Ordinance 2001, "Any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contact with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at

the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

As per Section 236-A of Income Tax Ordinance, 2001, “The rate of collection of tax under section shall be 10% of the gross sale price of any property or goods sold by auction.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that various taxes i.e., income tax, general sales tax and sales tax on services of Rs. 70.900 million were not recovered from the payments made to the contractors. Summarized position is as below:

(Rs. in Million)

Sr. No.	Name of office	Particulars	AIR Para	Amount
01	Finance & Accounts, KDA	Income Tax, GST, SST	02	10.733
02	Information Technology, KDA	Income Tax	37	7.590
03	Recoveries department, KDA		46	51.062
04	Public Housing Scheme, KDA		69	1.515
Total				70.900

Audit is of the view that non-recovery of taxes resulted in short realization of government revenue which reflected existence of weak tax compliance.

The matter was reported to the management in September, 2024. The management replied that the bidders had paid FBR tax. The Director (Finance & Accounts), KDA, Karachi being custodian of funds is liable to pay collected Income Tax amount to FBR. Sindh Sales Tax was also deducted on services as prescribed rate and deposited to the concerned Authority. i.e. Sindh Revenue Board.

DAC in its meeting dated 02.01.2025 was not satisfied with reply since no challan showing payment of pointed out amount was produced before the committee, therefore DAC directed to expedite recovery and produce record for verification.

Audit recommends recovery of due taxes at the earliest.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-2022 & 2023-2024 vide para numbers 2.3.6.2, 2.3.6.5 & 2.3.6.11 having

financial impact of Rs. 257.149 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#02)

2.2.6.17 Unjustified procurement of vehicles- Rs. 100.076 million

In pursuance of High Court Sindh's order in C.P No. D-3987 of 2013, dated 16-03-2023 and 30-03-2023, KDA has forwarded the procurement plan to procure following vehicles from their own budget to strengthen anti-encroachment drive. And as per summary approved by Honorable Chief Minister Sindh on 24-05-2023 for the procurement of vehicles and machinery was as under:

Sr.#	Particulars	Qty
01	Toyota Hilux Pickup (Single Cabin Non-AC)	4
02	Toyota Hilux Pickup (Double Cabin Non-AC)	2
03	Mazda Truck	2
04	1300 cc Cars for Additional Directors	6
05	1000 cc Cars for Executive Engineers	8
06	Ambulance	1

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that expenditure of Rs. 100.076 million was incurred on procurement of vehicles for strengthening of the Anti-Encroachment Department of Authority. Details are as under:

(Rs. in Million)						
V.No	Date	Chq. No.	Paid to	Particulars	Qty	Amount
67	6-12-23	39272073	Ms Lucky Motors	Purchase of Picanto 1000 cc	5	19.050
68	6-12-23	39272063	M/s Indus Motors	Purchase of Yaris 1300 cc	3	14.735
69	6-12-23	39272065	M/s Gandhra Industry	Purchase of Mini Truck	1	6.200
9	1-11-23	39272052	M/s Indus Motors	Purchase of Yaris 1300 cc	3	46.934
				Purchase of Revo	1	
				Purchase of Hilux Single Cabin	2	
10	1-11-23	39272051	M/s Indus Motors	Purchase of Cultus 1000 cc	3	13.158
					Total	100.076

Audit is of the view that the management neglected the orders of Sindh High Court and Chief Minister Sindh and procured more vehicles for officers than vehicles needed for anti-encroachment drive which reflected mismanagement in the organization.

The matter was reported to the management in September, 2024. The management replied that the official vehicles were procured in pursuance of High Court Sindh's order in C.P No. D-3987 of 2013, dated 16-03-2023 and 30-03-2023 and with the approval of the Honorable Chief Minister Sindh.

DAC in its meeting dated 02.01.2025 directed that the PAO to conduct enquiry in this matter and submit the report to Audit.

Audit recommends fixing of responsibility on the persons at fault, besides implementation of DAC directives.

(PDP#57)

2.2.6.18 Loss of revenue due to refund of rental amount – Rs. 6.680 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that 2672 sq. yards of land was allotted to private person for commercial use for establishment of Marriage Hall against the payment of Rs. 6.680 million for five years vide office order No. KDA/Dir (CPBBRC&BB)/2017/427/L dated 29-08-2017 against plot no. ST-5 Block-15 KDA Scheme-36 Gulistan-e-Johar Karachi measuring 2672 sq. yards. However, the amount taken in lieu of rentals of the plot was refunded after expiry of five years without any justification and legal provision.

Audit is of the view that refund of rental amount after 05 years without any legal provision reflected weak financial controls in the organization.

The matter was reported to the management in September, 2024. The management replied that this office is not in position to give any record in respect of said plot. After lapses of 05 years on the request of applicant, the Competent Authority allowed refund of the deposited amount.

DAC in its meeting dated 02.01.2025 directed that PAO to conduct enquiry & fix responsibility in this matter and recover the amount from concerned officers who authorized such payments.

Audit recommends implementation of DAC directives and to strengthen the internal controls to avoid such lapses in future.

(PDP#14)

2.2.6.19 Loss of revenue income by operating current bank accounts – Rs. 21.383 million

As per Notification No.FD/RO/FS/30/2006 dated 28/9/2006 issued by Finance Department, Government of Sindh, Karachi, “All bank accounts of the government department/entities, being operated in private/ commercial banks, should immediately be closed and the public funds maintained in such accounts transferred to respective PLS saving forthwith. The details of all such accounts / account number, name and address of the bank and the date of opening of account) and amount returned to PLS saving should be sent to the Finance Department.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that the opening of (19) current bank accounts instead of Profit and Loss Sharing (PLS) accounts resulted into loss of annual interest income of Rs. 21.383 million (approx.). Details are at **Annex-07 of Section-I of Chapter-2.**

Audit is of the view that the decision to open (19) current bank accounts instead of Profit and Loss Sharing (PLS) accounts had a significant impact on the Authority’s revenue generation.

The matter was reported to the management in September, 2024. The management replied that the department remained unaware about the notification NO. FD/RO/FS/ 30/ 2006 dated: 28-09-2006 and will ensure to implement said notification in maintaining PLS account instead of current account of Karachi Development Authority in future.

DAC in its meeting dated 02.01.2025 directed to stop this practice and to open PLS account as per policy of Government of Sindh.

Audit recommends formulation of an effective revenue/investment policy of the authority in order to avoid unnecessary burden on provincial exchequer.

(PDP#11)

2.2.6.20 Doubtful payment to consultant – Rs. 49.618 million

As per Rule-88 of Sindh Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that an amount of Rs. 49.618 million was paid to consultant on account of conceptual drawing, detail design and tender documents. However, it was noted that work orders were issued to consultant after award of work of physical execution since conceptual designs/drawings are always tendered prior to physical execution of works at site. Details are at **Annex-08 of Section-I of Chapter-2.**

Audit is of the view that payment to the consultant without performance of its deliverables reflected undue favour at the cost of public exchequer.

The matter was reported to the management in September, 2024. The management replied that after audit recommendation, an enquiry committee has been constituted and notification attached for ready reference.

DAC in its meeting dated 02.01.2025 directed that the PAO to conduct enquiry in this matter and submit the report to audit.

Audit recommends recovery of unauthorized payment from the consultant and fix responsibility on the person(s) at fault, besides strengthening internal controls to avoid such lapses in future.

(PDP#25)

2.2.6.21 Irregular expenditure without competitive bidding process – Rs. 31.506 million

According to Rule-17 (1) of the Sindh Public Procurement Rules 2010, “Procurements over five hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority’s website and may in

print media in the manner and format prescribed in these rules.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that expenditure of Rs. 31.506 million was incurred on account of different head of accounts without competitive bidding as required under SPPRA rules. Summary is given below:

(Rs. in Million)

Sr. No.	Particulars	Amount
01	Purchase of furniture, Exhibition fair & Nation celebration, Cost of other stores and Others Misc.	4.623
02	Civil works	26.883
	Total	31.506

Audit is of the view that due to non-invitation of tenders, chances of uneconomical procurement cannot be ruled out which reflected weak contract management in the organization.

The matter was reported to the management in September, 2024.

DAC in its meeting dated 02.01.2025 showed serious concerns on non-submission of reply and further directed to submit the reply and get the stance verified. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends fixing of responsibility on the persons at fault, besides strict adherence to procurement regulations to avoid such lapses in future.

(PDP#03)

2.2.6.22 Unjustified clearance of liabilities without approval – Rs. 13.877 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that expenditure of Rs. 13.877 million was incurred for clearance of previous medical liabilities without approval/concurrence of Governing Body of KDA. Further, the liability was paid for the period 2015-16 and subsequent years without proper documentation. Details are as under:

(Rs. in Million)

Sr. No.	VR#	Chq No./ dated	Payee	Period	Amount
1	28	19449276 4-3-24	M/s Dow University	May-2023	1.084
2	59	74155688 3-4-24	Dr Bashir Ahmed (Dental Surgeon)	April-2016 to September-2017	1.174
3	185	18286 29-2-24	M/s Dow University Ojha campus	February to April 2023	4.709
4	186	15118 29-2-24	M/s Dow University Ojha campus	August-2018	4.978
5	22	16694 4-9-23	M/s Karachi Lab and Diagnostic center	April to June-2023	1.931
Total					13.877

Audit is of the view that clearance of liabilities without prior approval reflected weak internal controls.

The matter was reported to the management in September, 2024. The management replied that budget is prepared on expectation and calculations. Payments are made subject to availability of funds. Finance and Accounts Department was facing financial crises since long, therefore could not pay the claim bills of Hospitals within stipulated time. It is not necessary to obtain approval from Governing Body of KDA.

DAC in its meeting dated 02.01.2025 directed that proper justification regarding clearance of 10 years old liabilities along-with documentary evidence may be provided to audit for further scrutiny. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends compliance of DAC directives, besides placing effective financial controls to avoid recurrence of such irregularities in future.

(PDP#51)

2.2.6.23 Non-obtaining of performance security from contractor against civil works – Rs. 5.394 million

According to the Clause-10.1- Performance Security of the standard bidding document approved by government regarding large civil work exceeding Rs. 50.000 million, “the contractor shall provide Performance Security to the procuring agency in the prescribed form. The Performance Security shall be 5% of the Contract Price stated in the Letter of Acceptance. Besides obtaining 5% as Performance Security, the Security Deposit at rate of 5% will also be deducted from running bills, thus amount equal to 10% of the Contract Price is obtained from contractor, i.e., 5% as performance security and 5% security deposit as retention money. Deductions from interim/running bills will be made from successful bidder after the bidder has furnished the required performance security and signed the contract agreement.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that performance security amounting to Rs. 5.394 million was not obtained on revision of contract agreements. Further, no evidence was provided regarding retention/ credit of call deposit equivalent to performance security amount. Details are as under:

(Rs. in Million)

Name of work	W/o dt	Revised W/o	Re-revised W/o	Awarded cost	Revised Cost	Due amount of security
Installation/upgradation & maintenance of existing traffic signals in Khi	<u>37</u> 30.8.21	<u>18</u> 30-3-23	<u>10-A</u> 10-5-24	27.869	78.396	2.526
Annual running contract for maintenance of Civic Centre building & field offices KDA	<u>61</u> 20-5-22	<u>77</u> 1-4-23	-	95.407	238.809	2.868
Total						5.394

Audit is of the view that undue favor was extended to the contractors at the cost of the government interests which reflected weak financial controls.

The matter was reported to the management in September, 2024. The management replied that the performance security was obtained from the contractor at the time of bidding process which was not refunded.

DAC in its meeting dated 02.01.2025 directed to provide documentary evidence to audit for verification. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends implementation of DAC directives, besides strengthening strict adherence to the procurement regulations to avoid such lapses in future.

(PDP#33)

2.2.6.24 Irregular revision of works without re-tendering – Rs. 317.205 million

As per Rules-(16)(1)(e) of SPPRA, 2010, “Repeat Orders means, procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that various works of Rs. 123.276 million were awarded, however, the same were extended with the revised cost of Rs. 317.205 million without re-tendering as required under rules. Summary is given below:

(Rs. in Million)

Sr. No.	Name of office	AIR#	Actual cost	Revised Cost	Excess	Percentage increased
01	Traffic Engineering Bureau	44	27.869	78.396	50.527	181%
02	XEN, Civic Centre	64	95.407	238.809	143.402	150%
Total			123.276	317.205	193.929	

Audit is of the view that irregular revision of works instead of fresh tendering is violation of procurement rules & regulations.

The matter was reported to the management in September, 2024. The management replied that as Karachi is one of among the world’s biggest cities and it is geographically spread over hundreds of square miles. To keep the traffic signals smooth operational round the clock in such a big city is not easy task. Therefore, due to increasing exchange rates, ban on different imports, we

approached same contractor to work on same rates to cope the situation as allowed vide provision of clause-XI-B of contract agreement for another period of one year.

DAC in its meeting dated 02.01.2025 directed to provide documentary evidence to audit for verification. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends implementation of procurement rules in letter and spirit to avoid such irregularities.

(PDP#35)

2.2.6.25 Non-renewal of performance guarantee – Rs. 115.822 million

According to Section-39 of SPPRA, “Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price. (2) Security shall be provided in an appropriate form as described in the bidding documents. (3) Validity of performance security shall extend to cover defect liability period or maintenance period, subject to final acceptance by procuring agency.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that performance guarantees against bid security amounting to Rs. 115.822 million were obtained, however, bank guarantees were expired and the management failed to get the same renewed. Details are as under:

(Rs. in Million)

W/O Date	Name of Work	B.Guarantee No.	Issued Date	Expiry Date	Bid Security
<u>12</u> 10-8-23	Constt: of A2+2 lane under pass at Karimabad	3573GBB002323 Faysal Bank	13-06-23	14-10-23	56.248
<u>12</u> 10-8-23	Constt: of A2+2 lane under pass at Karimabad	3573GBB002123 Faysal Bank	13-06-23	14-10-23	18.749
Nil	Construction of Roads alongwith Drainage, Sewerage & Paver Blocks / C.C in UC- Chohar. UC-Kotiraro, District Malir	MD2306500002 Allied Bank	06-03-23	05-03-24	5.200
<u>105</u> 4-12-23	Imp/Constt/Reh: of road from Murtaza chowrangi to Landhi Graveyard, ADP-2574	3573GBB001523 Faysal Bank	06-06-23	06-01-24	35.625
Total					115.822

Audit is of the view that due to non-renewal of performance guarantee, undue favor was extended to contractors at the cost of government interest.

The matter was reported to the management in September, 2024. The management replied that the contractors were directed to renew their performance security.

DAC in its meeting dated 02.01.2025 showed serious concerns for non-renewal of the performance security despite lapse of more than one year and directed as under:

- (a) Action may be taken against the officer responsible for such lapses.
- (b) Validate the performance securities and get it verified from audit.

Audit recommends implementation of DAC directives besides strengthening the internal controls in the organization to avoid such lapses in future.

(PDP#20)

2.2.6.26 Irregular payment through employee on advertisement & publicity – Rs. 3.288 million

According to Rule-12 of Advertisement Policy-2015 (Information Department) published on 19th November, 2015 in Sindh Government Gazette, “The act of any Government Department, Local Body/ Council or Organization under the control of Sindh Government not following the instructions, would tantamount to the violation of the Sindh Government’s Advertisement Policy. No client department/ organization shall release any advertisement of whatsoever nature, directly to the print or electronic media. If any Department releases any ad directly in violation of Advertisement Policy (Amended-2015) to print and electronic media, shall be treated as “Misconduct” on the part of that officer of the client department and shall be dealt under the Removal from Services Ordinance, 2000.”

During the audit of Karachi Development Authority for the financial year 2023-2024, it was observed that an expenditure of Rs. 3.288 million was incurred on account of advertisement, publicity and videography, however, payment was made through employee of KDA instead of Information Department, Govt. of Sindh contrary to above rule. Details are at **Annex-09 of Section-I of Chapter-2.**

Audit is of the view that the management failed to comply with instructions issued by Govt. of Sindh which reflected weak internal controls.

The matter was reported to the management in September, 2024. The management replied that some advertisement/ publicity and videography are emergent nature, publication through information department/ Govt. of Sindh takes some time. Hence, the payment made through employee to get advertisement published at the earliest.

DAC in its meeting dated 02.01.2025 directed that the PAO to conduct enquiry & fix responsibility in this matter.

Audit recommends implementation of DAC directives and stoppage of such irregular practices in the organization.

Note: The issue was reported earlier also in the audit report for Audit Year 2022-2023 vide para number 2.4.6.4 having financial impact of Rs. 2,947.385 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#08)

2.2.6.27 Irregular appointment and payment to advocates – Rs. 8.234 million

As per Law Department, Government of Sindh's notification No.S.GENL:5-217/78 (N) 33 dated 26-07-1980, "Whenever any vacancy in the legal Adviser's post is required to be filled, the concerned Department/Council or organization shall send such requisition to the Law Department specifying therein the relevant data as to nature of assignment, financial and other fringe benefits it carries and the tenure for which the appointment is to be made."

During the audit of Karachi Development Authority for the financial year 2023-24, it was observed that 33 legal counsels were appointed and payments of Rs. 8.234 million was made to advocates without consent of the law department contrary to the above instructions. Following irregularities were also noticed:

- i. Neither any selection criteria of advocates were available nor SPPRA regulations were followed.
- ii. It is also not evident from the record that how the authority judges the performance of these counsels.

- iii. The advocates were treated as contractual employees and their expenditure was also charged to establishment charges instead of its proper head of account i.e. commodities.
- iv. Sindh Sales Tax at the rate of 13% amounting to Rs. 1.070 million was not deducted from the payment of their remuneration.
- v. One law firm was hired only for 08 months without showing number of cases the firm handled in the court of law and their results.

Audit is of the view that hiring of advocates without any laid down criteria for their selection is violation of standing instructions of the government.

The matter was reported to the management in September, 2024. The management replied that as Govt. of Sindh has imposed ban on regular appointment. Due to non-appointment of legal adviser, there were more than 8000 pending in different courts. Further, it is submitted that due to stay order in a petition pending in the High Court of Sindh at Karachi being operative SST deductions were not made.

DAC in its meeting dated 02.01.2025 directed the PAO to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends implementation of government rules and DAC directives.

(PDP#41)

2.3 Section-II: Hyderabad Development Authority

2.3.1 Introduction

Hyderabad Development Authority was established after the enactment of Sindh Assembly Act No. XIII of 1976 with the mandate for development, improvement and beautification of urban areas of Hyderabad comprising Taluka City, Latifabad, Qasimabad and Hyderabad Rural. The Director-General is the Chief Executive of the Authority. There are eight members in the Governing Body, headed by the Minister of Local Government & Housing Town Planning Department as Chairman.

Main Objectives of the Authority are to:

- i. Provide shelter to the people by encouraging the Housing Industry.
- ii. Protect and enhance the natural environment by conserving agricultural land, preserving open spaces, and creating green corridors.
- iii. Provide developed residential plots for low/medium income group.
- iv. Supply of water and sewerage services to the citizens.

2.3.2 Governing Laws & Policies

- i. Hyderabad Development Authority Act-1976.
- ii. Sindh Public Procurement Act, 2009 and Rules 2010
- iii. Sindh Financial Rules.
- iv. CPW Code - A & D.

2.3.3 Comments on Budget and Expenditure (Variance Analysis)

(Rs. in Million)

Particulars	Budgeted	Actual	Excess (+) Savings (-)
Expenditure Figures			
Salary	2,713	1,475	-1,238
Non-salary	2,390	675	-1,715
Development	2,484	1,079	-1,4079
Total Expenditure	7,587	3,229	-4,358
Revenue Figures			
Revenue	8,594	2,065	-6,529

2.3.4 Classified Summary of Audit Observations

Observations amounting to Rs. 9,433.745 million were raised as a result of this audit including recovery of Rs. 17.755 million. The issues highlighted includes non-preference of core activities, non-recovery of its due revenue despite financial crunch, ineffective pursuance of court cases, financial mismanagement, weak contractual and service delivery issues etc. Classification of the audit observations is as under:

(Rs. in Million)

Sr.#	Classification	Amount
1	Reported cases of fraud, embezzlement and misappropriation	123.109
2	HR/Employees related irregularities	7.570
3	Procurement related irregularities	280.161
4	Recovery	17.755
5	Outstanding against dues	8,901.780
6	Others	103.370
	Total	9,433.745

2.3.5 Brief comments on the status of compliance with PAC directives

Hyderabad Development Authority falls under the administrative jurisdiction of the Local Government Housing & Town Planning Department. PAC meeting of Local Government Department on the accounts of HDA was convened on audit reports for the year 2019-20 & 2020-21. Further, the status of printed paras is as follows:

Year	No of Paras	Total Paras discussed
2016-17	13	Nil
2017-18	10	Nil
2019-20	11	01
2020-21	6	01
2021-22	14	Nil
2022-23	12	Nil
2023-24	22	Nil

2.3.6 Audit Para

2.3.6.1 Non-recovery of outstanding dues - Rs. 8,901.780 million

According to Section-65 of the Hyderabad Development Authority Act - 1976, "Any sum due to the authority or any agency or wrongly paid by the authority or an agency under this act, shall be recoverable as arrears of land revenue." Further, as per terms & conditions for grant of NOC & approval of layout plans, the External Development Charges (EDC) of the scheme is charged at the rate of 100 per sq yards which will be recovered from the sponsor at the time of issuance of NOC for approval of building plans, for which the sponsor should include a condition in booking / sub-lease documents. In case of any default or contravention of any condition, NOC will be liable for cancellation at the risk and cost of the sponsors and further necessary action under SBC Ordinance 1979/82 shall be taken by the HDA.

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that an outstanding dues of Rs. 8,901.780 million on account of water, sewerage and external development were not recovered which affected the core operations of the authority. Even authority has no resources to disburse the salaries to its employees. The details are as under:

(Rs. in Million)

Sr. No.	Name of office	Particulars	PDP #	Amount
1	Director, Planning & Development Control	External Development Charges	06	1,011.539
2	Managing Director, Water & Sanitation Agency	Water & Sewerage Charges	12	7,890.241
			Total	8,901.780

Audit is of the view that due to non-recovery of outstanding dues, the authority was deprived of its revenue which indicated weak revenue management in the organization.

The matter was reported to the management in August, 2024. The management at Sr.1 replied that sponsors of private housing schemes including ABAD have filed petitions in the Honorable High Court of Sindh, challenging the rates of EDC imposed by the H.D.A due to which recovery process has been delayed. The management at Sr.2 replied that the recovery progress remains slow due to the absence of Municipal Water Act in Sindh. The Sindh Cabinet

approved the Sindh Water Act, 2020 in April 2021, however, it has yet to be legislated. As a result, recoveries are being pursued under the lengthy procedures of the Land Revenue Act 1967.

DAC in its meeting dated 2nd January, 2025 showed serious concerns for non-recovery of the huge amount pending specifically against the Private Housing Schemes and Government Departments despite existing financial crunch in the Authority. In view of above, DAC directed to (a) provide the copy of the Status-Quo granted by the Court (b) efforts so far taken by the management for the recovery of the amount and same should be shared with the Audit and the PAO (c) effective measures be ensured and progress on recovery may be shared with Audit and Administrative Department on monthly basis.

Audit recommends implementation of DAC directives besides strengthening its recovery management.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-2022, 2022-2023 & 2023-24 vide para numbers 2.2.6.13, 2.3.6.12 & 2.2.6.8 having financial impact of Rs. 2048.393 million (Sr.1). The issue was reported earlier also in the Audit Reports for Audit Year 2023-24 vide para numbers 2.2.6.9 having financial impact of Rs. 6,145.523 million (Sr.2). Recurrence of same irregularity is a matter of serious concern.

2.3.6.2 Supply of drinking water without proper treatment due to poor resource allocation impacting the health of the citizens

As per Pakistan Environmental Protection Agency's (PEPA) SRO No.1063(1)/2010, dated 26th of November, 2010, "PEPA with the approval of the Pakistan Environmental Protection Council is pleased to establish the National Standards for drinking water quality." and as per Hyderabad Development Authority's data, 27 metric tons of alum is required on monthly basis.

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that only an expenditure of Rs. 6.242 million was incurred on procurement of 65 metric tons of alum for water treatment. However, as per requirement, 27 metric tons of alum is required monthly to meet the demand for filter plants situated in water treatment division Jamshoro. Therefore, management has purchased alum only for requirement of two and half month which implies that water was provided to the citizens without required treatment.

Audit is of the view that the authority neglected its core activity of supplying clean drinking water and incurred a meager amount of Rs. 6.242 million out of total expenditure of Rs. 3,229 million which reflected poor resource allocation, hence compromised health of the vast population of the city.

The matter was reported to the management in August, 2024. The management replied that it acknowledges the audit concerns regarding the procurement of essential chemicals like alum. It is committed to address these challenges proactively and ensuring a consistent supply of safe and healthy drinking water to our consumers. It will prioritize our procurement processes and resource allocation to enhance our water purification capabilities in line with national standards.

DAC in its meeting dated 2nd January, 2025 showed serious concern on the issue and directed the MD WASA to conduct fact finding enquiry and ensure procurement of required chemicals for cleaning the drinking water and share the report with Audit.

Audit recommends implementation of DAC directives besides focusing on its core activities by adequate allocation of financial resources.

(PDP#15)

2.3.6.3 Unauthorized utilization of development fund on salaries – Rs. 123.109 million

According to Rule-88 of the Sindh Financial Rules, “Every public officer should exercise the same vigilance in respect of expenditure incurred from the Government revenues, as a person of ordinary prudence would exercise in spending his own money.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that an amount of Rs. 123.109 million, originally collected from the allottees of the scheme for development of Gulistan-e-Sarmast Housing Scheme was diverted for payment of salaries to the employees. Details are at **Annex-1 of Section-II of Chapter-02.**

Audit is of the view that payment of salaries from funds generated for development of Housing Scheme reflected financial mismanagement.

The matter was reported to the management in August, 2024. The management replied that due to financial crises, funds were used as a temporary utilization for payment of pending salaries and pension with the approval of the Director General, HDA.

DAC in its meeting dated 2nd January, 2025 directed the PAO to conduct fact finding enquiry in the matter and share its report with Audit.

Audit recommends adoption of effective financial management to avoid utilization of public money on current expenditures of the authority besides compliance with the DAC directives.

(PDP#05)

2.3.6.4 Loss of revenue due to non-determination of fair market value of commercial property

As per Section-2(c) & 8(1) of Sindh Rented Premises Ordinance, 1979 “fair rent” means the fair rent of any premises determined by the Controller under this Ordinance and “The Controller shall, on application by the tenant or landlord determine fair rent of the premises after taking into consideration the following factors:

- (a) rent of similar premises situated in the similar circumstances, in the same or adjoining locality.
- (b) the rise in cost of construction and repair charges.
- (c) the imposition of new taxes, if any, after commencement of the tenancy.
- (d) the annual value of the premises, if any, on which property tax is levied.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that thirteen shops located at Qasimabad shopping center, Hyderabad were rented out via open auction in May, 1998 at Rs. 5 per square foot or Rs. 700 per month. At present, the current monthly rent is significantly higher than the current rent being charged, thus causing loss to the authority. Details are at **Annex-2 of Section-II of Chapter-02.**

Audit is of the view that due to negligence of the management in renewing the rent agreement on every three years in line with the market rates, authority is sustaining loss of millions of rupees on yearly basis.

The matter was reported to the management in August, 2024. The management replied that the determination of fair rent is being worked out according to Sindh Rented Premises Ordinance, 1979.

DAC in its meeting dated 2nd January, 2025 directed to revise the rent as per current market rates and responsibility be fixed on person(s) responsible for non-revision of the rent since long.

Audit recommends that priority may be assigned to strengthen its revenue management system to avoid unnecessary reliance on government grants.

(PDP#03)

2.3.6.5 Un-justified drawl of various allowances - Rs. 17.755 million

According to Finance Department Government of Sindh notification No. FD(SR-III)5/20-2008 dated 15.07.2008, "All employees not provided with Government accommodation shall continue to be entitled to house rent allowance @ 45% of the minimum basic pay scale, 2008 in big cities of Sindh under jurisdiction of metropolitan/municipal corporation and 30% of minimum of basic pay scales 2008 in other cities. Further as per revised Pay Scale 2015, dated 24th July, 2015, the Medical Allowance for the employees of Grade 1-15 was enhanced from Rs. 1,100 to Rs. 1375."

Further, as per Finance Department Govt. of Sindh letter No. FD(SR-III)-5-145-2012 dated 2nd March, 2012, in supersession of this department circulars Nos. FD(SR-III)-5/1-2008 dated 04-01-2008 and No. FD(SR-III)-5-139/2011 dated 12-02-2011, "Sanction of Government of Sindh is hereby accorded for grant of utility allowance to the regular employees of Sindh Civil Secretariat and Provincial Assembly Sindh."

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that various allowances worth Rs. 17.755 million were paid to the employees contrary to the government instructions. The details are as under:

(Rs. in Million)

Sr. No.	Name of allowance	Due Amount	Drawn Amount	Excess / Unauthorized Payment	Remarks
1	Utility Allowance	-	12.837	12.837	Inadmissible
2	Medical Allowance	1.587	3.473	1.886	Drawn Rs. 3,000 instead of fixed amount of Rs. 1,375 (Grades 1-15).
3	House Rent Allowance	6.836	9.867	3.032	Drawn 65% instead of 45% of BPS - 2008
Total				17.755	

Audit is of the view that the disbursement of various allowances over and above the prescribed limits of the Government of Sindh, despite financial constraints is unjustified.

The matter was reported to the management in August, 2024. The management replied that house rent allowance was enhanced from 45% to 65% by the Chairman Governing Body on the pattern of KDA. Further, medical allowance was enhanced in 116th meeting of GB and utility allowance was allowed in pursuance of notification of Secretary Local Government Department.

DAC in its meeting dated 2nd January, 2025 directed that PAO to constitute the committee to rationalize the above three allowances considering the financial position of the Authority and government's existing rates and furnish the report to Audit.

Audit recommends rationalization of its HR expenditure in accordance with financial resources of the authority.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-2022 vide para number 2.2.6.2 having financial impact of Rs. 64.484 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#01)

2.3.6.6 Irregular execution of work beyond 15% of the original contract amount - Rs. 237.023 million

As per Rules-(16)(1)(e) of SPPRA, 2010, “Repeat Orders means, procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that various works were awarded at a cost of Rs. 784.794 million. Later, the cost and the scope of the works were enhanced by Rs. 237.023 million i.e. beyond the permissible limit of 15% of the original work. The details are given as under:

(Rs. in Million)					
Name of Schemes	M/S	Work Executed	Work Order	Excess to work order	Excess %
Sewerage System Phase III Work Taluka Qasimabad, Hyderabad (Package-IV) RA. 15 th	K.A & Brothers	478.192	404.301	73.891	18%
Sewerage System Phase III Work Taluka Qasimabad, Hyderabad (Package-III) RA. 17 th	Adeel Humayoun	543.625	380.493	163.132	43%
Total		1,021.817	784.794	237.023	

Audit is of the view that the execution of works beyond the prescribed limit of 15% and without calling fresh tender is a violation of SPPRA rules.

The matter was reported to the management in August, 2024. The management replied that the revision of the project cost was necessitated by the urgent need to procure and install pumping machinery. To address this challenge effectively, it was essential to enhance the scope of work and the associated costs to ensure that the necessary pumping solutions were deployed promptly. The decision to enhance the existing contract to the same contractor was made to maintain continuity and leverage the existing procurement framework, which allows for efficient execution and timely delivery of the works.

DAC in its meeting dated 2nd January, 2025 directed MD WASA to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends strengthening of its project planning skills to avoid such violations of procurement regulations besides compliance with the DAC directives.

(PDP#10)

2.3.6.7 Irregular execution of works – Rs. 21.502 million

According to Rule-56 of CPWA Code, “A properly detailed estimate must be prepared for the sanction of competent authority. This sanction is known as the technical sanction to the estimate and must be obtained before the construction of the work is commenced. Such sanction will be accorded by the officer of the Public Works Department authorized to do so. If, subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that expenditure of Rs. 21.502 million was incurred due to excess / less execution of items of work than its approved quantity of estimate. The details are given as under:

(Rs. in Million)

Items of work	PDP#	Unit	Qty as per estimate	Qty as per bill	Excess /(Less) execution	Rate	Net Amount	Diff. cost /Premium	Gross Amount
P.E. Pipe 8 P.N (200 mm)	09	Rft.	3,000	10,140	7,140	691	4.933	1.262	6.195
P/L/ Joining R.C.C ASTM 9" Dia.	08	Rft.	8,000	392	(7,608)	618	4.701	1.630	6.332
R.C.C Work		Cft.	12,552	7,420	(5,132)	337	1.729	0.599	2.329
S/F C.I Main Holes Cover & Frames		Cwt.	393	101	(292)	6,985	2.039	0.707	2.746
Interconnection with existing pipeline i/c removal of existing dead end plated	21	P/Job	01	02	01	1.200	2.400	-	2.400
S/I & Testing Horizontal non clogging / KWP (15 BHP Pump Set)	19	P/Job	01	02	01	1.500	1.500	-	1.500
Total									21.502

Audit is of the view that the excess / less execution of items of works beyond the approved estimate stands unjustified which reflected poor project management.

The matter was reported to the management in August, 2024. The management replied that the quantities executed were aligned with site conditions and requirements. Moreover, all executed items were undertaken in accordance with the approved technical sanctions.

DAC in its meeting dated 2nd January, 2025 directed MD WASA to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such irregularities of procurement.

2.3.6.8 Non-refund of payment to allottees of Gulistan-e-Sarmast Housing Scheme – Rs. 5.216 million

As per Term and Condition for allotment of residential plot in Gulistan-e-Sarmast Housing Scheme, “At any event of cancellation of the allotment of plot, 10% of the total occupancy value will be forfeited and payment of refundable amount will be made within three months of date of issue of cancellation order.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that various allottees of plots of the scheme “Gulistan–e-Sarmast” have requested for the refund of their payment of Rs. 5.216 million. However, neither plots were given nor due amount was refunded without any justification. The details are given at **Annex-3 of Section-II of Chapter-02.**

Audit is of the view that non-refunding of the amount reflected poor service delivery on the part of the management.

The matter was reported to the management in August, 2024. The management replied that the refund process is being delayed due to insufficient funds, outstanding monthly installments from allottees and non-existence of Governing Body.

DAC in its meeting dated 2nd January, 2025 showed serious concern for non-refund of money to general public despite non-provision of plots and directed that management to submit comprehensive report covering all aspects which include total applications received for balloting, total number of persons allotted the plots during balloting, number of persons applied for refund, total number of plots allotted to employees of Authority / other departments without balloting. Report may be furnished to Audit and PAO.

Audit recommends policy decisions at higher level to focus on service delivery matters for resolving the public issues on priority basis.

(PDP#04)

2.3.6.9 Irregular refund of Security Deposit - Rs. 13.138 million

As per SPPRA, Procurement Regulations (Works) 7.12.3 (i), “Security Deposit can be released in either of the following ways: (a) On completion of the works, half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction; (b) Full amount be released after completion of defect liability period.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that the security deposit of Rs. 13.134 million was refunded to the contractor prior to the completion of the work. The detail is as under:

(Rs. in Million)

Name of scheme	Contractor	Chq. No.	Chq. Date	Security refunded
Sewerage System (Phase-III) works for Taluka Qasimabad, Hyderabad (Package-5)- Work in progress	Aaqib Builders	5168251	22/01/2024	13.138

Audit is of the view that due to the refund of the security deposit prior to the completion of the work and defect liability period, the government interests were not safeguarded and undue favor was extended to the contractor.

The matter was reported to the management in August, 2024. The management replied that the security deposit was refunded on the recommendation of the concerned Executive Engineer, who confirmed the contractor's satisfactory performance during the execution of the project.

DAC in its meeting dated 2nd January, 2025 did not agree with the contention of the management and directed to fix responsibility on the persons at fault.

Audit recommends implementation of financial rules besides fixing of responsibility on the persons at fault.

(PDP# 11)

2.3.6.10 Split-up of expenditure to avoid competitive bidding– Rs. 4.268 million

As per SPPRA, Procurement Regulations (Works) 2.10, “Procuring agency must invite tenders without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the procurement plan. The components of work/scheme/project cannot be further split for tendering purpose.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that expenditure of Rs. 4.268 million was incurred by way of splitting under the head of account repair & maintenance to avoid competitive bidding process. The details are given in **Annex-4 of Section-II of Chapter-02.**

Audit is of the view that due to splitting of expenditure, the authority was deprived of competitive rates which reflected weak contract management.

The matter was reported to the management in August, 2024. The management replied that to ensure the smooth running of the system, repairs and maintenance are often carried out on a quotation basis. SPPRA permits emergency work valuing Rs. 3 lacs to be executed through quotations. This provision is specifically intended for tasks of an urgent nature.

DAC in its meeting dated 2nd January, 2025 directed MD WASA to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends strengthening of financial controls to avoid recurrence of such lapses in future, besides compliance with the DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-2024 vide para number 2.2.6.5 having financial impact of Rs. 4.311 million. Recurrence of same irregularity is a matter of serious concern.

(PDP# 13)

2.3.6.11 Irregular clearance of liabilities without approval – Rs. 5.977 million

As per Section-54 of Hyderabad Development Authority Act, 1976, “(i) the authority shall prepare as statement of estimated receipts and estimated expenditure for every financial year and submit such statement to the Government for approval 06 months before the commencement of such financial year. (v) the authority shall not, except with the prior approval of the Government, incur expenditure in excess of the sanctioned budget.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that liabilities of Rs. 5.977 million pertaining to 2016 to 2022 were cleared from the current year's budget without approval of competent authority. The details are given in **Annex-5 of Section-II of Chapter-02**.

Audit is of the view that the clearance of previous years liabilities without approval from the Governing body constituted weak financial management.

The matter was reported to the management in August, 2024. The management replied that works were to be completed on time while payments to firms are made in installments. Given WASA's limited financial capacity to clear all dues at once, this installment policy ensures smooth operations without causing financial strain on the organization.

DAC in its meeting dated 2nd January, 2025 directed MD WASA to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends strengthening of authority's financial management system to avoid such lapses in future, besides compliance with the DAC directives.

(PDP#14)

2.3.6.12 Non-supply of natural Gas to Kohsar Extension Housing Scheme - Rs. 86.726 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for

any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that payment of Rs. 86.726 million was made to Sui Southern Gas Company (SSGC) for supply of natural Gas to Kohsar Extension Housing Scheme but no development work was executed. Further, authority did not pursue SSGC for installation of gas pipeline in the society which is tantamount to poor project management.

Audit is of the view that non-supply of gas despite huge payment reflected authority’s lack of interest in public welfare schemes.

The matter was reported to the management in August, 2024. The management replied that the payment was made to SSGC for provision of gas facilities in Kohsar Extension Housing Scheme but subsequently SSGC revised the rates and demanded an additional Rs. 40.258 million in the year 2021 which could not be paid due to lack of funds. However, this office is continuously requesting SSGC to start the work.

DAC in its meeting dated 2nd January, 2025 directed the management to take up the matter with SSGC on behalf of DAC directives.

Audit recommends implementation of DAC directives besides focusing on their core activity of developing urban areas.

(PDP#25)

2.3.6.13 Excess payment against difference cost of material – Rs. 4.230 million

As per SPPRA, Procurement Regulations (Works) 2.10, 5.1 “Procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of works. Staff of procuring agency must maintain the highest standards of honesty and integrity in performing their duties by: (i) Developing the highest possible standards of professional competence; (ii) Using funds and other resources for which they are responsible to provide the maximum benefit to the work; (iii) Complying with both the letter and the spirit of the laws, rules and regulations of the procurement; so that work is awarded without influence of any unfair, corrupt or collusive practices; (iv)

Treating all bidders and suppliers with fairness and impartiality, and avoid any business arrangement that might prevent the effective operation of fair and transparent competition.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that payment of Rs. 4.230 million on account of difference cost of cement bags was made to the contractor in excess due to allowing excess number of cement bags than utilized as per executed work. The details are as under:

Component of work	Item	Qty. as per Bill	Dry. Qty.	Ratio of cement	No. of bags
Providing, laying, jointing & testing 12” & 9” Dia ASTM Pipe line	C.C Plain 1:3:6	1,675	2,579.50	257.95	206
	R.C.C 1:2:4	7,420	11,426.80	1,632.40	1,306
Construction of C.C nala 1.5 ft wide 2 ft deep with R.C.C cover	CC Plain 1:3:6	3,088	4,755.52	475.55	380
	CC Plain 1:2:4	5,700	8,778.00	1,254.00	1,003
Construction of C.C nala 2 ft wide 2.5 ft deep with R.C.C cover	CC Plain 1:3:6	10,134	15,606.36	1,560.64	1,249
	R.C.C 1:2:4	34,974	53,859.96	7,694.28	6,155
Nos. of cement Bags to be utilized against cement work					10,300
Nos. of cement bags claimed in Difference of cost					16,808
Excess number of cement bags claimed					6,508
Rate of difference per bag					650
Total Amount of Excess Payment (Rs. in Million)					4.230

Audit is of the view that undue financial favor was extended to the contractor (s) which resulted into excess payment.

The matter was reported to the management in August, 2024. The management replied that excess payment was made due to a clerical mistake in the calculation of the quantity of cement bags utilized. Upon identifying, the necessary recovery of Rs. 4.230 million has been made from the contractor's security deposit.

DAC in its meeting dated 2nd January, 2025 directed to get the recovered amount verified from Audit. However, no documentary evidence was provided in support of their contention.

Audit recommends recovery besides efficiency in planning and execution of civil works to avoid such lapses in future.

(PDP#20)

2.3.6.14 Irregular appointment and payment to advocates – Rs. 5.451 million

As per Law Department, Government of Sindh's notification No.S.GENL:5-217/78 (N) 33 dated 26-07-1980, "Whenever any vacancy in the legal Adviser's post is required to be filled, the concerned Department/Council or organization shall send such requisition to the Law Department specifying therein the relevant data as to nature of assignment, financial and other fringe benefits it carries and the tenure for which the appointment is to be made."

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that 16 legal counsels were appointed and payments of Rs. 5.451 million were made to advocates without consent of the law department contrary to the above instructions. Following irregularities were also noticed:

- i. Neither any selection criteria of advocates were available nor SPPRA regulations were followed.
- ii. The advocates were treated as contractual employees and their expenditure was also charged to establishment charges instead of its proper head of account.
- iii. It is also not evident from the record that how the authority judges the performance of these counsels.
- iv. Sindh Sales Tax at the rate of 13% amounting to Rs. 0.709 million was not deducted from the payment of their remuneration.
- v. No criteria were defined for fixing of remuneration due to which variations in payments were observed and possibility of over payment could not be ruled out.

Audit is of the view that hiring of advocates without any criteria and permission of the law department reflected non adherence to the government instructions.

The matter was reported to the management in August, 2024. The management replied that SPPRA regulations were not followed due to urgency and nature of legal matters. The criteria for the appointment of advocates have been proposed in revised HDA delegation of powers which are under consideration by the competent authority of HDA. Further, a uniform policy regarding the appointment, renewal of contract and payment of remuneration is currently being prepared and will be placed before the competent authority.

DAC in its meeting dated 2nd January, 2025 directed that PAO to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends an effective policy formulation so that litigation cases may be dealt with efficiently in the favor of Authority/Government besides compliance with the DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-2024 vide para number 2.2.6.13 having financial impact of Rs. 9.729 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#16)

2.3.6.15 Un-authorized retention of government accommodation – Rs. 7.570 million

As per Terms and Conditions of allotment of HDA, “The monthly rent of the quarter will be charged at the rate of 5% of the emoluments of the allottee plus admissible house rent allowance from the actual date of taking over of the possession of the quarter so allotted and remitted to Estate Officer/Secretary HDA Hyderabad through cheque each and every month regularly by DDO concerned without fail.” Further, “at the time of the retirement on reaching the age of superannuation he will be allowed to retain the residential accommodation for the period of three months from the date of retirement.”

During the audit of Hyderabad Development Authority for the financial year 2023-24, it was observed that despite lapse of 13 years from the date of retirement i.e. 01/09/2012, neither the government accommodation was vacated from retired Chief Engineer nor an amount of Rs. 7.570 million pertaining to house rent allowance & maintenance charges against residential accommodation was recovered.

Audit is of the view that the department’s failure to vacate and recover the dues indicated serious negligence and mismanagement.

The matter was reported to the management in August, 2024. The management replied that the matter is sub-judice but the department is initiating action to recover its outstanding dues and vacation of government property.

DAC in its meeting dated 2nd January, 2025 directed the PAO to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends vacation of government accommodation as per rules and recovery of the outstanding amount besides compliance with the DAC directives.

(PDP#02)

2.4 Section-III: Malir Development Authority

2.4.1 Introduction

Malir Development Authority (MDA) was established in 1993. It provides low-cost and better residential facilities at affordable rates. At present, around 125,000 scheduled residential plots are in different stages of development.

MDA has created new inhabitation trends by expanding development across M-9 (Motorway), which has increased the market value of estate & property in the vicinity. The schemes specially Shah Latif Town, New Malir Housing Scheme & Taiser Town have the potential to evolve as a new urban commercial and economic hub.

The planning of MDA schemes is based upon extending rebate against residential plots on economical rates and disposal of all commercial sites through open public auction. A large number of commercial sites of various categories of plots have been reserved in different schemes.

Leveraging its profound capability in developing and managing a diversified asset base, MDA is focused on enhancing the performance of its portfolio and strengthening recurring income base for delivering long-term sustainable value to all.

2.4.2 Governing Laws & Policies

- i. Malir Development Authority Act, 1993-94.
- ii. Sindh Financial Rules.
- iii. CPW A-Code & D-Code.
- iv. Sindh Public Procurement Act, 2009.

2.4.3 Comments on Budget and Expenditure (Variance Analysis)

(Rs. in Million)

Particulars	Budgeted	Actual Exp/Revenue	Excess (+) Savings (-)
Salary	262.727	244.929	(17.798)
Non-salary	323.396	364.449	41.053
Development	941.490	606.295	(335.195)
Total	1527.613	1215.673	(311.94)
Revenue	1933.000	1821.081	(111.919)

2.4.4 Classified Summary of Audit Observations

Observations amounting to Rs. 15,351.692 million were raised in this report during the current audit of Malir Development Authority. The issues highlighted includes non-preference of its core activities, non-recovery of its due revenue, ineffective pursuance of court cases, unnecessary hiring of contingent paid staff, issues in pension payments, financial mismanagement, service delivery issues etc. Classification of the audit observations is as under:

(Rs. in Million)

Sr.#	Classification	Amount
1	Non production of record	-
2	HR/Employees related irregularities	291.243
3	Procurement related irregularities	88.271
4	Management of Accounts with Commercial Banks	3907.405
5	Outstanding against dues	9,928.910
6	Plots allotment issues	1,104.527
7	Others	31.336
	Total	15,351.692

2.4.5 Brief comments on the status of compliance with PAC Directives

Malir Development Authority falls under the administrative jurisdiction of the Local Government and Housing Town Planning Department. PAC meeting of Local Government Department on the accounts of MDA was convened on audit reports for the years 2019-20 & 2020-21. Further, the status of printed paras is as follows:

Name of Authority	Year	No of Paras	Total Paras discussed
Malir Development Authority	2016-17	04	Nil
	2017-18	10	Nil
	2018-19	07	Nil
	2019-20	15	Nil
	2020-21	03	Nil
	2021-22	08	Nil
	2022-23	13	Nil
	2023-24	10	Nil

2.4.6 Audit Paras

2.4.6.1 Non-production of record

As per Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001:

- (2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During the audit of Malir Development Authority Karachi for the financial year 2022-23, certain auditable record relating to development and non-development expenditures was not produced despite repeated requisitions. The details are given in **Annex-1 of Section-III of Chapter-2**.

Audit is of the view that non-production of record is a violation of AGP ordinance which reflected negligence on the part of management. Due to non-production of record, the authenticity of expenditure could not be ascertained.

The matter was reported to the management in April, 2024. The management replied that record related to land and estate is available for audit/verification.

DAC in its meeting dated 02.01.2025 directed the PAO to take disciplinary action against the Director Land and other concerned individuals who failed to provide the required record to audit team. It further recommended that the same record should be made available at the time of the next audit.

Audit recommends implementation of DAC directives.

(PDP#01,05&39)

2.4.6.2 Irregular allotment of plots other than balloting /auction - Rs. 1,104.527 million

According to Section-6 (a) Sindh Disposal of Land Ordinance, 2002, “No plot or flat site shall be disposed of except by open public auction at a price not less than the market price.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that 5,085 plots of various categories valuing Rs. 1,104.527 million were allotted to the Members of Board of Governors, employees of MDA, Nazim, Governor House, Local Government, City District Government, Karachi and Press Club without any balloting / public auction as required under law. Further, details of employees, allotment orders, employees’ status (contract/permanent) and their files were not provided to the audit. The details are given in **Annex-2 of Section-III of Chapter-2**.

Audit is of the view that allotment of plots other than open public auction is contrary to the law which indicated favouritism in allotments.

The matter was reported to the management in April, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that the subject allotment was made with the approval of the Director General and the Governing Body.

DAC in its meeting dated 02.01.2025 directed the Administrative department to review the legal position of these allotments and take appropriate action or refer the matter to higher authorities/C.S for review and necessary action. Progress in the matter may be submitted to Audit.

Audit recommends adoption of fair and transparent policy for allotment of plots besides implementation of DAC directives.

(PDP#04)

2.4.6.3 Loss of Revenue due to unjustified placement of funds in private Commercial Banks - Rs. 1,896.964 million

As per Para-01 of the Government of Sindh, Local Government & Housing Town Planning Department office letter No. SOG(LG)/Misc/2013-2014 Dated 03 May, 2016 issued in reference to letter of even number, dated 16-

12-2014, followed by reminder, dated 02-12-2015 on the subject of “Unauthorized bank accounts maintained by different organization” and to state that the competent authority has taken a serious notice to operate bank accounts/transactions through private Banks, whereas this department has already issued instructions in pursuance of Chief Minister, Sindh that the official account may be opened with Sindh Bank.

During the audit of Malir Development Authority Karachi for the financial year 2022-23, it was observed that the Authority maintained bank accounts in different banks. The following irregularities were noticed:

- i. The funds of the Authority were placed without competitive bidding in 30 (22 current + 8 saving) accounts of Silk Bank, having A-Negative category of the State Bank of Pakistan.
- ii. Total 39 bank accounts were operated in private commercial banks instead of Sindh Bank/NBP.
- iii. The Authority operated 24 current bank accounts instead of Profit and Loss Sharing (PLS) accounts. Details are given as under:

(Rs. in Million)

Sr.No.	Name of Bank	Status	Amount
1	Silk Bank	Current	180.704
2	Silk Bank	Saving	1,568.582
3	Bank Alfalah	Saving	8.620
4	HBL Bank	Current	24.399
5	HBL Bank	Saving	11.121
6	JS Bank	Saving	36.623
7	MCB Bank	Saving	67.216
Total			1,896.965

Audit is of the view that placing funds in a bank ranked A negative category carries higher level of risk and undue benefit was extended to the bank at the cost of authority’s interest. The bank accounts other than Sindh Bank and NBP was also violation of the prescribed rules.

The matter was reported to the management in April, 2024. The management replied that only selected banks are authorized to open bank accounts, in light of government notification issued by the State Bank of Pakistan. Further, collection account is notified as per categories of plots and then amount collected is transferred at the end of the month in profit account.

DAC in its meeting dated 02.01.2025 directed the management that action should be taken against those who violated the rules by placing funds in negatively ranked bank. It also instructed that funds must be placed in saving accounts of sound banks with higher markup through competitive bidding as per rules. The DG MDA was also directed to review the financial matters of the Authority and submit progress report to Administrative Secretary and Audit.

Audit recommends formulation of an effective revenue/investment policy of the authority in order to increase its revenue besides compliance with the DAC directives.

(PDP#2, 18 & 19)

2.4.6.4 Unjustified payment without delivery of vehicles – Rs. 17.503 million

As per Appendix-18 (A) Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will be also held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action of culpable negligence.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that MDA paid an amount of Rs. 17.503 million to M/s. Toyota Central Motors for procurement of 02 luxuries vehicles without any justification. The authority also did not receive delivery of such vehicles. Details are as under:

(Rs. in Million)					
Sr #	Description of Vehicle	Cheque #	Dated	Pay Order #	Amount
1.	Hilux Revo Rocco Automatic Grade	25362542	21-09-2022	02291459	11.592
2.	Altis 1.8 CVT-I Grande A/T Sunroof Black Interior	25362544	21-09-2022	02291460	5.910
Total					17.503

Further in this matter, FIR No.08/2023 was registered and investigation was initiated by Anti-Corruption Establishment Karachi against Mr. Muhammad Suhail, the then DG MDA, Muhammad Waseem, Director Finance MDA, Shahid Mohsin, the then Director Town Planning MDA and Umair Gulzar,

Deputy Director Book, Finance & Accounts MDA & others. However, present status of above case was not provided to audit.

Audit is of the view that payment without proper authorization and justification reflected existence of weak financial controls in the Authority.

The matter was reported to the management in April, 2024. The management replied that matter is under enquiry by the Anti-Corruption Establishment, Karachi against officers for purchasing of said vehicles. The case is also under trial before Honorable High Court of Sindh.

DAC in its meeting dated 02.01.2025 directed the PAO to take up the matter with ACE and finalize the enquiry at the earliest.

Audit recommends strengthening of financial controls to avoid such unauthorized payments, besides compliance with the DAC directives.

(PDP#34)

2.4.6.5 Non-recovery of various dues/ charges – Rs. 9,928.910 million

As per Rule-28 of General Financial Rules, “No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable, the orders of the competent authority for their adjustment must be sought.” Further, as per general condition of layout plan the sponsor is bound to pay the outer development charges of Rs. 234 Per Sq. Yd on gross area as per given schedule.”

- a) Pay order of 20% of Outer Development Charges of Rs. 234 Per Sq Yard on gross area before issuance of development permit/NOC from planning point of view.
- b) Whereas remaining 80% will be recovered bi-annually in four equal instalments (20% each) the sponsor is bound to submit postdated cross cheques in favor of MDA before issuance of the approval.
- c) All the post-dated cross cheques should be clear at their respective due dates, otherwise layout plan/ development permit should be cancelled.

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that the management failed to recover

an amount of Rs. 9,928.910 million against occupancy value, utilities, grid station charges, outer development charges and dues of commercial plots from various public and private housing schemes. Details are as under:

(Rs. in Million)

Description of recovery	Amount Due	Amount received	Balance
New Malir Housing Scheme –I Occupancy Value, Utility Charges	5,975.954	4,593.315	1,382.637
Taiser Town Scheme 45 Occupancy value i.c utility dues	18,888.315	10,718.238	8,170.077
Non-recovery of dues from the defaulters of commercial plots	833.211	558.910	274.300
Outer Development Charges	166.801	64.908	101.893
Total	25,864.281	15,935.371	9,928.907

Audit is of the view that the failure to recover the above amount reflected inefficient revenue management, causing delays in completion of the schemes.

The matter was reported to the management in April, 2024. The management replied that the recovery matter had recently been published in leading newspapers to recover outstanding dues from the defaulters. It was further stated that, in case of no response, necessary legal actions, such as the cancellation of plot allotments, would be taken.

DAC in its meeting dated 02.01.2025 directed to provide record reflecting efforts taken by the authority for recovery and monthly progress be also provided to the Audit and the Administrative Department on monthly basis to monitor the progress.

Audit recommends that management should focus on its revenue realization for provision of better services to the citizens besides compliance with the DAC directives.

(PDP#3, 27, 32 & 40)

2.4.6.6 Variation in opening and closing balances of cash book and bank statement Rs. 97.948 million

As per Rule-77 of Central Treasury Rules: (i), “Every officer receiving money on behalf of the Government should maintain a cash book in form TR 4. (ii) All monetary transaction should be entered in the cash book as soon as they occur and attested by the head of the office in token of check. (iii) The cash book should be closed regularly and completely checked. The head of the office should verify the totaling of the cash book or have this done by some responsible

subordinate other than the writer of the cash book and initial it as correct. (iv) At the end of each month the head of office should verify the cash balances in the cash book and record a signed and dated certificate to that effect.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, variation of Rs. 97.948 million between the opening and closing balances of the bank statement and cash book was observed. Details are as under:

(Rs. in Million)		
Variation of opening balance of Cash Book & Bank Statement	Variation of closing balance of Cash Book & Bank Statement	Total Variation
83.768	14.180	97.948

Audit is of the view that variation in cash book and bank statements reflected improper maintenance and disclosure of accounts, which constituted weak financial management.

The matter was reported to the management in April, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that reconciliation has been made and discrepancy pointed out by the audit has been rectified.

DAC in its meeting dated 02.01.2025 directed the management to get the stated position verified from audit.

The management did not produce documentary evidence in support of its contention till finalization of report.

Audit recommends strengthening of financial management in the organization so that true and fair picture of its finances be presented.

(PDP#11)

2.4.6.7 Non-investment of savings/ surplus during financial year– Rs. 1,912.493 million

As per Section-33(5) of Malir Development Authority (Revival & Amending Act, 2013, “The Authority may invest its funds in any security of the Federal Government, Provincial Government or any other security approved by the Government.”

During the audit of Malir Development Authority, Karachi for the Financial year 2022-23, it was noted that an amount of Rs. 1,912.493 million was available in the bank accounts; however, same were not invested in profitable securities to maximize the revenue of the authority. The details are given in **Annex-3 of Section-III of Chapter-2**.

Audit is of the view that due to non-existence of revenue strategies, authority could not maximize its revenue by investing the surplus amount in any government approved securities.

The matter was reported to the management in April, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that MDA is running in profit and disbursement of payment is also being made through the same operated bank accounts.

DAC in its meeting dated 02.01.2025 was not satisfactory with reply of the management and directed that Authority should adopt proper mechanism whereby surplus funds must be invested in a profitable government approved financial securities/bank accounts. PAO to conduct enquiry for placing the huge funds without securing maximum markup and submit report to audit.

Audit recommends formulation of an effective revenue/investment policy of the authority in order to increase its revenue besides implementation of DAC directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-24 vide para number 2.5.6.8 having financial impact of Rs. 340.215 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#07)

2.4.6.8 Un-justified encroachment on allotted land – 9,901 acres

According to Section-5(1) of Sindh Public Property (Removal of Encroachment) Act, 2010, “If any person refuses or fails to vacate the public property or remove the structure raised thereon after three days from the order under section 3 duly served on him, or if review petition is filed against such order, after such review petition is dismissed, he shall be evicted by such force as may be necessary, by an officer authorized by Government in this behalf and

the structure, if any, raised by such person on the public property shall vest in Government, Council, autonomous body, or registered Cooperative Society as the case may be.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that out of total controlled area of 34,070 acres, 9,901 acres of the Authority were under encroachment and occupied by various Government departments/illegal settlements. Further, it was also noticed that out of total controlled area, only 9,512 acres was mutated by the Board of Revenue whereas, remaining area was not mutated in the name of Authority. Details are as under:

Sr. #	Name of scheme	Scheme Launched Year	Scheme Area (acres)	Area under encroachment	Mutated area (acres)
01	Shah Latif Town (Scheme-25A)	1996	7,500	1,347	9,512
02	NMHP (MDA Scheme-I)	1997	6,000	3,600	-
03	Taiser Town (Scheme-45)	2005	20,570	4,954	-
Total			34,070	9,901	9,512

Audit is of view that the management failed to vacate the encroached areas and mutate the allotted land in the name of the Authority which constituted weak administrative controls and deprived general public of housing facilities at affordable cost.

The matter was reported to the management in April, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that encroachment in respective area pertain to decades old. In this regard, meetings with different government departments are being held to resolve the issue.

DAC in its meeting dated 02.01.2025 directed the management to provide sector-wise details of land (possessed, allotted, encroached & available for development purpose) besides efforts so far being made to recover the encroached land. DAC further directed that matter may also be taken at higher forum for vacation of the encroached land at the earliest.

Audit recommends that management should take effective measures to vacate the unauthorized encroachment of its land so that same may be allocated to public for housing purposes.

(PDP # 15 & 47)

2.4.6.9 Unjustified appointment of work-charged employees – Rs. 148.540 million

As per Appendix-18 (A) Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will be also held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action of culpable negligence.”

During the audit of the Malir Development Authority, Karachi for the financial year 2022-23, it was observed that more than 500 work charged employees were hired and an amount of Rs. 148.540 million was being paid as their salaries. Following irregularities were noted:

- i. There was no justification for 599 work charge employees.
- ii. The practice of continuing same staff after every 89 days since last many years is against the spirit of appointment of contingent paid staff.
- iii. The credentials of the hired staff were not available/provided to Audit.
- iv. The appointments were made without any sanctioned post.
- v. No requirements for the specific job were provided.
- vi. The muster roll and the details of work performed were not maintained.
- vii. The contingent paid staff was hired despite ban.
- viii. The payments were made without budgetary provision.

Audit is of the view that appointment of the large number of contingent paid staff is unjustified and burden on authority’s resources.

The matter was reported to the management in April, 2024. The management replied that due to shortage of staff the necessary work charged employees are engaged in order to run the operational system and the issue of work charged employees is being reviewed thoroughly. Further, the number of works charged employees has been decreased from 599 to 456 after pointation of Audit.

DAC in its meeting dated 02.01.2025 directed the management to provide list of contingent paid staff along with their CNICs to Audit. The PAO may rationalize the number of staff and DG MDA to ensure biometric attendance.

Audit recommends formulation of effective HR policy of the authority so that unnecessary appointment of contingent paid staff can be avoided besides compliance with the DAC directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-24 vide para number 2.5.6.1 having financial impact of Rs. 151.755 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#12)

2.4.6.10 Non-transparent/doubtful pension payments – Rs. 122.907 million

As per Pension Manual 2006-No.85 (vii), “A pensioner must take payment in person after identification by comparison with the Pension payment order. In all such cases, the disbursing officer must take precaution to prevent impositions and must, at least once a year, require proof independent of that, furnish life certificate of the continued existence of the pensioner.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that abnormal variation in monthly disbursement of pension was noted. Further, there is no practice to obtain mandatory certificates (life/no-marriage certificate). Details are as under:

(Rs. in Million)

Pension Disbursement July, 2022 to June, 2023		Month to month variation
July	3.213	-
August	7.510	133.72%
Sept	7.270	-3.19%
Oct	14.901	104.96%
Nov	11.320	-24.03%
Dec	8.889	-21.48%
Jan	9.826	10.55%
Feb	16.327	66.15%
March	2.493	-84.73%
April	16.931	579.16%
May	10.860	-35.86%
June	13.368	23.10%
Total	122.907	

Audit is of the view that non-existence of sound pension payment mechanism reflected weak financial oversight.

The matter was reported to the management in April, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that variation of monthly pension payment has been occurred due to increment in the pension from 01.07.2023, as per revised pay scale notification No.FD (SR-II)/3-230/2023 dated 06.07.2023.

DAC in its meeting dated 02.01.2025 was not satisfied with the reply of the management therefore directed the PAO to conduct fact finding enquiry in the matter and furnish a detailed report to Audit.

Audit recommends technology based pension disbursement system be implemented to ensure transparency and accuracy in pension payments besides compliance with the DAC directives.

(PDP#13 & 45)

2.4.6.11 Irregular payment of various allowances - Rs. 19.796 million

According to Government of Sindh, Finance Department, Notification No. FD(SR-III)5/20-2008 dated 15.07.2008 “All employees not provided with Government accommodation shall continue to be entitled to house rent allowance @ 45% of the minimum basic pay scale, 2008 in big cities of Sindh under jurisdiction of metropolitan/ municipal corporations and 30% of minimum of basic pay scale, 2008 in other cities. Further, Finance Department Govt. of Sindh vide No. FD(SR-III)-5-145-2012 dated 2nd March, 2012, in supersession of this department circulars vide Nos. FD(SR-III)-5/1-2008 dated 04-01-2008 and No. FD(SR-III)-5-139/2011 dated 12-02-2011, “Sanction of Government of Sindh is hereby accorded for grant of utility allowance to the regular employees of Sindh Civil Secretariat and Provincial Assembly Sindh.”

As per Rule-18-A(ii) of Revised Leave Rules 1980, “Encashment of leave preparatory to retirement (LPR) not exceeding 365 days to retiring employees shall be effective from the first day of July, 2012 and shall for the entire period of leave refused or opted for encashment.”

During the audit of the Malir Development Authority, Karachi for the financial year 2022-23, it was observed that various allowances and leave

encashment worth Rs. 19.796 million were paid to the officers / officials beyond their entitlement. Details are as under:

(Rs. in Million)		
Sr. #	Particulars	Amount
01	Payment of HRA @ 65% instead of 45% to the employees	1.544
02	Utility Allowance	6.563
03	Irregular encashment of leave	11.689
Total		19.796

Audit is of the view that the payment of allowances & leave encashment in contravention of the entitlement is irregular.

The matter was reported to the management in April, 2024. The management replied that administration approval has been accorded by the Director General, who is competent as per rules and regulations.

DAC in its meeting dated 02.01.2025 directed the PAO to rationalize various allowances in the Authority and furnish report to Audit.

Audit recommends rationalization of the HR expenditure in accordance with government policy, besides compliance with the DAC directives.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2021-22 & 2023-24 vide para numbers 2.4.6.4 & 2.5.6.3 having financial impact of Rs. 27.217 & 12.271 million respectively. Recurrence of same irregularity is a matter of serious concern.

(PDP#9&14)

2.4.6.12 Irregular expenditure without competitive bidding – Rs. 20.436 million

Rule-17 “Methods of Notification and Advertisement” of Sindh Public Procurement Rules, 2010 states that “(1) Procurements over three hundred thousand rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules. (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that expenditure of Rs. 20.436 million

was incurred without competitive bidding in violation of SPPRA rules. Details are as under:

(Rs. in Million)	
Particulars	Expenditure
Hiring of Security Guards	5.280
Hiring of buildings	10.324
Purchase of Generator	3.484
Purchase of stationery	1.347
Total	20.436

Audit is of the view that due to the violation of SPPRA rules, the management could not achieve competitive rates. Besides, chances of extending undue favor to the vendors cannot be ruled out.

The matter was reported to the management in April, 2024. The management replied that tender was not invited however expenditure was incurred after approval of D.G, MDA.

DAC in its meeting dated 02.01.2025 showed serious concerns on non-satisfactory reply and directed that responsibility may be fixed on the persons at fault.

Audit recommends strict implementation of SPPRA rules besides compliance with DAC directives.

(PDP#31)

2.4.6.13 Irregular appointment and payment to advocates – Rs. 31.336 million

As per Law Department, Government of Sindh’s notification No.S.GENL:5-217/78 (N) 33 dated 26-07-1980, “Whenever any vacancy in the legal Adviser’s post is required to be filled, the concerned Department/Council or organization shall send such requisition to the Law Department specifying therein the relevant data as to nature of assignment, financial and other fringe benefits it carries and the tenure for which the appointment is to be made.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that payment of Rs. 31.336 million was made to advocates without consent of the law department contrary to the above instructions. Following irregularities were also noticed:

- i. Neither any selection criteria of advocates were available nor SPPRA regulations were followed.
- ii. Sindh Sales Tax and income tax was not deducted from their remuneration.
- iii. Advocates were paid monthly basis without showing number of cases attended by them and their current status.

Audit is of the view that hiring of advocates and their payment without having any criteria for their selection is a violation of rules.

The matter was reported to management in April, 2024. The management replied that due to non-existence of permanent law staff, and to file the case properly penal advocates are being appointed as deemed fit to justify the cases properly in the court of law, after fulfillment of codal formalities.

DAC in its meeting dated 02.01.2025 directed the PAO to conduct fact finding enquiry in the matter and share report with Audit.

Audit recommends an effective policy formulation so that litigation cases may be dealt with efficiently in the favor of Authority/Government.

(PDP#22)

2.4.6.14 Doubtful expenditure on account of Jungle clearance – Rs. 3.050 million

Appendix-18 (A) Section-I of Sindh Financial Rules, Volume-II, states that, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will be also held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action of culpable negligence.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that an expenditure of Rs. 3.050 million was incurred on account of jungle clearance through employees instead of vendors through competitive bidding. Further, neither the proper site of jungle clearance was recorded nor sale proceed of the same was accounted for. The details are given in **Annex -4 of Section-III of Chapter-2**.

Audit is of the view that chances of embezzlement of expenditure on jungle cutting cannot be ruled out due to non-observance of codal formalities and availability of relevant record.

The matter was reported to the management in April, 2024. The management replied that expenditure was incurred to clear site for up-lifting the schemes. Further, no trees were removed from site as area was full of shrubs.

DAC in its meeting dated 02.01.2025 directed the PAO to conduct enquiry and submit report to Audit.

Audit recommends implementation of DAC directives.

(PDP#36)

2.4.6.15 Un-authorized expenditure through employees instead of vendors – Rs. 6.739 million

As per Rule-303 of the Central Treasury Rules, “Contingent bill for payment to suppliers etc., which cannot be met from the permanent Imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that cheques amounting to Rs.6.739 million were issued in favor of officers/officials instead of actual supplier/vendors. The details are given in **Annex-5 of Section-III of Chapter-2.**

Audit is of the view that expenditure through employees instead of vendors reflected existence of weak financial controls.

The matter was reported to the management in April, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that all the payment were made after approval of the competent authority.

DAC in its meeting dated 02.01.2025 directed to stop this practice immediately and payment so far made be adjusted along with recovery of leviable of duty taxes and same may be verified from Audit. However, no

documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends implementation of DAC directives besides placing technology-based controls to stop such practices.

(PDP#17)

2.4.6.16 Unjustified expenditure on electricity – Rs. 40.543 million

As per Rule-88 of Sindh Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that MDA provided land in its New Malir Housing Project, MDA Scheme-I for establishment of Tent City for flood affectees of 2022 and incurred an expenditure of Rs. 40.543 million for provision of electricity in the Tent City on verbal request of DC Malir. The details of expenditure are as under:

(Rs. in Million)

Sr No.	Purpose of payment	Cheq. No.	Date	Amount
01	Providing Electricity in “Tent City” Sector # 18 NMHP Scheme-I, MDA	25362545	22-09-2022	29.047
02	Laying U/G Cable to electricity in “Tent City”	25382476	14-10-2022	11.495
Total				40.543

This expenditure is unjustified on following grounds:

- (i) Funds for rehabilitation/relocation of flood affectees were allocated to the PDMA and District Administration. Expenditure from MDA budget was not justified as same are not designated for such assignments.
- (ii) Payments also raise concerns about double payments from both MDA and District Administration or from any other organization on same assignment of works.
- (iii) Request of DC Malir along with necessary justification for above payment was not available in record.
- (iv) Present status of electric poles, cables, PMTs and other installations provided under above arrangement were not known.

Audit is of the view that huge payment from the funds of MDA was unjustified without proper approval from the competent authority.

The matter was reported to the management in April, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that during a high-level meeting, tent city was established on New Malir Housing Society-I, for a limited time, wherein MDA was directed for payment to K-Electric on the request of the DC Malir.

DAC in its meeting dated 02.01.2025 directed the management to provide following information/documents:

- (i) Certificate from PDMA and DC Malir that no duplicate payment was made.
- (ii) Post-facto approval of Chief Minister, Sindh.
- (iii) Present status of the electric installations after vacation of tent city by the flood affectees.

Audit recommends implementation of DAC directives.

(PDP#16)

2.4.6.17 Non-conducting of Financial Attest Audit of Accounts from Chartered Accountants

As per rule 37 (2) of Malir Development Authority Act, 1993, the accounts maintained under sub-section (1) shall be audited by not less than two Chartered Accountants. (3) A statement of accounts duly audited by the auditors under sub-section (2) shall be furnished to Government, as soon as may be, after the end of every financial year.

During the audit of Malir Development Authority, Karachi for the financial year 2022-23, it was observed that management failed to carry out mandatory financial attest audit of accounts of the authority from the chartered accountants in violation of above Act.

Audit is of the view that failure in conducting certification audit of annual accounts reflected lack of transparency, neutrality and authenticity in financial statements. Thus, true and fair view of its financial position cannot be ascertained.

The matter was reported to the management in April, 2024. The management replied that all bills are audited by the concerned section and approved by the Competent Authority for disbursement of payments.

DAC in its meeting dated 02.01.2025 showed serious concerns against non-appointment of chartered accountants which was mandatory as per MDA Act. In view of above, DAC directed that PAO may look into the matter and initiate the process of appointment of reputable Chartered Accountants as per rules.

Audit recommends compliance with DAC directives.

(PDP#42)

2.5 Section-IV: Lyari Development Authority

2.5.1 Introduction

Lyari Development Authority has the mandate to carry out development works in two major schemes namely Hawkes Bay Scheme No. 42 (20,900 acres) and Halkani Town Scheme No. 43 (11,450 acres). These schemes were previously under the operational jurisdiction of Karachi Development Authority, but were transferred to LDA subsequent to the passing of Lyari Development Authority Act, 1993.

The main objectives of LDA are to:

- i. Prepare or cause to be prepared and execute schemes for the development of the area and improvement of socio-economic conditions of the areas given in the Schedule.
- ii. Formulate, implement and monitor public works pertaining to the development of land for residential, commercial & industrial areas, directly through its agencies or through private sector or in collaboration with other national, international agencies & Non-Government Organizations.
- iii. Provide technical expertise & human resources for development and coordination.
- iv. Render financial assistance for development and improvement of areas and to raise the income level of the people within its jurisdiction.
- v. Undertake the execution of schemes entrusted to it by the Federal or Provincial Government or any local authority or autonomous body.
- vi. Undertake research in planning and socio-economic development by engaging professional organizations.
- vii. Perform such other functions as may be considered necessary for achieving the objectives of the Authority or as assigned to it by the Government.

2.5.2 Governing Laws & Policies

- i. Lyari Development Authority Act-1993.
- ii. Sindh Public Procurement Act, 2009.
- iii. Sindh Financial Rules.

- iv. CPW Code - A & D.
- v. Sindh Town Planning Act-1915.

2.5.3 Comments on Budget and Expenditure (Variance Analysis)

(Rs. in Million)

Particulars	Budgeted	Actual Exp/Revenue	Excess (+) Savings (-)
Salary	349.815	227.976	(121.838)
Non-salary	156.576	131.028	(25.549)
Development	655.558	480.009	(175.549)
Total Expenditure	1161.949	839.013	(322.936)
Revenue	1,555.995	908.656	(647.339)

2.5.4 Classified Summary of Audit Observations

Observations amounting to Rs. 255.585 million were raised as a result of audit. The issues highlighted includes non-preference to its core activities, excess payments to the contractors against civil works, non-observance of procurement regulations etc. Summary of the audit observations classified by nature is as under:

(Rs. in Million)

Sr.#	Classification	Amount
1	Procurement related irregularities	255.585
2	Non-utilization of available land for public housing scheme	-
Total		255.585

2.5.5 Brief comments on the status of compliance with PAC Directives

Lyari Development Authority falls under the administrative jurisdiction of the Local Government and Housing Town Planning Department. PAC meeting of Local Government Department on the accounts of LDA was convened on audit reports for the years 2019-20 & 2020-21. Further, the status of printed paras is as follows:

Year	No of Paras	Total Paras discussed
2013-14	3	Nil
2016-17	7	Nil
2017-18	3	Nil
2020-21	6	Nil
2022-23	8	Nil
2023-24	8	Nil

2.5.6 Audit Paras

2.5.6.1 Non-utilization of available land for public housing scheme

According to Section-8(1) of the Lyari Development Authority Act, 1993 “Without prejudice to the generality of the foregoing powers and subject to the general or special directions of Government, the Authority shall: (ii) formulate, implement and execute schemes in the field of housing, land development, urban development village development, of industrial, commercial, and residential areas and any other development which leads to the uplift of the socio- economic condition of the people of the area.”

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that the management acquired 6,243 acres land for 99 years lease in Hawksbay Scheme-42 from the BoR, GoS. However, the said available land was not utilized for public housing schemes despite payment of Rs. 605.462 million on account of allotment, mutation fee, occupancy value and lease charges by the Authority. Details are tabulated as follows:

(Rs. in Million)

Challan No. & Date	Name of payee	Purpose of land	Amount	Purpose of payment
3090 Dated 24-01-2023	Secretary, Land Utilization Department, Board of Revenue GOS	Land Hawksbay Scheme-42, Karachi for housing purpose (6,243 Acres)	90.000	Allotment & Mutation Fees
			32.004	
Sub-Total	122.004			
169/23 Dated 07-06-2023	Mukhtiarkar, Maripur Sub-Division, Keamari, Karachi		30.216	99 Years lease
			453.242	Occupancy value
Sub-Total			483.458	
		Total	605.462	

Audit is of the view that non-utilization of land despite availability and clearance from the competent forum constituted failure in generation of revenue for the Authority and launching of low-cost housing scheme for the community.

The matter was reported to the management in May, 2024. The management failed to submit reply in DAC meeting.

DAC in its meeting dated 02.01.2025 directed the management to submit reply along with record for verification. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends utilization of land for its intended purposes so that cost effective housing facilities may be provided to the citizens.

(PDP#13)

2.5.6.2 Irregular execution of work beyond 15% of original contract – Rs. 173.963 million

According to Rule-16 (1) (e) (i) of the Sindh Public Procurement Rules, 2010, “The cost of additional quantities of item (s) shall not exceed 15% of the original contract amount.”

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that work was awarded at cost of Rs. 457.998 million. However, extra items of Rs. 173.963 million (37.98%) were executed which is beyond the permissible limit of 15% of the original contract amount. Details are given as under:

(Rs. in Million)					
IPC No. & Date	Name of work & contractor	Original work	Revised work	Difference	Excess (%)
24 th Dated 13-04- 2023	Construction of 24 ft. wide single track on Boulevard-H of Hawksbay Housing Scheme-42 (From 5th Avenue to Mubarak Village Road), Hawksbay Scheme-42, LDA, Karachi (M/s. Indusmens Corporation)	457.998	631.961	173.963	37.98%

Audit is of the view that execution of work beyond prescribed limit without calling fresh tender is held irregular and violation of SPPRA rules.

The matter was reported to the management in May, 2024. The management replied that extra items were allowed due to escalation in prices and site requirements and did not exceed the permissible limit of 15%. The reply of the management is not tenable as the awarded cost of work was Rs. 457.998 million whereas, with the incorporation of extra items of Rs. 173.961 million, excess cost crossed permissible limit of 15% (i.e. 37.98%).

DAC in its meeting dated 02.01.2025 directed the management to provide work orders, estimates, BOQ and PC-I to audit for further verification and reconciliation of the same. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends fixing of responsibilities on the persons at fault.

(PDP#03)

2.5.6.3 Non-imposition of liquidity damages charges - Rs. 52.435 million

According to Para-H (5) of the instruction to the procuring agencies, “The conditions of contract contain no overall limit on the contractor’s liability. The amount of liquidated damages per day of delay shall be entered by the engineer/procuring agency in contract data. Usually, the liquidated damages are set between 0.05 percent and 0.10 percent per day and the maximum limit is 10 percent of the contract price stated in the letter of acceptance.”

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that penalty of Rs. 52.435 million was not imposed on the contractors against the schemes which were not completed on the stipulated dates. Details are tabulated as under:

(Rs. in Million)

W.O No. & Date	Name of work & contractor	Actual date of start	SDOC	Delay in months	Works Cost	Penalty amount @10%
182 21- 06-12	Widening/improvement of main Hawksbay road Karachi from 'T' Junction to 5th Avenue in Hawksbay Scheme-42, (M/s. Naseeb & Kainat Enterprises)	21-Jun-12	21-Dec-14	120	492.516	49.252
69/ 20- 08-21	Construction of internal development works at SMBBT, construction of office building at Jacobabad, Garhi Yaseen, Jamra, Khairpur & Maari (M/s. Al Khaliq Enterprises)	20-Aug-21	20-Feb-22	35	19.582	1.958
54/ 04- 06-21	Development/ infrastructure of Park/ Play Ground SMBBT, Karachi at ST-01, ST-02, ST-04, ST-8 & ST-09 of Block-10 (M/s. H.B.K Babar & Brothers)	04-Jun-21	31-Mar-22	34	12.246	1.225
Total					524.344	52.435

Audit is of the view that non-imposition of penalty against delayed works reflected that undue favor was extended to the contractors.

The matter was reported to the management in May, 2024. The management replied that work was delayed due to shortage of funds, local hindrances, COVID, encroachments, litigations, mutation issues, disputes and other reasons. The project was also delayed due to its transfer to Local Government from Board of Revenue.

DAC in its meeting dated 02.01.2025 directed the management to submit revised reply along-with specific justification. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends recovery and strict implementation of procurement regulation to avoid such irregularities in future.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-24 vide para number 2.4.6.6. Recurrence of same irregularity is a matter of serious concern.

(PDP#11)

2.5.6.4 Irregular execution of item without provision in revised estimate – Rs. 8.595 million

According to the Item-14 of the revised estimate of scheme namely construction of internal development works at SMBBT, Qambar @ Shahdadkot, Naseerabad (Contract Package No. SMBBT/QAMB/INF-002)', provision of R.C.C pipes of 8" dia was incorporated in the estimate up to 8,770 Rft. including water stopper of 9" dia i.e., 'expansion joints' up to 2,086 Rft.

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that as per the revised estimate of the scheme, the sewerage work was to be executed with 8" dia R.C.C pipes including expansion joints of 9" dia. Contrary to the above, the R.C.C pipes of 12" dia were laid up to the quantity of 8,595 Rft. amounting to Rs. 8.595 million. Further, it was also noticed that expansion joints of 9" dia were utilized in the same sewerage component which were not compatible with dia of the laid R.C.C pipes, which resulted in unjustified payment. Details are tabulated as follows:

(Rs. in Million)

IPC No. & Date	Name of Work & Contractor	Name of item	Amount due as per estimate	Qty. (Rft.)	Rate	Amount paid
4 th /23-01-23	Construction of internal development works at SMBBT, Qambar @ Shahdaktot, Naseerabad (Contract Package No.SMBBT/QAMB/INF-002) (M/s. Ali Dino & Co.)	Item No.14: Sewerage work: R.C.C pipes of 12” dia	Nil	8,595	1,000	8.595
Total						8.595

Audit is of the view that execution of item without provision resulted in overpayment to the contractor and constituted weak financial management.

The matter was reported to the management in May, 2024. The management replied that 8” R.C.C pipe was utilized whereas, 12” R.C.C pipe was neither utilized nor paid.

DAC in its meeting dated 02.01.2025 directed the management to produce estimate and R.A bills for verification. However, management failed to substantiate its contention.

Audit recommends proper justification in the matter.

(PDP#07)

2.5.6.5 Irregular payment on extra item–Rs. 13.462 million

According to Para-8 (4) Section - Introduction under the Schedule of Rates - 2012, “The schedule of rate may be found inadequate to carry out certain item of works. In such cases, the only competent body to review the position is the standing rate committee. All such cases should, therefore, be referred to the Secretary, standing rate committee, for decision of the committee.”

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that the management executed schedule item of Rs. 42,950 P. Rft., whereas as per the CSR, 2012, the rate of same was Rs. 5,554.03 Rft. (after including maximum 20% ceiling and cartage of up to 7 miles). Thus, the management allowed enhanced rate without approval of Standing Rates Committee. Audit calculated the difference of Rs. 37,395.97 P. Rft. on maximum dia of 42” R.C.C pipes which resulted in financial impact

of Rs. 13.462 million against 360 Rft executed R.C.C pipes. The details are given in **Annex-1 of Section-IV of Chapter-2**.

Audit is of the view that acceptance of schedule item on enhanced rate without approval of the Standing Rates Committee not only resulted into irregular payment but also reflected that undue favor was extended to the contractor(s).

The matter was reported to the management in May, 2024. The management replied that 72” PRCC pipe was used instead of 42”. The rate of same was approved from the competent authority.

DAC in its meeting dated 02.01.2025 directed the management to produce rate analysis, BOQ and estimate of the package for verification. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit recommends implementation of DAC directives.

(PDP#06)

2.5.6.6 Irregular expenditure without competitive bidding – Rs. 3.094 million

According to Rule-17 (1) of the Sindh Public Procurement Rules 2010, “Procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules.”

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that expenditure amounting to Rs. 3.094 million was incurred on hiring of security services without competitive bidding. Details are as under:

(Rs. in Million)				
Name of Firm	Description of Services	Monthly rate	Months	Total expenditure
M/s. Al- Hataf Security Management Services (Pvt.) Ltd.	Security Charges	0.258	12	3.094
Total				3.094

Audit is of the view that hiring of security services without floating on SPPRA website and in print media reflected negligence on part of the management, thus depriving the organization of competitive and economical rates.

The matter was reported to the management in May, 2024. The management replied that these services were hired on quotations basis after approval of the competent authority.

DAC in its meeting dated 02.01.2025 decided to conduct departmental inquiry by D.G of authority and share report to audit.

Audit recommends strict adherence to procurement regulations, besides implementation of DAC directives.

(PDP#08)

2.5.6.7 Unjustified payment of carriage charges on extra items – Rs. 2.668 million

As per Government of Sindh Composite Schedule of Rates-2012, the following percentage of profit and sundries shall only be allowed while preparing the rate analysis:

Sr. #	Particulars	Allowed %
01	On all and Sundries	10
02	On contractor Profit	10

Further, as per Sub-clause 11.3.3(A) of SPPRA Guidelines for procurement 2011, “Cost of cartage is not paid separately as same is adjusted in the quoted premium but cost of escalation on materials is paid separately as per consumption.”

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that the management paid carriage charges of Rs. 2.668 million on account of extra items. However, as per procedure the rate analysis of extra item was required to cover the total cost of item. Therefore, the provision of the carriage as a separate item was unjustified. Further, it was also observed that carriage paid against the quantity of the extra items does not match with extra executed quantities. Details are tabulated as follows:

(Rs. in Million)

Bill No. & Dated	Name of Work/ Contractor	Name of item	Amount due as per estimate	Qty. (Cft.)	Rate allowed	Amount paid
6 th 23-05-23	Construction of internal development works at SMBBT, construction of office building at Jacobabad, Garhi Yaseen, Jamra, Khairpur & Maari (Package No.SMBBT/BLD-002) M/s. Al Khaliq Enterprises	Stone masonry	Nil	1,799	275	0.495
		Supply and fixing of flush doors & windows	Nil	565	280	0.158
		Iron work for doors & windows	Nil	584	350	0.204
		carriage on extra items (Lead up to 5 km)	Nil	156,967	17	2.668
Total						2.668

Audit is of the view that provision of carriage as a separate item is irregular and constituted weak financial management.

The matter was reported to the management in May, 2024. The management replied that to support project's success and ensure stability, the contractor was allowed carriage charges beyond permissible limit of estimate.

DAC in its meeting dated 02.01.2025 after detailed discussion directed the PAO to conduct inquiry in this matter and submit report to Audit.

Audit recommends recovery of excess amount besides fixing of responsibility on the persons at fault.

(PDP#10)

2.5.6.8 Excess execution of excavation for laying of R.C.C pipes - Rs. 1.368 million

According to Drawings of the scheme, "The sewerage work was to be executed up to the maximum depth of 10.98 ft. from the Finished Road Level (FRL)."

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that Natural Ground Level (NGL) was 3'- 9" below the Finished Road Level (FRL), comprising of compacted average earth fill of 24", sub-base course of 6", aggregate base course of 8" and asphaltic base course of 1.5" which is equivalent to 3'.9". Thus, the required excavation

for pipelines and collecting tanks was to be made up to the depth of 7' and 6" after adjusting the difference of NGL and FRL instead of 10.98'. This resulted in excess excavation of 3'.9" with financial impact of Rs. 1.368 million.

Further, the length of R.C.C pipe was reduced in revised estimate (6,965 Rft. i.e., 9" dia = 6,940 Rft. and 12" = 25 Rft.) than the quantities provided in the original estimate (6,797.26 Rft. i.e., 9" dia = 6,782.26 Rft. and 12" = 15 Rft.), therefore, excess execution of excavation cannot be justified. Details are as under:

(Rs. in Million)

Construction of internal development works (Roads, sewerage & water supply) at Shaheed Mohtarma Benazir Bhutto Town, Miro Khan Contract Package No.SMBBT/MRK/INF-002 (M/s. S. Zaman & Brothers) IPC No. 06 th & Dated 05-11-2022							
Name of item	Oty. as per original estimate	Oty. as per revised estimate	Qty. executed	Excess Qty.	Unit	Rate in Rs.	Amount
Excavation for pipe line in trenches	116,403	175,480	175,480	59,077	Cft.	6	0.355
Refilling of excavated stuff in trenches	76,274	159,266	159,266	82,992	Cft.	5	0.796
Excavation for tanks & reservoirs	27,219	31,025	31,025	3,806	Cft.	7	0.217
Total							1.368

Audit is of the view that excess execution of excavation without consideration of difference of NGL and FRL as per engineering practice resulted in excess payment to the contractor.

The matter was reported to the management in May, 2024. The management replied that length and dia of pipe can be modified to accommodate site requirements whereas, the same was within permissible limit of 15%.

DAC in its meeting dated 02.01.2025 directed the management to produce drawing and design of the package for verification. However, no documentary evidence in support of its contention was produced till the finalization of this report.

Audit seeks recovery of excess payment besides strengthening the internal controls.

(PDP#04)

2.5.6.9 Non-conducting of Financial Attest Audit of Accounts from Chartered Accountants

According to Section 38 (2) of the Lyari Development Authority Act, 1993 “The accounts maintained under sub-section (1) shall be audited by not less than two Chartered Accountants. A statement of accounts duly audited by the auditors under sub-section (2) shall be furnished to the Government, as soon as may be, after the end of every financial year.”

During the audit of Lyari Development Authority, Karachi for the financial year 2022-2023, it was observed that management failed to carry out mandatory financial attest audit of accounts of the authority from the chartered accountants since inception of Authority in violation of above Act.

Audit is of the view that failure in conducting certification audit of annual accounts reflected lack of transparency, neutrality and authenticity in financial statements. Thus, true and fair view of its financial position cannot be ascertained.

The matter was reported to the management in May, 2024. The management replied that note for hiring of CA firm has been submitted to the Minister, LGH&TP.

DAC in its meeting dated 02.01.2025 showed serious concerns against non-appointment of Chartered Accountants which is mandatory to appoint as per LDA Act. In view of above, DAC directed that PAO may take action and appoint the chartered Accountants as per rules.

Audit recommends implementation of DAC directives.

(PDP#17)

Chapter-3. EDUCATION WORKS DIVISIONS

3.1 Introduction

The Education Works falls under the administrative control of School Education and Literacy Department, Government of Sindh. Its core mandate involves the construction and management of infrastructure related to schools in the province.

(Rs. in Million)

Description	Total Nos	Audited	Expenditure audited FY 2023-24
Formations	33	19	9,239.149

3.2 Comments on Budget and Expenditure (Variance analysis)

The accounts for the financial year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the divisions.

(Rs. in Million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess / (Savings)
15,279.332	18,208.853	17,844.932	16,924.864	(920.068)

Education works divisions were unable to spend the allocated budget in time, resulting in overall savings of Rs. 920.068 million.

3.3 Classified Summary of Audit Observations

Observations worth Rs. 6,515.666 million were raised as a result of audit. This amount also includes recoveries Rs. 13.214 million as pointed out by the audit. The issues highlighted includes irregular/excess payments, non-adherence to SPPRA rules, inordinate delays in completion of civil works, non-recovery of due taxes/duties, poor project planning & oversight etc. Classification of the audit observations is as under:

(Rs. in Million)

Sr.#	Classification	Amount
1	Non production of record	-
2	Inordinate delay in executions	2,843.716
3	Jurisdiction issues in execution	499.909
4	Procurement related irregularities	1976.449
5	Recovery	13.214
6	Others	1182.378
	Total	6,515.666

3.4 Comments on the Status of Compliance with PAC Directives

PAC for School Education and Literacy Department was convened. Separate status of the printed paras for Education Works Divisions is as follows:

Year	No of Paras	PAC Para discussed
2017-18	24	Nil
2018-19	20	Nil
2019-20	17	Nil
2020-21	6	Nil
2021-22	24	Nil
2022-23	33	Nil
2023-24	31	Nil

The status of Audit Reports requiring compliance of the PAC directives by the department is tabulated as follows:

Sr #	Audit Report	Total Paras discussed	No. of Paras Requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	2016-17	6	6	0	6	0	
	Total	6	6	0	0	0	

3.5 Audit Paras

3.5.1 Non-Production of record

As per Section-14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001:

- (2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During the audit of the Executive Engineer, Education Works Division, Kashmore for the financial year 2022-23, auditable record pertaining to development & non-development expenditure of Rs. 623.717 million was not provided despite requisitions. Due to non-production, the record of expenditure remained un-audited.

Audit is of the view that non-production of record is a violation of AGP ordinance and reflects negligence on part of the management. Due to non-production of record, the authenticity of expenditure could not be ascertained.

The matter was reported to the management in May, 2024. The management replied that the concerned XEN was transferred from Kashmore and all record was in his custody. Further, record is now available in office and can be verified in next audit.

DAC in its meeting held on 17th December, 2024 directed that PAO to issue explanation to concerned XEN for his absence in DAC meeting and further directed to provide relevant record to audit. No record was produced till the finalization of this report.

Audit recommends the production of record besides, initiating disciplinary proceedings against the person(s) at fault in accordance with provisions stipulated in Section 14 of AGP ordinance.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2021-22, 2022-2023, 2023-2024 vide para numbers 3.5.1, 3.5.1, 3.5.1 having financial impact of Rs. 797.316 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#78, AIR#01)

3.5.2 Inordinate delay in execution of public importance schemes- Rs. 2,472.685 million

As per Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

During the audit of the various offices of the School Education & Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that expenditure of Rs. 2,472.685 million was incurred on construction / rehabilitation and renovation of schools however, the same could not be completed despite lapse of 3 to 16 years. The details are given in **Annex-1 of Chapter-3**.

Audit is of the view that students were deprived of upgraded school infrastructure which has consequences on enrollment and overall educational outcomes.

The matter was reported to the management during May to November, 2024. The management in all cases informed that major reason for delay in execution of schemes was non-release of the funds by Finance Department Govt. of Sindh, Karachi.

DAC in its meeting held on 17th December, 2024 directed all the relevant offices to (i) provide copy of PC-I and contract agreement to ascertain actual date of completion (ii) justify reason for delay in execution of work (iii) details of funds released from Finance Department.

No relevant documentary evidence in the light of DAC directives was produced to audit.

Audit recommends completion of the public importance schemes on priority basis to enhance educational outcomes by allocation of required financial resources.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2021-22, 2023-24 vide para number 3.5.11, 3.5.10 having financial impact of Rs. 2,064.667 million. Recurrence of same irregularity is a matter of serious concern.

3.5.3 Unauthorized execution of works beyond jurisdiction - Rs.1,499.909 million

As per 18-A of Sindh Financial Rules Vol-I, “Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of the following offices of School Education and Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that expenditure of Rs. 1,499.909 million was incurred by various offices beyond the operational jurisdiction of the Education Works Divisions. Details are as under:

(Rs. in Million)

S. No.	Name of office	Description	PDP #	AIR para#	Amount
1	Division Larkana	Construction of Parking Plaza at Flower Market Bunder Road Larkana (2021-22 Programme) (D/A 14.10.2021) ADP No: 2104	32	8	67.785
2	Division-V, Korangi, Karachi	Executed works at different locations in Sindh likewise at T.M Khan, Badin, Sanghar by this office beyond the operational jurisdiction of Education Works Division Korangi, Karachi	79	1	200.887
3	Division West, Karachi	Executed works at different locations in Sindh including Jacobabad, Kandhkot, Kambar @ Shahdadkot Thatta, Badin, Khairpur, Dadu and Keamari by this office beyond the operational jurisdiction of Education Works Division West office as well as majority of the schemes are located out of Karachi Division	149	1	781.533
4	Division-IV, Karachi (South)	Executed works at different locations in Sindh likewise at Hyderabad, Shaheed Benazirabad, Sukkur by this office beyond the operational jurisdiction of Education Works Division South, Karachi.	242	1	449.704
Total					1,499.909

Audit is of the view that due to the execution of the works beyond territorial jurisdiction and without obtaining NOC from concerned departments, the purpose of establishing offices at different locations became irrelevant and chances of compromised quality of work and duplicate execution cannot be ruled out.

The matter was reported to the management during May to November, 2024. The management replied that the PC-1 of the scheme was approved by DDWP Forum on 14.10.2021 (Sr.1). Secretary Education has assigned them the additional responsibility of executing and supervising development works of the Department of Empowerment of Persons with Disabilities, Government of Sindh. (Sr.2,3&4).

DAC in its meeting held on 17th December, 2024 directed the management to get the stance verified from audit. However, management failed to justify execution of work beyond their functional and territorial jurisdiction.

Audit recommends implementation of the Rules of Business of Government of Sindh, besides fixing of responsibility on the person(s) at fault.

3.5.4 Non-initiation of action against abandoned schemes – Rs. 205.158 million

As per Rule-23 of General Financial Rules, Volume-I, “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh, for the financial years 2021-23 & 2023-24, it was observed that various schemes worth Rs. 205.158 million were awarded to contractors. However, in subsequent years, these schemes were abandoned, adversely affecting the education of students. Details are as under:

(Rs. in Million)

Sr #	Name of office	AIR Para#	PDP #	Financial Year	Particulars	Cost
1	Electric Works Division, Larkana	10	11	2021-22 & 2022-23	Various electrical works in different schools worth Rs.17.426 million were awarded but contractor abandoned the said scheme despite expenditure of 9.137 million. In this regard, the XEN reported damages to the project. The record is silent on so far expenditure made.	17.426
2	Electric Works Division, Larkana	34	4	2021-22 & 2022-23	Schemes totaling Rs. 22.552 million were approved, with expenditure amount to Rs. 15.387 million incurred by June 2022.	22.552
3	Electric Works Division, Thatta	125	21& 25	2023-24	Management awarded various works which were abandoned despite incurring all expenditure of the scheme. No action was taken against defaulting contractors.	165.18
Total						205.158

Audit is of the view that due to poor financial management, these public importance works could not be completed and intended benefits were not achieved. Further, the chances of loss to the exchequer cannot be ruled out as the incomplete structures/ works will lose its strength with the passage of time.

The matter was reported to the management during May to November 2024. Management replied that the works are ongoing and bid security of the contractor was secured to ensure compliance with the required standard. (Sr. 3). Remaining office did not submit their replies.

DAC in its meeting held on 17th December, 2024 showed serious concerns on absence of XEN in DAC meeting and directed to issue explanation for office at Sr.1&2 and further directed to furnish the justification along with verification of record from the audit.

Reply/record of management was not tenable as PC-I/ original/revised TS, work orders, monthly accounts, security deposit register and MBs were not furnished to ascertain the exact reasons for abandonment of schemes.

Audit requires completion of schemes on priority basis besides taking legal action against the contractors and the concerned officers/officials .

3.5.5 Doubtful payment in execution of work on papers – Rs. 4.977 million

According to Para-17 of C.P.W.A Code, “The Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the Executive Engineer, Education Works Division, Shikarpur for the financial year 2022-23, it was observed that works worth Rs. 4.977 million were executed however payment was made on the same date i.e. 12-06-2023. Execution of civil works in a single day reflected that only payments were made without physical execution of the works. Further, M.B against one work involving Rs. 0.500 million was even recorded before award of the work. The details are given as under:

(Rs. in Million)

W. O No. & Date	Bill No. & Date	M.B No. & Date	Name of Work & Contractor	W. O. Amount	Bill Amount	Remarks
1922/ 12-06-23	1 st / 13-06-23	No.45/1 to 46/2 12-05-23	Repair/ rehabilitation/ reconstruction of Field Offices of Education & Literacy @ D.E.O Primary (M/s. Aamir Ashraf & Co.)	0.500	0.521	M.B recorded before award of work
1923/ 12-06-23	1 st / 13-06-23	No.247 12-06-23	M&R to GGPS Chand Goth, Taluka Lakhi, District Shikarpur (M/s. Muhammad Haroon Bhutto)	1.979	1.817	Work executed on same day of award
1917/ 09-06-23	1 st 13-06-23	No.05/01 to 09/02 09-06-23	Maintenance & repair of Govt. Boys Primary School Shah Nawaz Brohi, Taluka & District Shikarpur (M/s. Saddam Hussain)	1.499	0.817	
1925/ 12-06-23	1 st 13-06-23	No.29/1 to 31/2 12-06-23	Repair/ rehabilitation/ reconstruction of Field Offices of Education & Literacy @ D.E.O General (B. Work) Taluka & District Shikarpur (M/s. Tarique Mustafa Malano)	0.999	1.044	
Total				4.977	4.199	

Audit is of the view that the entire payments were made without actual execution of works which reflected non-existence of financial controls in the organization.

The matter was reported to the management in May, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that M.B in respect of work order no. 1922 dated 12-06-2023 was mistakenly recorded in R.A bill. The funds against the respective schemes were

released in the last quarter of the financial year, therefore, the process of NIT was not called and bills were submitted for payment on 13-06-2023 to avoid lapse of budget. The reply of management was not tenable since expenditure was incurred to avoid lapse of funds without execution of physical works which is otherwise not possible to carry out civil works in such short span of time.

DAC in its meeting held on 17th December, 2024 directed that matter may be enquired and responsibility fixed on person(s) at fault.

Audit recommends implementation of DAC directives besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#8/AIR#9)

3.5.6 Unauthorized initiation of the procurement process for unapproved schemes - Rs. 395.952 million.

As per SPPRA, Procurement Regulations (Works) 6.1, “The Procuring Agency shall initiate the procurement process only after following codal formalities are (i) Administrative Approval (A.A) of the scheme is received. In case of urgency, in tender to avoid delay in the bidding process the Anticipated Administrative Approval is issued by the Administrative Department on the orders of the competent forum (ii) Technical Sanction (TS) of detailed estimate is obtained from competent authority (iii) Funds are released or anticipated to be released before award of contract.”

During the audit of the Executive Engineer, Education Works Division, Thatta, for the financial year 2023-24, it was observed that an unauthorized procurement process was initiated by the Executive Engineer for various unapproved schemes without proper approval and authorization. The details are given in **Annex-2 of Chapter-3**.

Audit is of the view that above unauthorized action may expose the organization to financial and legal risks.

The matter was reported to the management in November, 2024. The management replied that the schemes in question have since been approved by the competent authority, the approval retrospectively validates the procurement process. The schemes were not approved at the time of the procurement process,

the subsequent approval is being applied retrospectively to make the procurement process.

DAC in its meeting held on 17th December, 2024, directed to get the para verified from audit.

The management failed to justify its contention and did not provide relevant record such as work order, PC-I, Administrative Approval (A.A), Technical Sanction (TS), NIT, tender files.

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

(PDP#115, AIR#1)

3.5.7 Irregular expenditure on disputed plot of school-Rs. 22.642 million

Rule-13 of General Financial Rules, Volume-I, states that, "Every controlling officer must satisfy himself not only that adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores but also that the prescribed checks are effectively applied".

During the audit of the Executive Engineer, Education Works Division-VI, Karachi (Malir), for the financial year 2023-24, it was observed that an amount of Rs. 22.642 million was paid to M/s Farah Electric Services against approved PC-I cost of Rs 33.524 million for school namely Baba Razzaque Chowk Noor Housing Society B-Area Khudaabad UC Landhi (Boys). The expenditure was incurred on a disputed plot which is sub judice before Session Court Malir.

Audit is of the view that the expenditure on disputed plot reflected negligence and faulty planning on the part of the management.

The matter was reported to the management in November, 2024. The management replied that the objection raised by the audit regarding construction of school on disputed plot is not correct. The fact is that the plot was handed over by the concerned Deputy Commissioner and the documents are available in this office. After fulfilling the codal formalities, the work was started by the

contractor. Later, the dispute arose on the said plot and the matter was taken up in the Session Court Malir.

DAC in its meeting held on 17th December, 2024, directed to pursue the case and get the stance verified from audit.

The management failed to provide relevant documents such as transfer of the plot by the Deputy Commissioner (DC) and its possession by the school management, documents related to the court matter and PC-I, Technical Sanction (T.S.), vouchers, and measurement books (MBs).

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

(PDP#143, AIR#5)

3.5.8 Non-handing over of schools’ buildings despite completion shown in papers indicating defective works – Rs. 351.868 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of the following offices of the School Education and Literacy Department (Education Works) Government of Sindh for the financial years 2021-22 to 2023-24, it was observed that works of Rs. 351.868 million were completed at a number of schools, however, appropriate work completion certificates and handing over notes were neither available on file nor given to the audit for confirmation. Thus, the possibility of defective/incomplete works cannot be ruled out. Details are as under:

(Rs. in Million)

Sr #	Name of office	Financial Year	PDP#	AIR Para #	Amount
1	Education Works Division, Sukkur	2022-23	40	3	107.629
2	Electrical Education Works Division, Mirpurkhas	2021-22 & 2022-23	59	8	2.184
3	Education Works Division, Sujawal	2022-23	44	7	1.033
4	Education Works, division Larkana	2022-23	51	6	107.160
5	Education Works, division Thatta	2023-24	275	24	45.122
6	Education Works, division, Mirpurkhas	2023-24	177	8	88.740
				Total	351.868

Audit is of the view that non-handing over of the schools' buildings reflected weak administrative and monitoring controls.

The matter was reported to the management during May to November 2024. The management replied that school buildings were duly handed over.

DAC in its meeting held on 17th December, 2024, directed to get the stated position verified from audit. Office at Sr. 4 did not attend meeting and DAC showed serious concerns and directed that PAO to issue explanation for absence in the important meeting.

On the basis of record produced to audit for verification, above-mentioned offices have yet to hand over school buildings to concerned authorities despite completion of the works on papers.

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

3.5.9 Wasteful expenditure on incomplete schemes due to lack of prioritization based on public importance - Rs. 371.031 million

Para-17 of C.P.W.A Code states that, "The Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force." Further, as per the condition of work orders issued to contractors the contractor should start the work within 07 days after the issuance of work orders." Further, according to Rule 11 of General Financial Rules, Volume-I, "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers."

During the audit of the following offices of the College Education Department, (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed as per progress reports of ADP schemes, no funds were released during the current financial year i.e. 2023-24 whereas on the other hand, an expenditure of Rs. 371.031 million had already been incurred

up to last year which reflected that ADP schemes were not prioritized on the basis of public importance. The details are as under:

(Rs. in Million)

Sr.#	Name of Office	PDP #	AIR#	Name of Schemes	Approved Cost	Expenditure Incurred
1	Executive Engineer, College Education (Works) Division, Karachi	12	14	GSM Arts College Saddar	16.340	12.795
				GGDC Gizri Zam Zama Clifton	12.417	10.595
				Govt College for Commerce & Economics near PIDC	21.189	19.965
				Govt SM Science College	11.438	9.282
				GBDC KMC Road Saddar	24.952	22.816
2	Executive Engineer, College Education (Works) Division, Hyderabad	30	5	Government Boys/Girls Jhando Mari, Tando Allahyar	95.516	60.855
				Government Boys Degree College Bulri Shah, T.M khan	99.251	86.599
				Degree College Sindhi Butra KN Shah, Dadu	105.857	82.170
		26	1	Establishment of Cadet College, Kakar Taluka K.N Shah Distt.Dadu	-	65.954
Total						371.031

Audit is of the view that due to negligence and faulty planning, the cost of the schemes will be increased. Further, the works executed may result in deterioration and the intended benefits/purpose to the public were not achieved.

The matter was reported to the management during August & October 2024. The management in all cases informed that major reason for delay in execution of schemes was non-release of the funds by Finance Department Govt. of Sindh, Karachi.

DAC in its meeting held on 03-01-2025 & 14-01-2025, directed all the relevant offices to provide copies of PC-Is, contract agreements, justify reasons for delay in execution of works and details of funds released from Finance Department.

Audit recommends strengthening of project management mechanism to avoid wastage of resources and prioritize the schemes as per public importance.

3.5.10 Irregular execution of work beyond 15% of contract amount – Rs. 289.137 million

As per Rule-16 (1) (e) of SPPRA Rules 2010, “Repeat Orders means, procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.”

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that works were awarded worth Rs. 698.323 million. Subsequently, the execution of extra items of Rs. 987.460 million was made (41%) which is beyond the permissible limit of 15% of the original contract amount. Details are as under:

(Rs. in Million)

Sr. #	Name of office	PDP #	AIR Para	Actual Bid cost	Exp: incurred	Excess	%
1	Division, Sujawal	9	2	16.396	25.691	9.295	57
2	Division-II, Karachi		9	3.299	5.122	1.823	55
3	Division-II, (Central), Karachi		7	4.871	15.688	10.817	22 2
4	Division I,(Central), Karachi	114	11	95.789	189.382	93.593	98
5	Division, Thatta,	118	7	25.86	31.636	5.776	22
6	Division, Khairpur	155	4	24.922	38.823	13.901	56
7	Division, Hyderabad	204	6	22.839	36.952	14.113	62
8	Division, Jamshoro	212	4	69.922	97.266	27.344	39
9	Electric Division-II, Karachi	18	7	2.3	3.54	1.24	54
10	Electric Division, Larkana	54	15	41.906	45.189	3.283	8
11	Division-V, Korangi, Karachi	80	2	117.19	174.957	57.767	49
12	Education Division, Sukkur	169	2	232.64	272.869	40.229	17
13	Division, Mirpurkhas	233	5	11.903	14.428	2.525	21
14	Division, Thatta	268	10	28.486	35.917	7.431	26
Total				698.323	987.46	289.137	

Audit is of the view that the execution of works beyond the prescribed limit of 15% and without calling fresh tender is violation of SPPRA rules which reflected poor project oversight and faulty planning.

The matter was reported to the management during May to November, 2024. The management replied that according to site requirement, the works were revised with the approval of competent authority due to enhanced scope of work.

DAC in its meeting held on 17th December, 2024 disagreed with the replies and directed that PAO to enquire the matter, examine and scrutinize each case of all the offices and fix responsibility on the persons at fault.

Audit recommends implementation of DAC directives besides strengthening its project planning and strict adherence to procurement regulations to avoid such lapses in future.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2021-22, 2022-2023, 2023-24 vide para numbers 3.5.06, 3.5.20, 3.5.15 having financial impact of Rs. 253.554 million. Recurrence of same irregularity is a matter of serious concern.

3.5.11 Non-transparent bidding process due to same call deposit by vendors - Rs. 47.932 million

According to Rule-4 of the Sindh Public Procurement Rules, 2010, “While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.”

During the audit of the Executive Engineer, Education Works Division Naushahro Feroze for the financial year 2023-2024, it was observed that the work of Rs. 47.932 million was awarded to the contractor M/s Muhammad Yaseen Chandio but the same Call Deposit was submitted by the other contractor as well. Instead of rejecting the bids of both the contractors, work was awarded to one of the contractors which is irregular. Further, the call deposits of the contractors were also not verified prior to the award of contract. Details are as under:

(Rs. in Million)

Name of Work	Contractor	CD No./dt.	CD Amount	Award Amount
Reh/Re-construction at GGPS & GHS Hoat Khan Jalbani District N.Feroze Work Order#965,3/5/24	Muhammad Yaseen Chandio	14817226/ 29.2.24	1.350	47.932
	Piyar Ali Tagar	14817226/ 29.2.24	1.350	

Audit is of the view that whole bidding process was non transparent and contrary to the SPPRA rules.

The matter was reported to the management in October, 2024. The management replied that bidders in question submitted different call deposits. However, due to a typographical error, the same number and date were mistakenly typed for the call deposits. This error has been corrected in the documents. The reply of the management was not tenable since call deposit was required to be submitted along with bidding documents, which was not obtained as reflected in the documents of bids. Further, copy of call deposit produced was dated 29/5/2024, which is later than the bid opening date i.e. 05/03/2024.

DAC in its meeting held on 17th December, 2024 directed to conduct enquiry in this matter.

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

(PDP#179, AIR#1)

3.5.12 Doubtful payment to contractor without execution of works - Rs. 9.270 million

Para-17 of C.P.W.A Code states that, the Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.

During the audit of the Executive Engineer, Education Works Division Naushahro Feroze for the financial year 2023-24, it was observed that Rs. 9.270 million was paid to the contractors but as per RA Bills no works were executed as evident from column "since previous "which resulted in payment without execution of works.

Audit is of the view that the payment to the contractors was made without execution of works.

The matter was reported to the management in October, 2024. The management stated that contractors were paid based on completed work, with measurement recorded before processing the payment and produced copies of vouchers along with supporting documents. The management reply was not tenable as RA bills showed blank entries in column “since previous” which confirms contention of the audit.

DAC in its meeting held on 17th December, 2024 directed to conduct enquiry in this matter.

Audit recommends implementation of DAC directives besides strengthening its financial and monitoring mechanism to avoid such lapses in future.

(PDP#180, AIR#2)

3.5.13 Mis-procurement due to violation of SPPRA Rules - Rs. 770.175 million

As per Rule-42(1) Sindh Public Procurement Rules, 2010 read with Rule 2 (x), “All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents.” and “Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement.”

During the audit of the various offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, audit observed following irregularities of Rs. 770.175 million in tender processes:

- i. Independent member from other department did not participate in the tendering process.
- ii. Bid evaluation reports were unsigned.
- iii. Bid security was not obtained.
- iv. Various works were started without execution of contract agreements.
- v. Various works were awarded without separate assessment of technical evaluation.

Further, details are given in **Annex-3 of Chapter-3**.

Audit is of the view that due to above violations, chances of collusive practice in the tendering process cannot be ruled out.

The matter was reported to the management during May to November, 2024. The management replied that all the tender formalities were followed.

DAC in its meeting held on 17th December, 2024 directed to get the stated position verified from audit.

The management failed to justify its contention and did not provide relevant record. i.e. tender files, contract agreements & work orders.

Audit requires adherence to the contract regulations to avoid collusive practices in the bidding process besides fixing of the responsibility on the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-24 vide para number 3.5.17 having financial impact of Rs. 194.844 million. Recurrence of same irregularity is a matter of serious concern.

3.5.14 Irregular expenditure without competitive bidding – Rs. 25.212 million

As per Rule-17 of SPPRA, “Procurements over three hundred thousand rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules. The advertisement in the newspapers shall appear in at least three widely circulated leading newspapers of English, Urdu and Sindhi languages.”

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial year 2022-23, it was observed that expenditure of Rs. 25.212 million was made without competitive bidding in violation of the prescribed rules. Details are as under:

(Rs. in Million)

Sr. #	Name of office	Name of Scheme	Financial Year	AIR Para#	Amount
1	Electric Education Works Division-II, Karachi	Providing missing facilities in the Schools / Polling station of District Central & West Karachi	2022-23	3	20.334
2	Education Works Electric Division, Larkana	M & R to various schools (Jacobabad, Shikarpur, Kashmore)	2022-23	6	4.878
Total					25.212

Audit is of the view that due to the violation of SPPRA Rules, the management could not achieve competitive rates, besides chances of extending undue favor to the contractors/suppliers cannot be ruled out.

The matter was reported to the management in May, 2024. The management replied that the scheme is of special and urgent nature with different locations. It is further submitted that due to shortage of time and emergency, NIT was not floated after approval of competent authority (Sr.1). The office neither submitted reply nor attended the DAC meeting (Sr.2).

DAC in its meeting held on 17th December, 2024 directed that contention may be verified from audit (Sr.1). DAC showed displeasure for office at Sr.2 and directed that PAO to issue explanation and further directed to submit reply and get the para verified from audit.

The management's contention was not found tenable since neither NIT nor approval of competent authority for invoking emergency clause was provided to audit. Office at Sr.2 neither replied nor provided record for verification.

Audit recommends inquiry and fixing of responsibility on the person(s) at fault, besides strict adherence to procurement regulations to avoid such lapses in future.

(PDP#16)

3.5.15 Splitting of expenditure to avoid open tenders - Rs. 49.690 million

Rule-12 (1) of SPPRA, 2010 provides that, "All proposed procurements for each financial year shall proceed accordingly without any splitting or

regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.”

During the audit of the office of the Education Works Electric Division, Larkana, for the financial years 2021-22 & 2022-23, it was observed that various works of repair and maintenance worth Rs. 49.690 million were awarded by way of splitting of expenditure to avoid open tenders. Details are given in **Annex-4 of Chapter-3**.

Audit is of the view that splitting the expenditure to avoid open tender is a violation of SPPRA rules which deprived the management of procurement at competitive rates.

The matter was reported to the management in May, 2024. The management neither submitted reply nor attended the DAC meeting.

DAC in its meeting held on 17th December, 2024 showed displeasure on absence of XEN in important meeting and directed the PAO to issue explanation and further reply may be furnished to audit at earliest. No record was produced by the management till finalization of this audit report.

Audit recommends fixing of responsibility on the person(s) at fault, besides strict adherence to procurement regulations to avoid such lapses in future.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-2024 vide para number 3.5.22 having financial impact of Rs. 37.929 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#13, AIR#5)

3.5.16 Non-imposition of liquidated damages for delayed works – Rs.69.792 million

As per Para-10.3 (c) of SPPRA Procurement Regulations Works, “Liquidated damages shall be deducted from the contract amount for every day or part of a day, which will elapse between the dates on which the prescribed time expired and the date the work is completed at the rate specified in the contract agreement. The amount of the liquidated damages for each day of delay in completion of the whole of the works, 176 or if applicable for any section

thereof, shall be a sum equal to 5 to 10 % (it is to be mentioned in the agreement) of the estimated cost of the works divided by one fourth of the number of days specified as completion time.”

During the audit of the following offices of the College Education Department, (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that various works of Rs. 697.792 million were awarded to the contractors, which were required to be completed within the stipulated time period. The contractors failed to complete the works in time, however, penalty of Rs. 69.792 million at the rate of 10 percent of the contract value was not imposed by the management on account of delayed work. Details are given as under:

(Rs. in Million)

Status of work: Work in Progress							
S. No	Name of Office & PDP/AIR No.	Name of Work	Stip. Start Date	Stip. Compl. Date	Delay in (Months)	Exp	10% Penalty
1	College Education (Works), Karachi PDP.No.4 AIR.No.4	Improv/Renov. GBDC Gulzari-Hijri East, Karachi	18-10-21	30-06-22	24	93.172	9.317
		Rehab/Renov. Facilities in South Karachi Colleges	13-07-22	14-07-23	11	35.023	3.502
		Rehab. Facilities in Malir (Razakabad Bin Qasim Town)	26-04-23	24-04-23	14	7.732	0.773
		Rehab. Facilities in Malir GBDC Knker	26-04-23	25-10-23	8	9.501	0.95
		Addition of Classrooms in GGDC Shah Nawaz Shar	23-06-22	28-09-23	9	40.083	4.008
2	College Education (Works), Sukkur PDP.No.23 AIR.No.16	R/P of Facilities in Govt. Islamia Science College	28-04-22	27-10-23	8	34.881	3.488
		Construction at Govt. Boys Degree College Daharki	06-06-22	30-11-23	7	74.47	7.447
		Establishment of Shaheed Naseem A. Kharal College	18-05-22	11-09-23	9	91.354	9.135
		R/P of Facilities at Boys College Pano Akil	27-04-22	22-10-23	8	17.665	1.766
		Establishment of Girls Degree College, Rohri	21-01-21	17-12-22	18	77.1	7.71
3	College Education (Works), Hyderabad PDP.No.35 AIR.No.11	Establishment of Cadet College, Kakar	18-02-21	17-02-22	28	16.431	1.644
		Establishment of Girls College, New Saeed Abad	27-07-22	26-07-23	11	55.429	5.557
		Construction of Building at College, Garho	06-06-22	5-12-23	6	76.8	7.68
		Construction of Building at College, Garho	22-04-22	21-06-23	12	68.151	6.815
Total						697.792	69.792

Audit is of the view that the non-imposition of penalty against delayed works reflected undue favor was extended to the contractors.

The matter was reported to the management during August to October, 2024. The management replied that due to insufficient release of funds from government side, development work delayed which is not fault of contractor in view of that this office grant the extension to alive the agreement in the interest of government works.

In its meeting held on 03-01-2025 & 14-01-2025, DAC was not satisfied with the explanation and directed to produce correspondence with PAO, justify reasons for delay in execution of work and detail of funds released from Finance Department for verification.

Audit recommends implementation of DAC directives besides strengthening its contract management system to avoid such lapses in future.

3.5.17 Suspicious payments to the contractors - Rs. 75.022 million

Para-17 of C.P.W.A code states, the Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial year 2022-23, it was observed that works were completed costing Rs. 75.022 million. Nevertheless, an examination of the running account bills revealed that the different works' measurements were recorded on the same day, which renders the entire payment illegitimate. Details are as under:

(Rs. in Million)

Sr. No.	Name of office	Description	Financial Year	PDP #	AIR Para#	Amount
1	Education Works Division, Umerkot	Measurement and payments of various works were made on the same date.	2022-23	37	5	2.708
2	Education Works Electric Division, Larkana	Measurement was recorded by the same AEN on various sites on same date i.e. 05-05-2023	2022-23		7	3.591
3	Electric Education works Division, Sukkur	Work order date and the payment pass date are same without mentioning the MB date.	2021-22 & 2022-23	53	6	1.384
4	Education Works Electric Division, Larkana	Payment was made in short duration to contractor in 4 days after issuance of work order.	2022-23	52	14	12.483

5	Education Works Electric Division, Larkana	The payment was made within 03 days of the work commencement, although the specified completion period was 12 months. Additionally, the date of measurement was not indicated on the running bills.	2022-23	35	9	22.988
6	Education Works Division, Thatta	Discrepancy in the recording of measurement by sub-engineer and authenticated AXEN in the month of May, 2024. Unusually high number of 57 measurements amounting to Rs. 31.868 million were recorded in short period of 22 days.	2023-24	120	11	31.868
Total						75.022

Audit is of the view that hasty measurement/ payments raised questions on actual execution of works at site which reflected poor project oversight.

The matter was reported to the management during May to November, 2024. The management replied that payment was made after concerned engineer visited the site and record MB as per work done by contractor & the works were carried out on urgent basis. Some works were completed & payment made to avoid lapse of funds. (Sr.1,3,6). The management did not submit replies. (Sr.2,4,5)

DAC in its meeting held on 17th December, 2024 directed the management at Sr.1,3,6 to get the paras verified. DAC showed serious concerns on office at Sr.2,4,5, on absence of XEN and directed to issue explanation.

The management in its replies accepted the point of view of audit however, failed to provide the relevant record which includes copies of MBs along with 10% check measurement by XEN as per DAC directives.

Audit recommends inquiry into the matter besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

3.5.18 Irregular payment of secured advance – Rs. 131.060 million

As per SPPRA Rule-9.3(2)(a), Payment of secured advance to the contractor is subject to conditions that (i) Assistant Engineer to verify/certify

quality, quantity and market rates of the material (ii) Contractor has to furnish the Indenture Bond (iii) Secured advance shall be paid to the contractor on the quantities brought and properly stored at site of work. Full quantities of materials for entire work / contract should not be advanced (iv) Recoveries of advances so made should be made from his bills for work done as the materials are used, the necessary deductions be made whenever the items of work in which are used are billed for, or shall be recovered in full within 90 days, even if unutilized (v) New secured advance should not be allowed until and unless the previous advance, if any, stands fully recovered, (vi) Advance amount is calculated on the basis of 75% of the market value of that material.

During the audit of the various offices of the School Education & Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 131.060 million was paid as secured advance against various works without observing above pre-requisites. The details are given in **Annex-5 of Chapter-3**.

Audit is of the view that payment of secured advances without fulfilling codal formalities is violation of SPPRA rules.

The matter was reported to the management during May to November, 2024. The offices replied that the payment of secured advance was recovered from subsequent running bills.

DAC in its meeting held on 17th December, 2024 observed in some cases, neither indenture bond was duly signed nor other conditions were observed, therefore, the DAC directed that an explanation may be issued to the concerned officers / officials for lapses and not repeating such practices in future. DAC further directed that record may be verified from audit.

Replies/record of management was not tenable on the reasons that no subsequent recovery / adjustment of the advance was affected and Indenture bonds were not properly filled and obtained prior to payment of secured advance.

Audit recommends recovery/adjustment of the secured loan at the earliest, besides fixing of responsibility on the person (s) at fault.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2021-22, 2022-2023, 2023-2024 vide para numbers 3.5.16, 3.5.8, 3.5.8 having

financial impact of Rs. 211.680 million. Recurrence of same irregularity is a matter of serious concern.

3.5.19 Irregular inviting of tender before administrative approval - Rs. 5.274 million

As per SPPRA, Procurement Regulations (Works) 6.1, “The Procuring Agency shall initiate the procurement process only after following codal formalities are (i) Administrative Approval (A.A) of the scheme is received. In case of urgency, in tender to avoid delay in the bidding process the Anticipated Administrative Approval is issued by the Administrative Department on the orders of the competent forum(ii) Technical Sanction (TS) of detailed estimate is obtained from competent authority (iii) Funds are released or anticipated to be released before award of contract.”

During the audit of the Executive Engineer, Education Works Division Naushahro Feroze for the financial year 2023-24, it was observed that NIT involving Rs. 5.274 million was called prior to Administrative Approval contrary to prescribed rules. Details are as under:

(Rs. in Million)

Name of	Name of work	W.O/ dated	NIT Date	A.A date	Award amount
M/S Imdad Ali	Rehab/Recon. of high enrollment dangerous primary/ elementary Schools and provision of missing facilities	1266/22.8.23	31.3.23	02/5/23	5.274

Audit is of the view that inviting tenders prior to administrative approval is unauthorized which reflected weak contract management.

The matter was reported to the management in October, 2024. The management replied the NITs were issued after completing all necessary formalities, and the technical estimates were approved by the competent authority. The reply of management was not tenable as NIT was floated on 31/3/2023 without Administrative Approval (A.A) which was obtained on 02/05/2023.

DAC in its meeting held on 17th December, 2024 directed to conduct enquiry in this matter.

Audit recommends implementation of DAC directives besides strengthening its procurement management to avoid such lapses in future.

(PDP#183, AIR#5)

3.5.20 Irregular refund of security deposits – Rs. 16.330 million

As per Rule-7.12.3 (i) of SPPRA, “Security deposit can be released in either of two following ways; (a) on completion of the works, half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction; (b) full amount be released after completion of defect liability period.”

During the audit of the following offices of School Education & Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 16.330 million pertaining to the security deposit was refunded to the contractors before completion of works/defect liability period. The details are given in **Annex-6 of Chapter-3**.

Audit is of the view that release of security deposit before completion of works and defect liability period is a serious violation of rules which reflected poor financial oversight.

The matter was reported to the management in May, 2024. The management (at Sr.1,2,4&5 of annexure) replied that the security deposits were released to the contractors as per rules.

DAC in its meeting held on 17th January, 2024 showed serious concerns in case of office at Sr. 3 for neither submission of replies nor attending important meeting and directed the PAO to issue explanation and further directed the remaining offices to get the record verified from audit.

The management failed to provide relevant documentary evidence in support of their replies.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls in the organization.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-24 vide para number 3.5.20 having financial impact of Rs. 1.013 million. Recurrence of same irregularity is a matter of serious concern.

3.5.21 Irregular payments at reduced rates – Rs. 121.403 million

According to Clause-8 of the Standard Bidding Document for the works, “In cases where the items of work are not accepted as so completed, the Engineer-in-charge may make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final or on running account bills with reasons recorded in writing.”

During the audit of the various offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that the payment for various items of works involving Rs. 121.403 million was allowed on reduced rates to the contractor(s) without any cogent reasons. The details are given in **Annex-7 of Chapter-3**.

Audit is of the view that the management was required to carry out the work as composite item but payments made at part rate / reduced rate implies that the payment was made in advance without execution at site to extend undue favor to the contractor(s).

The matter was reported to the management during May to November 2024. The management (at Sr.1,4,5,9,10,12 &15 of annexure) informed that the part rate was allowed in R.A bill not reduce rate. Whereas, management at Sr.2,3,7,8,11,13 &14 contended that payment was made to the contractors for various items of works at reduced rates as per clause-B of the contact agreement where the Executive Engineer In charge is fully empowered to make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final running account bills. The management at Sr.6 neither attended DAC meeting nor submitted reply.

DAC in its meeting held on 17th December, 2024 showed serious concerns for office at Sr.6 and directed the management to issue explanation for absence in the important meeting. In remaining cases, DAC directed to get their stances verified from audit.

Relevant documents such as (i) original/revised estimates (ii) MBs with justification (iii) bills/vouchers (iv) detail/bifurcation of executed items/quantity were not provided which confirms that whether the part/ reduced rate was given on supplies only without execution of the items at site or otherwise.

Audit recommends provision of satisfactory work completion certificate to ensure proper execution of works at site.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2021-22, 2023-24 vide para numbers 3.5.17, 3.5.13 having financial impact of Rs. 119.089 million. Recurrence of same irregularity is a matter of serious concern.

3.5.22 Irregular expenditure without executing ancillary items of works- Rs. 26.813 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of the Executive Engineer, Education works Division Sanghar for the financial year 2023-24, it was observed that an expenditure of Rs. 26.813 million on various works was incurred on procurement of Verona Marbles and other allied items but the initial foundation work was not executed and therefore expenditure was un-wanted and thus unjustified without primarily civil work to fix them. Details are as under:

(Rs. in Million)

CV/dated	Name of Contractor	Name of work	W.O/ dated	Particulars	Amount
24/ 16.1.24	M/S New Bukhari Builder	Repair/Rehabilitation /Provision of missing facilities, additional of class room and computer lab in existing higher secondary school lal Dino Nizamani @ Bakar khan Nizamani taluka Tando Adam (Main building	497/ 9.5.22	Item Verona marbles and other allied items were procured without excavation work in foundation of building, Pacca brick work. RCC work, Mild steel etc.	26.813

Audit is of the view that payment of subsequent items without initial work is unjustified which reflected poor project oversight.

The matter was reported to the management in November, 2024. The management replied that estimate of a building work contains various items of diverse nature, work for P/F of Verona Marble along with allied work carried out against the sanctioned provision of detailed estimate technically sanctioned by the competent authority.

DAC in its meeting held on 17th December, 2024, directed to get the stance verified from audit.

The management provided payment vouchers which confirmed view point of audit.

Audit recommends inquiry into the matter besides strengthening the monitoring mechanism during the execution of works.

(PDP#133, AIR#3)

3.5.23 Non-imposition of liquidated damages on delayed work – Rs. 33.723 million

As per Para-10.3 (c) of SPPRA Procurement Regulations Works “Liquidated damages shall be deducted from the contract amount for every day or part of a day, which will elapse between the dates on which the prescribed time expired and the date the work is completed at the rate specified in the contract agreement. The amount of the liquidated damages for each day of delay in completion of the whole of the works, 176 or if applicable for any section thereof, shall be a sum equal to 5 to 10 % (it is to be mentioned in the agreement) of the estimated cost of the works divided by one fourth of the number of days specified as completion time.”

During the audit of the various offices of the School Education and Literacy Department (Education Works), Government Sindh for the financial years 2022-23 & 2023-24, it was observed that works were awarded to the contractors, which were required to be completed within the stipulated time period. The contractors failed to complete the works in time, however, penalty of Rs.33.723 million at the rate of 10 percent of the contract value was not imposed by the management on account of delayed work, which is tantamount

to extending undue favor to the contractors. The details are given in **Annex-8 of Chapter-3**.

Audit is of the view that the non-imposition of penalty against delayed works reflected undue favor was extended to the contractors.

The matter was reported to the management during May to November 2024. The management replied that due to insufficient release of funds from government side, development work delayed which is not fault of contractor in view of that this office grant the extension to alive the agreement in the interest of government works.

DAC in its meeting held on 17th December, 2024 directed to management (i) to provide copy of PC-I and contract agreement to ascertain actual date of completion (ii) justify reason for delay in execution of work (iii) detail of funds releases from finance department for verification.

The management did not produce the required documents as per DAC directives.

Audit recommends recovery of the penalty from the contractors besides strengthening its internal controls in the organization.

3.5.24 Irregular payment of secured advance- Rs. 106.051 million

As per SPPRA Rule-9.3(2)(a), Payment of secured advance to the contractor is subject to the following conditions (i) Assistant Engineer to verify/certify quality, quantity and market rates of the material (ii) Contractor has to furnish the Indenture Bond (iii) Secured advance shall be paid to the contractor on the quantities brought and properly stored at site of work. Full quantities of materials for entire work / contract should not be advanced (iv) Recoveries of advances so made should be made from his bills for work done as the materials are used, the necessary deductions be made whenever the items of work in which are used are billed for, or shall be recovered in full within 90 days, even if unutilized (v) New secured advance should not be allowed until and unless the previous advance, if any, stands fully recovered, (vi) Advance amount is calculated on the basis of 75% of the market value of that material.”

During the audit of the following offices of the College Education Department, (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 106.051 million was paid as secured advance against works without observing above pre-requisites. The details are as under:

(Rs. in Million)

Sr. No.	Name of Office	Financial Year	PDP#	AIR Para#	Particulars	Amount
1	Executive Engineer, College Education (Works) Division, Sukkur	2023-24	14	04	Advance over & above the estimate	4.142
			17	08	Excess rate than the rate approved	1.317
			20	12	Secured Advance	3.005
2	Executive Engineer, College Education (Works) Division, Hyderabad	2022-23 to 2023-24	36	13	Secured advance	34.536
3	Executive Engineer, College Education (Works) Division, Karachi	2022-23 to 2023-24	06	06	Secured advance	63.051
Total						106.051

Audit is of the view that payment of secured advances without fulfilling codal formalities is violation of SPPRA rules.

The matter was reported to the management during August to October, 2024. The offices at Sr. 1 to 3 replied that the expenditure was incurred after observing codal formalities and payment of secured advance was recovered from subsequent running bills.

DAC in its meeting held on 03-01-2025 & 14-01-2025, observed in some cases, neither indenture bond was duly signed nor other conditions were fulfilled and therefore directed to issue an explanation to the concerned for lapses and not to repeat such practices in future. DAC further directed that record may be verified from audit.

Audit recommends implementation of DAC directives besides strict adherence to the SPPRA rules.

3.5.25 Un-justified payment in a single day on various works - Rs.5.949 million

As per Rule-6.2.2 (2) of Guidelines/ Regulations for Procurement of Works Part II: Bill of Quantities: Procuring agency shall prepare the Bill of Quantities appropriate to the works. The quantities given in the Bill of Quantities are estimated and provisional and provide common basis for tendering. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the contractor and verified by the Engineer and valued at the rates and prices tendered in the bill of the quantities. Para-17 of C.P.W.A code states “the Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.

During the audit of the Executive Engineer, Education Works Division Naushahro Feroze for the financial year 2023-24, it was observed that an amount of Rs. 5.949 million was paid in a single day to the same vendor through payment of multiple cheques. Audit observed that the bills were passed without possibility of physical execution within same day as the measurement/recording in the MB is not practicable at various locations. The details are as under:

(Rs. in Million)

Cheque No	Document Date	Name of work	Vendor Name	MB/dt:	AEN name	Amount
5235951	19/02/2024	Missing facilities GHS Imamam abad, Allah Dad Alamani, Mango Daur Murab kerejo	M/S Sayed Raghbir	Nil	Saeed Ali Bhatti	1.759
5235946	19/02/2024	Missing facilities GBLSS bakhri, GmS Gazi Khan Ghopang	M/S Sayed Raghbir	6/2/24	Ghulam Rasool sahito	1.343
5235947	19/02/2024	Missing facilities GPS Qadir Bux, Sahig Khan Chandio, GPS Garrebo	M/S Sayed Raghbir	Nil	Saeed Ali Bhatti	1.113
5235948	19/02/2024	Missing facilities pack-23 GHS kandiaro, GMS Sher khan Khoso	M/S Sayed Raghbir	6/2/24	Ghulam Rasool sahito	1.006
5235944	19/02/2024	Missing facilities GPS Old Jatoi, hot Khan chandio, GGPS New malak	M/S Sayed Raghbir	Nil	Saeed Ali Bhatti	0.728
Total						5.949

Audit is of the view that hasty measurement and payments reflected non-existence of monitoring oversight.

The matter was reported to the management in October, 2024. The management replied that payment to contractors was made in accordance with PWD rules. The works were executed by the concerned Assistant Engineer, and MBs were recorded before bills were submitted for payment to the Division Office. The reply of the management was not tenable as payment to the single contractor was made on same day i.e. 19/2/2024 against five works at different locations without 10% check measurement of each work at various sites by XEN.

DAC in its meeting held on 17th December, 2024, directed to conduct enquiry in this matter.

Audit recommends inquiry into the matter besides ensuring physical inspection of works during its execution before making payments to the contractors.

(PDP#182, AIR#4)

3.5.26 Irregular expenditure on difference of cost of material - Rs. 74.102 million

Planning & Development Department allowed interim relief on 129 material items w.e.f 11-10-2022 vide notification No. SO(Admn-I) P& D /12 dated 28 October, 2022. It was further clarified by P&D vide notification No.SO(Admin)P&D/12(165)/2018 dated 01-03-2023, that the new rates are applicable to the new unapproved schemes and the ongoing schemes where work to be done (remaining work) and not on the work already executed and paid.

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that the management allowed difference of cost of material involving Rs. 74.102 million on cement and steel etc. without measuring quantities of work done up-to-date on which government allowed escalation. The management was required to compile details of measurements / work done quantities date-wise to allow the actual effect of escalation. Due to the non-preparation of escalation table, the amount paid could not be authenticated. Details are as under:

(Rs. in Million)

Sr. No.	Name of office	Financial Year	PDP#	AIR Para#	Amount
1	Electrical Education Works Division, Mirpur Khas	2022-23	15	7	0.811
2	Education Works Division, Sukkur	2022-23		10	66.050
3	Education Works Division, Shikarpur	2022-23		5	1.730
4	Education Works Division, Sujawal	2023-24	192	4	5.511
				Total	74.102

Audit is of the view that payment of escalation charges without justification in terms of actual work done quantities is unjustified.

The matter was reported to the management during May to November, 2024. The management replied that escalation was approved by higher authorities and the same are available on record. (Sr.1,2,3,4)

DAC in its meeting held on 17th December, 2024, directed management to get the stance verified from audit.

Replies/record of management were not tenable as relevant record such as (i) escalation chart/material statement (ii) Original/revised TS (iii) MBs & Vouchers were not provided to verify the contention of the management.

Audit recommends compliance with DAC directives besides strengthening its controls to avoid such lapse in future.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-2024 vide para number 3.5.29 having financial impact of Rs. 57.533 million. Recurrence of same irregularity is a matter of serious concern.

3.5.27 Un-justified payment of premium on carriage-Rs. 1.304 million

According to SPPRA Guidelines for procurement 11.3.3, Cost of cartage is not paid separately as same is adjusted in the quoted premium but cost of escalation on materials is paid separately as per consumption.

During the audit of the Executive Engineer, Education Works Division-III, Karachi (East) for the financial year 2023-2024, it was observed the

management made payment of Rs. 1.304 million on account of carriage charges despite inclusion of premium in the quoted scheduled items. Details are as under:

(Rs. in Million)

Bill No.& Date	Name of work & Contractor	Name of item	Qty.	Unit	Rate	Amount
9th & Final & 13-09-2023	Rehabilitation of Government Primary School/ Government, Girls Secondary School at Khatoon-e-Pakistan Stadium Road Gulshan-e-Iqbal Karachi. (M/s. Shah Construction Co.)	Carriage on Item No.5:(Filling, watering & ramming each under floor with new surplus earth lead up to one chain and lift up to 5 ft.	12,814.74	% Cft.	1,065	0.136
		Carriage on Item No.22: Carriage of earth extra lead 15 miles	109,657.25	% Cft.	1,065	1.168
Total						1.304

Audit is of the view that undue benefit was extended to the contractor by way of carriage charges which constituted weak financial management

The matter was reported to the management in November, 2024. The management replied that payment for mentioned items has been made to the contractors after completing all codal formalities and as per approved TS.

DAC in its meeting held on 17th December, 2024, directed to get the stance verified from audit.

Reply/record of management was not tenable as per SPPRA, premium on carriage is not permissible which requires to be recovered from contractor.

Audit requires recovery of the pointed-out amount besides strict adherence to the SPPRA regulations.

(PDP#91, AIR#2)

3.5.28 Unjustified payment of steel beyond approved ratio-Rs. 6.617 million

According to Para 40-B Appendix 18-A (1) of Sindh Financial Rules volume-I, "Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other

government officer to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of the Executive Engineer, Education Works Division-V, Korangi, Karachi for the financial year 2023-24, it was observed that the management made payment of Rs. 6.617 million on account of steel beyond approved ratio in R.C.C in contravention of the estimate and drawings. Details are as under:

(i) The R.C.C was executed up to the quantity of 23,362.39 cft. in foundation of the building. As per the approved ratio of 5.00 lbs. per cft. the due quantity of steel was 1,042.96 cwt. however, steel was consumed up to the quantity of 1,780.47 cwt. with ratio of 8.54 lbs. per cft. in R.C.C. This resulting into excess payment against the quantity of 737.51 cwt. steel amounting to Rs. 3.689 million excluding premium and escalation charges.

(ii) Similarly, the R.C.C was executed up to the quantity of 13,274.41 cft. in ground floor of the building. As per the approved ratio of 5.00 lbs. per cft. the due quantity of steel as 592.61 cwt. however, steel was consumed up to the quantity of 1,178.15 cwt. with ratio of 9.94 lbs. per cft. in R.C.C. This resulting into excess payment against the quantity of 585.54 cwt. steel amounting to Rs. 2.929 million excluding premium and escalation charges.

Audit is of the view that un-due benefit was extended to the contractor due to payment of steel beyond actual consumption which resulted into loss to the public exchequer.

The matter was reported to the management in May, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that the payment was made to the contractor within approved revised PC-I and sanctioned estimate cost. The reply of management was not tenable as change in the ratio of steel is not justified and no relevant record was produced. i.e. report of poor condition of the site, soil investigation test which supports the increase in ratio of steel.

DAC in its meeting held on 17th December, 2024, directed to enquire the matter and responsibility may be fixed on person(s) at fault.

Audit recommends implementation of DAC directives besides strengthening its planning and monitoring mechanism to avoid such lapses in future.

(PDP#87, AIR#9)

3.5.29 Excess payment due to calculation error - Rs. 2.349 million

According to Para-21 of CPWA Code, the Divisional Accountant is expected to see that the rules and order in force, are observed in respect of all the transactions of the division which come within his sphere of duties. If he considers that any transaction or order affecting receipts or expenditure is such as would be challenged by the accountant General if the primary audit entrusted to the accountant were applied by the former, it is his duty to bring this fact to the notice of the Divisional Officer with a statement of his reasons, and to obtain the order of that officer. It will then be his duty to comply with the orders of the Divisional officer, but if he has been overruled and is not satisfied with the decision, he should at the same time make a brief note of the case in the register of Divisional Account Audit Objection, Form-60, and lay the register before the Divisional Officer, so that latter may have an opportunity either of accepting the Divisional Accountant's advice on reconsideration and ordering action accordingly, or of recording, for the information of the Accountant General, his reasons for disregarding that advice.

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial year 2022-23, it was observed that an amount of Rs. 2.349 million was paid in excess of the actual amount owing to calculation error(s). Details are as under:

(Rs. in Million)

Sr. #	Name of office	F.Y	PDP #	AIR Para#	Due Amount	Drawn Amount	Diff:
1	Education Works Division, Jacobabad,	2022-23	20	3	8.366	6.496	1.869
2	Education Works Electric Division, Larkana	2022-23		10	44.162	44.643	0.48
Total							2.349

Audit is of the view that due to negligence on part of the management, the public exchequer sustained a loss.

The matter was reported to the management in May, 2024. The management replied that the error occurred due to a typographic mistake in the preparation of the contractor's bill hence miscalculated. However, while processing the subsequent bill, the pointed out was corrected accordingly. (Sr.1). Remaining office did not submit reply.

DAC in its meeting held on 17th December, 2024 directed the office at Sr.1 to get the stance verified from audit. Further, DAC showed displeasure on absence of office at Sr.2 and directed to the PAO to issue explanation.

The management failed to provide relevant record i.e. MBs, voucher, adjustment bills till the finalization of the Audit Report.

Audit recommends recovery of the pointed-out amount besides strengthening its internal controls to avoid such lapses in future.

3.5.30 Defective execution of R.C.C work - Rs. 30.541 million

According to Para-528 of Public Works Departmental Manual, "No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction."

During the audit of the Executive Engineer, Education Works Division Naushahro Feroze for the financial year 2023-2024, it was observed that the work of Rs. 30.541 million was executed however, the work was not carried out as per estimated items approved in respect of R.C.C works, which is tantamount to defective execution of work. The Details are under:

(Rs. in Million)

Description	Estimate	RA Bill	Amount	Up to date Exp
Provision of additional facilities/rehabilitation /reconstruction At GGPS & GHS Hoat Khan Jalbani Taluka Mehrabpur Distt NF ADP#707/23-24 M/s Muhammad Yaseen Chandio, 3rd RA, 10/6/24	Erecting & removal of centering for R.C.C or plain cement concrete works 3829 Sft @ 3127/41 % Cft	R.C.C work 5095 P/ Cft 337	1.717	30.541

Audit is of the view that the non-execution of item of works on the schemes & without any alteration in design reflected deviation from the approved estimate and defective work, thus rendering the execution irregular.

The matter was reported to the management in November, 2024. The management replied that the R.C.C work is carried out of erecting and removal of centering R.C.C as per PWD specification of civil works.

DAC in its meeting held on 17th December 2024, directed management to get the stated position verified from audit.

The management did not furnish the relevant documents to support their reply, including original/revised estimate, vouchers, & MBs.

Audit fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#188, AIR#10)

3.5.31 Non-execution of deposit work - Rs. 7.146 million

As per Para-170 of Accounts Code, Volume-III, “Outstanding items under the Deposit Register should be cleared/adjusted at the close of the financial year. Further as per para 399 (iii) of Central Public Works, the balances unclaimed for more than three complete accounting years should be credited to the Government as lapsed deposits.”

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial years 2022-23& 2023-24, it was observed that an amount of Rs. 7.146 million was retained as outstanding balance against the deposit works. Details are as under:

(Rs. in Million)

S. No.	Name of Office	PDP#	Para No.	Financial year	Amount
1	Education Works Division, Sukkur	27	8	2022-23	2.250
2	Education Works Division, Mirpurkhas	234	9	2023-24	3.526
3	Education Works Division, Badin	223	5	2023-24	1.370
Total					7.146

Audit is of the view that the expenditure against the deposit work without the authorization of the Finance Department stands irregular and retention of deposit amount without carrying out the intended works caused blockage of public money.

The matter was reported to the management during May to November 2024. The management replied that four schools were under execution in “PW deposit works” out of which three schools have already been got completed and remaining school not completed since plot was not handed over to division. (Sr.1). The deposit work amount was transferred / adjusted through transfer entry. (Sr.2,3).

DAC in its meeting held on 17th December, 2024 directed that PAO/ Secretary to justify delay in /non-completion of schemes on time and responsibility be fixed on persons at fault (Sr.1). For remaining offices, DAC directed to get the stance verified from audit.

Replies/record of management were not tenable since expenditure incurred without approval of the Finance Department and retention of deposit amount without carrying out the intended works caused blockage of public money.

Audit recommends compliance with DAC directives besides strengthening its internal control system to avoid such lapses in future.

3.5.32 Non-recovery of stamp duty– Rs. 3.770 million

According to Para 22-A of Stamp Act, 1899, it is the duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of Agreement @ 0.35 paisa per hundred rupees of the value of the Agreement or against tender cost.

During the audit of the following offices of the School Education & Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that various works were awarded, but stamp duty @ 0.35% amounting to Rs. 3.770 million was neither affixed on the agreements nor deducted from the running account bills. The details are given as under:

(Rs. in Million)

Sr . #	Name of office	Financial Year	PDP#	AIR Para #	Amount
1	Education Works Division, Sukkur	2022-23	01	1	1.264
2	Education Works Division Ghotki	2022-23		4	0.638
3	Education Works Division, Sujawal	2022-23		4	0.181
4	Education Works Division, Larkana	2022-23		6	0.250
5	Education Works Electric Division, Larkana	2022-23		19	0.111
6	Education Works Division-III, Karachi (East)	2023-24	96	7	0.119
7	Education Works Division-IV, Karachi (South)	2023-24	104	9	0.104
8	Education Works Division Thatta	2023-24	130	32	0.163
9	Education Works Division-VI, Karachi (Malir)	2023-24	146	9	0.523
10	Education Works Division, Khairpur	2023-24	161	18	0.195
11	Education Works Division, Sujawal	2023-24	193	5	0.222
Total					3.770

Audit is of the view that the non-recovery of stamp duty resulted in non-realization of government revenue.

The matter was reported to the management during May to November, 2024. The management replied that stamps @ 0.35% were affixed on the contract agreements.

DAC in its meeting held on 17th December, 2024, directed the management to get the para verified from audit. No documentary evidence in support of replies were produced.

Audit recommends recovery and strengthening of internal controls.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2021-22, 2022-2023, 2023-24 vide para numbers 3.5.23, 3.5.29, 3.5.3 having financial impact of Rs. 14.434 million. Recurrence of same irregularity is a matter of serious concern.

3.5.33 Non / less deduction of SST– Rs. 9.444 million

As per Sindh Revenue Board (SRB) letter dated 29-08-2019, Sindh Sales Tax Shall be levied at the rate of 5% on all the bills of contractors/vendors (service providers) on payment for all Civil work/construction works & repair of all government building works and similar other works along with all other taxable services at the applicable rate of tax prescribed in 2nd schedule to the Act 2011.

During the audit of the following offices of the School Education & Literacy Department, (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that SST on services amounting to Rs. 9.444 million was not/ less deducted from the bills while making payment to the contractors. Details are as under:

(Rs. in Million)

Sr. #	Name of office	FY	PDP #	Due SST	Non-Ded.	Ded.	Amount due
1	Education Works Division, Jacobabad,	2022-23	4	0.575	0.575	0	0.575
2	Education Works Division, Sujawal	2022-23		0.426	0	0.093	0.333
3	Education Works Division-II (Central), Karachi	2022-23		1.206	1.206	0	1.206
4	Electric Education Works Division-I, Karachi	2022-23		7.142	0	3.284	3.858
5	Electric Education Works Division-II Karachi	2022-23		0.335	0.335	0	0.335
6	Education works Division Sanghar	2023-24	239	3.137	3.137	0	3.137
Total							9.444

Audit is of the view that due to non-deduction of SST on services, the government sustained loss of revenue.

The matter was reported to the management during May to November, 2024. The management replied that the deduction of SST at the rate of 5% was made from the bills of contractors. In certain cases, SST was not deducted as the schemes pertained to the exemption period i.e. prior to July, 2020.

DAC in its meeting held on 17th December, 2024 showed serious concerns for non-recovery of the due tax at the time of payments and directed the management to expediate recovery and, in those cases, payment has already been paid, documentary evidence may be provided to audit.

The management failed to provide relevant record i.e. form-78 & 46, voucher, challan/CPR, reconciliation with tax department to audit.

Audit recommends recovery of the tax at the earliest besides placing mechanism to enhance the tax compliance in organization.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-24 vide para number 3.5.6 having financial impact of Rs. 33.592 million. Recurrence of same irregularity is a matter of serious concern.

3.5.34 Irregular execution of work beyond 15% of the original contract amount - Rs. 92.480 million

As per Rule-(16)(1)(e) of Sindh Public Procurement Rules, 2010, “Repeat Orders means, procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.”

During the audit of the following offices of the College Education Department, (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that various works were awarded at a cost of Rs.147.686 million. Later, the cost and scope of the works were enhanced to Rs.240.174 million beyond the permissible limit of 15% of the original work. The details are as under:

(Rs. in Million)

Sr.#	Name of Office	PDP#	AIR #	Bid Cost	Revised Cost	Beyond 15%	Excess %
1	Executive Engineer, College Education (Works) Division, Sukkur	13	01	77.850	141.236	63.378	81.04
2	Executive Engineer, College Education (Works) Division, Hyderabad	34	10	69.836	98.938	29.102	42
Total				147.686	240.174	92.48	

Audit is of the view that the execution of work beyond the prescribed limit of 15% and without calling fresh tender is violation of SPPRA rules which reflected poor project oversight and faulty planning.

The matter was reported to the management during August & October 2024. The management replied that according to site requirement, the works were revised with the approval of competent authority due to enhanced scope of work.

DAC in its meeting held on 03-01-2025 & 14-01-2025, directed the PAO to look into the matter of enhancement in the scope of schemes. Further, to produce the relevant record for verification to Audit.

Audit recommends implementation of DAC directives besides strengthening its project planning and procurement regulations.

3.5.35 Excess execution of various items than estimated quantity - Rs.19.834 million

As per Appendix 18-A of Sindh Financial Rules Vol-I, “Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of the Executive Engineer, College Education (Works) Division, Sukkur, for the financial year 2023-24, it was observed that expenditure of Rs. 19.834 million was incurred on the earth work, pacca bricks, steel, stone ballast and paving blocks over and above the estimated quantity. The details are given in **Annex-9 of Chapter-3**.

Audit is of the view that excess execution of items of work over and above the estimated quantity resulted in violation of prescribed rules.

The matter was reported to the management in August, 2024. The management replied that the expenditure was incurred after observing codal formalities and as per site requirements. Further excess amount will be recovered in the subsequent bills.

DAC in its meeting held on 03-01-2025 & 14-01-2025, directed the PAO to constitute fact finding committee to inquire into the matter.

Audit recommends implementation of DAC directives besides strengthening its planning and monitoring mechanisms to avoid such variations during execution of works in future.

3.5.36 Un-justified payment to the contractor without execution of work- Rs. 4.029 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Executive Engineer, College Education (Works) Division, Sukkur, for the financial year 2023-24, it was observed that payment of Rs. 4.029 million was made against the supply of material in previous bill i.e. 11th Running Account bill, however, the same was not recovered in the subsequent bill i.e. 12th Running Account bill in violation of rules.

Audit is of the view that payment without execution of work is undue benefit to the contractor.

The matter was reported to the management in August, 2024. The management replied that the contractor was paid as per SPPRA Rule. However, the amount was recovered on behalf of work done in the 12th R.A bill.

In its meeting held on 03-01-2025 & 14-01-2025, DAC directed the PAO to constitute facts findings committee to inquire into the matter.

Audit recommends inquiry into the matter besides ensuring physical inspection of works during execution before payments to the contractors.

(PDP#47, AIR#13)

3.5.37 Irregular expenditure on difference of cost - Rs. 19.178 million

Planning & Development Department Government of Sindh, vide notification No.SO(Admin)P&D/12(165)/2018 dated 01-03-2023 stated that, “The new rates are applicable to the new unapproved schemes and the ongoing schemes where work to be done (remaining work) and not on the work already

executed and paid. Further, interim relief was allowed on 129 material items w.e.f 11-10-2022 on the remaining work. vide No.SO(Admn-I) P&D 1/ 12 dated 28 October, 2022.”

During the audit of the Executive Engineer, College Education (Works) Division, Sukkur, for the financial year 2023-24, it was observed that an expenditure of Rs.19.178 million was incurred on payment of difference of cost of cement, bricks and steel, however, the escalation chart as required under rules was not prepared to authenticate the actual quantities. The details are as under:

(Rs. in Million)

Name of work	W/o & Bill#	Item	Quantity	Rate	Unit	Amount
Establishment of Govt. Girls Degree College Rohri District Sukkur	912, 15/1/2021 10th	Cement	490	180	Per Bag	0.088
			5680	325	Per Bag	1.846
			1010	650	Per Bag	0.656
		Bricks	314753	1000	Per 1000	0.315
			181239	3000	Per 1000	0.544
			107447	6000	Per 1000	0.645
		Steel	43.123	24000	Per Ton	1.035
			110.512	112000	Per Ton	12.377
			10.825	154500	Per Ton	1.672
Total						19.178

Audit is of the view that without escalation chart, the payment against difference of cost of material is irregular.

The matter was reported to the management in August, 2024. The management replied that escalation approved by higher authorities and the same are available on record.

DAC in its meeting held on 03-01-2025 & 14-01-2025, directed to provide documentary evidence to get the para verified from audit. No record was produced till finalization of the Audit Report.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

(PDP#44, AIR#03)

3.5.38 Irregular payment at part rate – Rs. 12.745 million

According to Clause-8 of the Standard Bidding Document for the works, “In cases where the items of work are not accepted as so completed, the Engineer-in-charge may make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final or on running account bills with reasons recorded in writing.”

During the audit of the Executive Engineer, College Education (Works) Department, Hyderabad for the financial years 2022-23 & 2023-24, it was observed that the payment for various items of works of Rs. 12.745 million was allowed on part rates without any reasons. The details are as under:

(Rs. in Million)

CV#	W.O #	Name of work	Item	Qty	Rate	Amount
06 22-05- 24	535-A 21-04- 22	Rehabilitation & Provision of Missing Facilities in District Matiari @ G Sarwari Islamia College Boys Hala (M/S Allah Jurio Constt: Co) 8 th RA Bill	P/F Varona Marble (A)	10200	<u>310.34</u> 274	2.795
			P/F Varona Marble (B)	3000	<u>310.34</u> 250	0.750
			P/F Varona Marble (C)	21000	<u>387.22</u> 350	7.350
			P/L Hala Tiles 8” X 8” x1/42520	2520	<u>34520.31</u> 30000	0.756
			1 st Class deodar Wood	1250	<u>902.93</u> 875	1.095
Total						12.745

Audit is of the view that the management was required to carry out the work as composite item, but payment made at part rate implies that the payment was made in advance without provision in the rules which depicted weak financial controls.

The matter was reported to the management in October, 2024. The management replied that the part rate was allowed in R.A bill not reduced rate.

In its meeting held on 03-01-2025 & 14-01-2025, DAC showed serious concerns for allowing part rate on supply of material at site and directed the PAO to take measures to stop such practice in future.

Audit recommends inquiry into the matter besides ensuring discontinuation of such payments without actual execution of works.

(PDP#29, AIR#4)

3.5.39 Less deduction of security deposit - Rs. 2.599 million

As per Rule 7.12.3 of SPPRA, Procurement Regulation (Works). “Procuring Agency will retain/deduct from each interim/running payments due to the contractor, the security deposit in proportion stated in the contract data/data sheet until completion of the whole of the works. The cumulative total of such amount will be 5% of the bid total mentioned in the letter of acceptance. In this way, the total amount with the procuring agency will be ten percent of the bid cost in the shape of performance security and retention money/security deposit. Recoveries so made from the contractor are returned to procuring agency as per terms and conditions of contract.”

During the audit of the Executive Engineer, College Education (Works) Division, Hyderabad for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 130.075 million was paid to contractors, but the security deposit of Rs. 2.599 million was less deducted. The details are given in **Annex-10 of Chapter-3**.

Audit is of the view that due to short deduction of security deposit; the government’s interest was not safeguarded and undue favor was extended to the contractor.

The matter was reported to the management in October, 2024. The management replied that as per SPPRA 2010, the security has been obtained at 5% as earnest money and 3% deducted from each bill of work.

In its meeting held on 03-01-2025 & 14-01-2025, DAC showed concerns due to less deduction of security deposit and directed to recover the amount from the subsequent R.A. bills.

Audit recommends expeditious recovery in the light of DAC directives.

(PDP#28, AIR#03)

3.5.40 Sub-standard execution of R.C.C-Rs. 6.474 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Executive Engineer, College Education (Works) Division, Sukkur, for the financial year 2023-24, it was observed that an expenditure worth Rs. 6.474 million was incurred on the execution of R.C.C for which the estimated Quantity of steel was required of 1029.186 cwt, however, the executed quantity of steel was 764.418 cwt which is less than the estimated quantity. Hence, sub-standard work was executed. The details are as under:

(Rs.in Million)

Name of Scheme	Qty steel estimated	Qty RCC Estm.	Exec. Qty RCC	Qty to be used steel	Qty used steel	Diff.	Rate RCC	Amount
Conversion of Higher Secondary School to Degree College at Khanpur Mahar Khangarh, Ghotki	2314.125	43197	19212	1029.186	764.418	264.768	337	6.474

Audit is of the view that due to less execution of steel in the R.C.C resulted in substandard execution of work.

The matter was reported to the management in August, 2024. The management replied that the expenditure was incurred after observing codal formalities and steel was used as per site requirement.

DAC in its meeting held on 03-01-2025 & 14-01-2025 directed the PAO to constitute facts finding committee to look into execution of sub-standard work.

Audit recommends compliance with DAC directives besides strengthening internal controls in the organization.

(PDP#15, AIR No.05)

3.5.41 Excess expenditure over & above 5% of Technical Sanction-Rs.11.572 million

According to Para-532 of Public Works Department Manual, Volume-I, "A revised estimate must be submitted when sanctioned estimate is likely to be exceeded by more than 5%."

During audit of the Executive Engineer, College Education (Works) Division, Sukkur, for the financial year 2023-24, it was observed that an expenditure of Rs. 11.572 million was made in excess of the prescribed limit of 5% over and above the technical sanction without revision of the same. The details are as under:

(Rs. in Million)

Sr. #	Name of work	Name of contractor	Bid Amount	Exp. Amount	Excess exp.	Excess %
1	R/P of missing facilities in existing Colleges in Distt. Sukkur @ Govt. Islamia Science College Sukkur	M/s Anees Ahmed	34.880	42.603	7.722	22
2	R/P of missing facilities in existing Colleges in Distt. Sukkur @ Govt. Boys Shaheed A. Aziz Bullo Degree College Pano Akil	M/s Majid Gulzar Shaikh	17.665	21.515	3.850	21
Total			52.545	64.118	11.572	

Audit is of the view that execution of the works above 5% and non-revision of the technical sanction stands irregular.

The matter was reported to the management in August, 2024. The management replied that the expenditure was incurred after observing codal formalities and expenditure was incurred per site requirement, estimate has been revised.

DAC in its meeting held on 03-01-2025 & 14-01-2025, directed to produce relevant record to audit for verification.

Audit recommends effective planning mechanism in place to avoid such issues having financial impact in future.

(PDP # 22, AIR#15)

3.5.42 Unjustified expenditure on steel- Rs. 1.774 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Executive Engineer, College Education (Works) Division, Sukkur, for the financial year 2023-24, it was observed that expenditure of Rs. 1.774 million was incurred on payment against steel without execution of R.C.C work. The details are as under:

(Rs. in Million)

Name of work	Bill#	Item	Quantity	Rate	Unit	Amount
C/R of Boys Degree College Sukkur	12 th	Steel	2052.869	5001.70	P.Cwt	0.697
		Escalation	6.971	154500	Ton	1.077
Total						1.774

Audit is of the view that execution of steel without execution of R.C.C resulted into excess payment and undue benefit to the contractor.

The matter was reported to the management in August, 2024. The management replied that the expenditure was incurred after observing codal formalities and payment was allowed for the supply of steel and adjusted in the subsequent running account bills.

DAC in its meeting held on 03-01-2025 & 14-01-2025 directed that responsibility may be fixed on the persons at fault.

Audit recommends inquiry and fixing of responsibilities on the person at fault.

(PDP#18, AIR#09)

3.5.43 Unjustified expenditure on earth work- Rs 1.986 million

According to Rule-11 of General Financial Rules, Volume-I, "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers."

During the audit of the Executive Engineer, College Education (Works) Division, Sukkur, for the financial year 2023-24, it was observed that payment worth Rs 1.986 million was made to M/s Muhammad Fahad Dahar for items of filling, watering & ramping earth executed in the following colleges, however the same items of works were already included in the estimates of works awarded to other contractors. The details are as under:

(Rs. in Million)

Cost Center	Cheque#	Date	contractor	Amount	Payment against work	Name of actual contractor
SY5068	5163563	24-06-24	M/s Fahad Dahar	0.499	C/R of Boys Degree College Sukkur	M/s Al Ameer Ent.
SY5068	5163562	24-06-24		0.494	Govt. Degree College Daharki	M/s Intel Construction Co.
SY5068	5163561	24-06-24		0.499	C/R of Boys Degree College Sukkur	M/s Al Ameer Ent.
SY5068	5163564	24-06-24		0.494	Govt. Degree College Daharki	M/s Intel Construction Co.
Total				1.986		

Audit is of the view that genuineness of the expenditure on items cannot be ascertained as the same items of work had already been awarded to the other contractors.

The matter was reported to the management in August, 2024. The management replied that the expenditure was incurred after observing codal formalities and expenditure was incurred on earth work that was required due to rain.

DAC in its meeting held on 03-01-2025 & 14-01-2025 directed the PAO to constitute facts findings committee to inquire into the matter.

Audit recommends implementation of DAC directives.

(PDP#16, AIR #07)

3.5.44 Non-crediting of Call Deposits & Income Tax Receipts – Rs. 86.860 million

According to Para-63 of CPWA Code, “When money is received by Government officers on behalf of the Government it should be at once brought to account. Furthermore, as per Rule-75 and Rule-76 of CPWA code, the officer in charge of call deposit should keep a book in Form-4 in which all remittances

to the treasury should be entered upon and account of call deposit transactions should be maintained in form-I of call deposit as regular arrangement.”

During the audit of the following offices of the School Education and Literacy Department (Education Works), Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 86.860 million was received as bid security and income tax receipts from contractors. However, the management failed to deposit the same in the government treasury as per the rule. Details are as under:

(Rs. in Million)

Sr#	Name of office	Particulars	Financial Year	PDP #	AIR #	Amount
1	Education Works Division-II (Central), Karachi	Bid Security	2022-23	14	11	0.875
2	Education Works Electric Division, Larkana	Bid Security	2022-23		16	2.621
3	Education Works Division, Thatta	Bid Security	2023-24	122	14	39.41
4	Education Works Division, Khairpur	Bid Security	2023-24	253	13	7.095
5	Education Works Division, Khairpur	Bid Security	2023-24	256	15	4.86
6	Education Works Division Thatta	Bid Security	2023-24	131	33	8.64
7	Education Works Division Ghotki	Income Tax	2022-23	21	2	18.085
8	Education Works Division Thatta	Tender fee	2023-24	123	15	0.414
9	Education Works Division Khairpur	Bid Security	2023-24	257	16	4.860
Total						86.860

Audit is of the view that retaining government money instead of depositing it in the government treasury is violation of prescribed rules.

The matter was reported to the management in November, 2024. The management replied that on the request of contractors, the pay orders were returned to the contractor and the amount of bid security are regularly deducted from the contractor’s running account bills & bid security is credited to the relevant government account. (Sr. 1,3,4,5). Income tax & tender fee has been deposited into the government account. (Sr. 7, 8). Neither submitted reply nor attended the meeting (Sr.2 &6).

DAC in its meeting held on 17th December, 2024, showed displeasure and suggested the PAO to issue explanation and further directed to submit reply and get the stance verified from audit for Sr.2 & 06. In remaining cases, DAC directed to get the paras verified within two days.

The management did not furnish the relevant record such as (i) Form-28 (Hand receipt) (ii) Work order (iii) Form-78 (iv) challans to authenticate the contention of the management.

Audit recommends recovery and strengthening of internal control to ensure timely deposit of the outstanding amount in the government exchequer.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2022-23, 2020-24 vide para number 3.5.27, 3.5.25 having financial impact of Rs. 18.022 million. Recurrence of same irregularity is a matter of serious concern.

3.5.45 Un-justified award of works after elections -Rs. 13.807 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of the Executive Engineer, Education Works Division Naushahro Feroze for the financial year 2023-24, it was observed that an amount of Rs. 13.807 million was paid from funds released for the purpose of M&R works in the schools declared as polling stations. However, as per work orders, it was evident that the expenditure was incurred after the elections which is unjustified. Details are given in **Annex-11 of Chapter-3**.

Audit is of the view that the issuance of work orders after the general elections is meaningless as the purpose of budget released was not fulfilled which is tantamount to unjustified expenditure.

The matter was reported to the management in October, 2024. The management replied that minor repair works were conducted in schools

designated as polling stations for the General Election 2024. Bills for the completed work were submitted and paid before the election date. Some bills submitted after the election on February 8, 2024 were processed and paid in accordance with the relevant rules. The reply of the management was not tenable since the work orders were issued after the elections, which negates the contention of the management.

DAC in its meeting held on 17th December, 2024 directed to conduct enquiry in this matter.

Audit recommends implementation of DAC directives besides strengthening of internal controls.

(PDP#181, AIR#3)

Chapter-4. IRRIGATION DEPARTMENT

4.1 Introduction

Irrigation Department was established in 1970 with the dissolution of One-Unit. The major official obligation of the Irrigation Department is operation and maintenance of the irrigation and flood protection system. The overall objectives and functions of the department are summarized as follows:

- a. Regulation of flows of River Indus and canal systems, covering Inter Provincial and Intra Provincial Systems.
- b. Execution of development schemes and mega projects.
- c. Operation, maintenance, development and management of irrigation network, surface drainage system and tube-wells.
- d. Flood control along River Indus and hill torrents.

(Rs. in Million)

Sr. #	Description	Total Nos	Audited	Expenditure audited FY 2023-24
1	Formations	64	50	48,261.480
2	Foreign Aided Projects (FAP)	05	05	32,403.862

4.2 Comments on Budget and Expenditure (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess / (Savings)
60,621.573	60,919.322	59,164.689	57,875.900	(1,288.788)

The department was unable to spend the allocated budget in time. As a result, savings of Rs. 1,288.788 million was observed.

4.3 Classified Summary of Audit Observations

Observations amounting to Rs. 38,981.611 million were raised as a result of this audit. This amount also includes recoveries of Rs. 1,648.452 million as pointed out by the Audit. The issues highlighted includes poor project management which caused delays in completion of development schemes, irregular/excess payments, non-adherence to SPPRA rules, non-recovery of due taxes/duties, poor project planning & oversight, non-crediting of revenue in

treasury, non-utilization of government machinery, unjustified and hasty payments to the contractor, irregular expenditure on hiring of unskilled labor through private firms, sub-standard execution of work, non-recovery of abiana and water charges, no/less deduction of security deposit, lack of monitoring during execution of physical works etc. Summary of the audit observations classified by nature is as under:

(Rs. in Million)

Sr.#	Classification	Amount
1	Non production of record	-
2	Inordinate delay in execution of schemes	1,762.180
3	HR/Employees related irregularities	179.530
4	Procurement related irregularities	18,180.097
5	Non-achievement of targets	1,761.896
6	Core activity, value for money and service delivery issues	5,758.044
7	Recovery	1,648.452
8	Planning & Execution issues	3,188.626
9	Others	6,502.780
Total		38,981.611

4.4 Comments on the Status of Compliance with PAC Directives

The status of Audit Reports requiring compliance of the PAC directives by the department is tabulated as follows:

Sr #	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	79	28	11	17		
2	1998-99	21	20	4	16		
3	1999-2000	43	20	-	20	-	
4	2001-02*	14	12	2	10	16.7	
5	2004-05*	40	22	19	3	79.2	
6	2005-06	22	14	-	14	-	
7	2006-07	14	4	-	4	-	
8	2007-08	17	5	-	5	-	
9	2008-09	27	-	-	-	-	
10	2009-10	19	13	7	6	54	
11	2010-11	32	22	-	22	-	
12	2014-15	-	-	-	-	-	
13	2016-17	-	-	-	-	-	
14	2019-20	3	3	-	-	-	
15	2020-21	-	-	-	-	-	
16	2021-22	-	-	-	-	-	
17	2022-23	-	-	-	-	-	
18	2023-24	-	-	-	-	-	
Total		331	163	43	117		

4.5 Audit Paras

4.5.1 Non-production of record

As per Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001:

- (2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During the audit of the following offices of Irrigation Department, for the financial years 2014-23, auditable record was not furnished despite requisitions as tabulated below:

Sr#	Name of Office	Particulars	Financial Year	PDP #	AIR #
1	Executive Engineer, Stores Division, Hyderabad	Various record i.e. budget release file, cash book, personal files staff, contingent register, security bond of cashier/store keeper, advance register, stock account, leave record of employees, stock account, reconciliation of expenditure, logbooks, IT challans, attendance register and certificate of defalcation.	2021-22 to 2022-23	67	1
2	Director Nara Water Board Mirpurkhas	Registration status of Farmer Organizations with SIDA	2014-15 to 2022-23	247	22
		Revenue of water charges and outstanding dues	2014-15 to 2022-23	250	25
		Bank statement of Abiana account	2014-15 to 2022-23	255	30
		Cheque books' counter folios	2014-15 to 2022-23	263	38

Audit is of the view that the non-production of record is a violation of AGP ordinance and reflected negligence on the part of the management. Due to non-production of specified record, the authenticity of expenditure could not be ascertained.

The matter was reported to the management during February to April, 2024. The management replied that the requisite record is available (Sr.1). The Nara Canal AWB manages 2.6 million acres and uses multiple NBP accounts to collect Abiana payments, transferring funds monthly to the main account. Only two accounts' cheque books with folios were available for audit. Other accounts were for collection and transfer purposes (Sr. 2). The reply of the management was not tenable as the management failed to produce record.

DAC in its meeting held on 4th September, 2024 directed the management to provide record for verification.

Audit recommends the production of record besides, initiating disciplinary proceedings against the person(s) at fault in accordance with provisions stipulated in Section 14 of AGP ordinance.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-2023 & 2023-24 vide para numbers 4.5.1 and 4.1.1 respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.2 Cost and time over-run due to delay in completion of RBOD Project

According to Para-2.62 (xxiv) of the Manual for Development Projects, 2021 “In the case of the 2nd revised PC-I, an inquiry report by the head of sponsoring agency identifying the reason and responsibility for the inability to complete the project after the 1st revision will be attached with the 2nd revised PC-I.”

During the audit of Executive Engineer, RBOD-Division-II, Hyderabad for the financial years 2020-21 to 2022-2023, it was observed that project was launched with approved cost of Rs. 14,000 million in 2001. An expenditure of Rs. 40,000 million (Approx) as so far been incurred. However, due to inordinate delay of almost two decades, the project cost raised to Rs. 61,985 million (with two revision 2006 & 2017). Details are as follows:

(Rs. in Million)

Name of Project	Original PC-I Cost	Revised PC-I Cost	Increase in Cost	Percentage Increases
Right Bank Outfall Drainage from Sehwan to Sea (RBOD-II)	14,000	61,985	47,985	343%

Audit is of the view that due to failure in timely completion of the project, the estimated cost was enhanced 343% and intended benefits could not be achieved which reflected poor project management.

The matter was reported to the management in April, 2024. The management neither replied nor provided the relevant record for verification.

The management informed during the DAC held on 24th to 30th December, 2024 that delay is primarily caused due to NAB enquiries and design issues. In view of the above, DAC directed the management to produce the relevant record to Audit for verification.

Audit recommends efficient project management and effective financial controls besides prompt completion of the project and fixing of responsibility on the person(s) at fault.

(PDP#56, AIR#5)

4.5.3 Wasteful expenditure on ill-planned Development Scheme on irrigation channels without prior removal of encroachment - Rs. 316.240 million

According to Section-3 (1) of the Sindh Public Property (Removal of Encroachment) Act, 2010, "Government or any authority or officer authorized by the government in this behalf may require the person directly or indirectly responsible for encroachment to remove such encroachment together with the structure, if any, raised by him on the public property, within the period not less than two days as may be specified in the order."

During the audit of Executive Engineer, Kotri Barrage Division Jamshoro, for the financial year 2023-24, it was observed that rehabilitation work on Wadhu Wah and Fasadi Wah was initiated at a cost of Rs. 495.120 million without vacating 5 to 20 feet encroachments on both sides of water channels. Further, an expenditure of Rs. 316.240 million has so far been incurred from the allocated budget despite the fact that these water channels have turned into sewerage nallas with the passage of time as there is no alternate sewerage lines for the population of Qasimabad taluka of Hyderabad. Thus, incurring an expenditure without considering the ground realities is sheer wastage of public resources. Details are as under:

(Rs. in Million)

Name of work	Encroached area	Cost of scheme
Rehabilitation of Wadhu Wah RD 0+000 to RD 8+800 and Fasadi Wah RD 9+000 to RD 8+800 with CC lining and repair of brick lining	From RD 9+000 to 18+000 the IP & NIP side of both Wah	495.120

Audit is of the view that initiation of development work without removing the encroachments and other obstacles reflected poor project management and wastage of government resources.

The matter was reported to the management in August, 2024. The management replied that the request for providing assistance in removal of encroachment and provision of necessary force was forwarded to the Deputy Commissioner Hyderabad.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to submit revised reply along with detailed justification to Audit for verification.

The management produced correspondence letters with the DC, Hyderabad. The record revealed that there were 50 encroachments on NIP side of Wadhu Wah and 61 encroachments on IP side of Wah. Whereas detail of encroachments on Fasadi Wah was not produced. The reply of the management was not tenable as status of these encroachments and other obstacles were the same as it was during the period of audit execution. Further, no justification was provided regarding initiation of development work on site despite encroachment.

Audit recommends fixing of responsibility on the person(s) at fault besides strengthening of internal controls to avoid initiation of such schemes in future.

(PDP#420, AIR#01)

4.5.4 Failure to prioritize development schemes to achieve its objectives- Rs. 299.204 million

As per Para-17 of C.P.W.A Code, "The Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the

accounts of the transactions correctly and in accordance with the rules in force.” Further, as per the condition of work orders issued to contractors the contractor should start the work within 07 days after the issuance of work orders.” Further, according to Rule 11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of Executive Engineer, Hala Irrigation Division Hala, Hyderabad for the financial year 2023-24, it was observed that funds were not released during the current financial year for the ADP scheme of 2019-20 Program whereas, expenditure of Rs.299.204 million was already incurred on the scheme in previous years. Hence, ADP scheme was not prioritized on the basis of public importance. Details are as under:

(Rs. in Million)

Name of scheme	FY 2023-24		Overall Expenditure	Physical progress
	Releases	Expenditure		
Lining of Sarhari, Barandi, Maidasi, Shahdadpur Minors and Odhiano, Lundo Distry	-	-	299.204	63%

Audit is of the view that due to non-release of funds, schemes of public importance were compromised which reflected weak project management.

The matter was reported to the management in September, 2024. The management replied that the scheme consists of seven channels, out of which five channels has already been completed, whereas work of remaining two channels is partially completed because of non-release of funds.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide MEC, Completion and Progress reports of five completed channels and pursue remaining two channels for timely completion. No reports were produced to audit till finalization of the audit report.

Audit recommends completion of the public importance schemes on priority basis to enhance its outcomes by allocation of required financial resources.

(PDP#491, AIR#1)

4.5.5 Doubtful execution of emergent work - Rs. 429.484 million

As per Rule-88 of Sindh Financial Rules, Volume-I states that, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of Executive Engineer, Upper Pinyari Division, Tando Mohammad Khan @ Hyderabad for the financial year 2023-24, it was observed that works of Rs. 429.484 million were awarded on emergency basis to restore damages and stone pitching along Hajipur Bund without competitive bidding. Following irregularities were noticed;

- i. The work was awarded on 27.01.2023 for 04 months till 28.05.2023 whereas, the same was continued upto 30.06.2024 which indicates that there was as such no emergency.
- ii. Emergency was declared by the PAO on 26.01.2023 and on the same day bid was called on short notice and opened on 27.01.2023 within 24 hours.
- iii. Work was awarded without obtaining call deposit.
- iv. Work was awarded on the basis of single bid/ quotation without its comparison to market rates.
- v. Variation in premium was abnormal. The quoted bid was 140.58% above the engineer’s estimate whereas, payment was made upto 135.78% against claim of upto 129.98% as per R.A bill.

Audit is of the view that works were awarded to the specified contractor at higher rates on the grounds of self-created emergency which reflected undue favor to the contractors and weak financial management.

The matter was reported to the management in October, 2024. The management replied that emergency procedure was adopted under SPPRA Rule 16 (b) (viii) and work was awarded on short notice of 24 hours. The extension was granted by the competent authority as per admissibility. Further, call deposit 2% was not obtained whereas, 10% security deposit was recovered from R.A bills. The premium 140.59% above was approved by the competent authority.

DAC in its meetings held on 24th to 30th December, 2024 was not satisfied with the reply of the management and directed to furnish proof of existence of the emergency and justify reasons for giving higher premium with documentary evidence.

The management submitted record for verification. The reply of the management was not tenable as work was awarded without obtaining call deposit @ 2% and undue favor was extended to the contractor by deducting same from R.A bills. Further, premium upto 140.59% was allowed beyond permissible limit. Further, existence of emergency was also not supported with documentary evidence.

Audit requires an enquiry in the matter and fixing of responsibility on the person(s) at fault.

(PDP#501, AIR#01)

4.5.6 Sub-standard execution of work – Rs. 60.241 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of the Secretary, Irrigation Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that payment of Rs. 60.241 million was made to the contractor despite execution of sub-standard work of stone pitching on S.M Bund. The Chief Engineer Left Bank Circle, Sukkur vide letter No. CDO/G-20/2023/2618 dated 19-06-2023 reported major deficiencies such as non-maintenance of proper slope of bund, poor quality of stone boulders, improper toe wall of the bund etc. Details are as under:

(Rs. in Million)				
Item	Quantity	Unit	Rate	Amount
Stone pitching including sub base with hammer dressed stone on surface laid-in course including.	408,488.5	% Cft	5,377.63	21.967
Premium			134.10%	29.457
Difference cost of material				8.816
			Total	60.241

Audit is of the view that execution of sub-standard work reflected ineffective monitoring.

The matter was reported to the management in July, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that irregularities and deficiencies related to the subject work have been removed.

DAC in its meetings held on 24th to 30th December 2024 directed the management to get the stated position verified from Audit.

The management produced letter No. 3125 dated 20-07-2023 which revealed that inspection of site after rectification was conducted by Assistant Engineer and Executive Engineer. The reply of the management was not tenable as no evidence was produced whether the sub-standard stone boulders were replaced with new stone boulder from well reputed quarry or otherwise.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#384, AIR#02)

4.5.7 Abnormal delay in the execution of schemes - Rs. 1,762.180 million

According to Para-17 of C.P.W.A Code, “The Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.” Further, as per the condition of work orders issued to contractors, “The contractor should start the work within 07 days after the issuance of work order.”

During audit of the following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, it was observed that various important schemes worth Rs. 1,762.180 million were not completed despite lapse of 2 to 7 years. Details are given at **Annex-1 of Chapter-4**.

Audit is of the view that the non-completion of the schemes within stipulated time reflected negligence on the part of the management which resulted into cost overrun.

The matter was reported to the management during February to November, 2024. The management replied that delay in completion of schemes

was due to enhancement in the scope of work and insufficient release of funds. The reply of the management was not tenable as no cogent reasons was provided for delaying the old schemes and failed to provide details of financial releases on these schemes.

DAC in its meetings held on 16th August, 24th to 30th December 2024, directed to get the record verified from audit and Chief Engineer concerned to conduct inquiry in the matter and share report with PAO and Audit. for office at Sr. 5. The enquiry report from the chief engineer is awaited till the finalization of the audit report.

Audit requires completion of schemes on priority basis besides taking legal action against the contractors and the concerned officers/officials.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.75 having financial impact of Rs. 898.090 million. Recurrence of same irregularity is a matter of serious concern.

4.5.8 Neglecting high-risk streams for constructing dams to mitigate floods

According to PC-I of the project, in monsoon 2022, “Sindh witnessed extreme rainfall and torrential rains on the Kirthar hills resulting in massive flooding in the province. This inundated Kashmore, Qambar Shahdadt, Larkana, Dadu, Sehwan, Khairpur Nathan Shah, Sanghar, Khairpur Mirs and Badin. Further, as per the PDMA website, www.pdma.gov.pk,” The floods/rain category of district Malir and Jamshoro were as follows:

Sr. No.	Name of district	Nature of hazard	Category	Severity
01	Malir	Floods /Rain	Monsoon	Medium
02	Jamshoro	Heavy Rainfall	Monsoon	Low
		Riverine Floods	Monsoon	Medium

During the Financial Attest Audit of Irrigation Component of SFERP for the financial year 2023-2024, it was observed that only emergency repair and rehabilitation work on damaged infrastructure was carried out in most effected districts including Sukkur, Larkana, Khairpur, Hyderabad, Mirpurkhas, Sanghar, Shaheed Benazirabad and Jamshoro. However, new flood detention dams were not proposed in PC-I in highly affected districts of Sindh.

Further, seven districts of Karachi Division and Jamshoro were categorized in medium/low stage by the PDMA on the basis of year-wise floods and rain occurrence. Out of 30 districts of Sindh, 11 districts (Details are at **Annex-2 of Chapter-4**) were placed in high monsoon category. Whereas, all the flood detention dams were constructed in Malir District valuing Rs. 9,786.633 million. Detail of constructed dam sites are as follows:

[Rs. in Million]			
Sr. No.	Name of dams	Work executed on flood detention dams in Malir district	PC-I cost
01	DD/W-L01	Lat River	807.571
02	DD/W-L02	Lat River	861.469
03	DD/W-L03	Lat River	751.243
04	DD/W-L04	Lat River	990.951
05	DD/W-M2	Mol River	1,011.490
06	DD/W-M3	Mol Tributary	924.103
07	DD/W-M4	Mol Tributary	834.510
08	DD/W-M5	Mol Tributary	948.917
09	DD/W-M6	Mol Tributary	982.567
10	DD/W-M7	Mol Tributary	780.628
11	DD/W-M8	Mol Tributary	893.184
Total			9,786.633

Audit is of the view that failure in prioritizing construction of dams in high-risk streams as per the actual damages resulted in extra burden on the public exchequer in terms of interest-bearing loan.

The matter was reported to the management in August, 2024. The management replied that works on flood detention dams/weirs were proposed on high flood streams of Lat Nai (Malir) and Mole Nai (Jamshoro) near Karachi to avoid urban flooding affecting M-9 motorway before disposal of the same in Arabian sea through Malir river. The works on the same were executed after approval in the PC-I from the competent forum. The reply of the management was not tenable as majority of the damages in Monsoon, 2022 as per the PC-I, were witnessed as a result of extreme rainfall and torrential rains on the Kirthar Hills resulting in the massive flooding in the province. This inundated Kashmore, Qambar Shahdadkot, Larkana, Dadu, Sehwan, Khairpur Nathan Shah, Sanghar, Khairpur Mirs, Badin. However, no dam was proposed in the PC-I in these affected areas out of 20 approved dams. Over 12 million people were affected, 759 died, 1.815 million houses were damaged, 3.77 million acres crop area was damaged and over 8,389 Km of connecting roads, bridges and

other infrastructure was damaged which were more than the perceived damages from urban flooding occurred through Malir river.

DAC was held on 24th to 30th December, 2024 however the matter could not be discussed due to non-availability of the Project Director.

Audit recommends construction of dams/structure in highly flood affected areas for non-recurrence of massive flood damages.

[Para No.01]

4.5.9 Excess payment on account of extra lead – Rs. 85.104 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Executive Engineer, Guddu Barrage Division, Kashmore for the financial year 2023-24, it was observed that three extra leads were allowed for re-handling earth, whereas the average width of canal was 190 Rft and distance of two banks from centre of the canal was under 100 Rft for which the excavator can operate. One lead was included in the item “Earthwork excavation/ silt clearance with undressed lead up to 50 Rft’ and one extra lead 50 Rft was required. However, two extra leads were allowed with a financial impact of Rs. 85.104 million. Details are as under:

(Rs. in Million)

Top Width (ft)	Bed width (ft)	Average	Rate	Qty	Amount
211	169	190	-	-	-
02 sides		95	-	-	-
E/work or silt clearance with lead up to 50 ft		01	-	-	-
extra lead allowed		3	3,746.00	34,077,781	127.655
extra lead required		1	1,248.67	34,077,781	42.551
Excess leads		2	2,497.33	34,077,781	85.103

Audit is of the view that excess payment reflected poor financial management of the development scheme.

The matter was reported to management in November, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that total width of canal from top of inner slopes on both sides is 190 Rft. Therefore, 3 leads were incorporated in estimate for re-handling of excavated earth.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced estimate and design which revealed that two inadmissible extra leads at Rs. 2,497.33 % 0 Cft were allowed against the earth work quantity of 34,077,781 Cft.

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides strengthening the internal controls to avoid recurrence of such lapses in future.

(PDP#722, AIR#02)

4.5.10 Irregular payment of secured advance on perishable items - Rs. 92.969 million

According to Guidelines/ Regulations for Procurement of Works Rule 39(2) (a), "Secured Advance on the written request of the contractor whose contract is for finished is allowed to a contractor on the basis of non-perishable/non-combustible materials brought and properly stocked/stored to site of work. Secured advance as a good practice is avoided/discouraged. Stone aggregate, steel, bricks, blocks and other materials which do not suffer destruction, lose life or subject to speedy decays are termed non-perishable."

During the audit of Executive Engineer, Barrage Division, Sukkur for the financial year 2023-24, it was observed that advance payment of Rs. 92.969 million was made against the items of cement, hill-sand and crush on full rates. Further, non-utilization of cement upto one year caused wastage of the material as cement has shelf-life of only three months. Details are at **Annex-3 of Chapter-4**.

Audit is of the view that allowing irregular advance payment reflected weak financial management.

The matter was reported to the management in August, 2024. The management replied that secured advance was allowed against the item of cement bags due to unavoidable conditions, whereas proper storage of the same was maintained for utility of the supplied cement bags by the contractor.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to submit revised reply for verification.

The management submitted reply without evidence. The reply was not tenable since secured advance was allowed against perishable items (cement, hill sand and aggregate) beyond admissibility. Further, cement bags generally have a shelf life of 3 months from the date of manufacturing if stored under normal conditions (cool, dry and well-ventilated).

Audit recommends enquiry in the matter and fixing of responsibility on the person(s) at fault besides strengthening internal controls to avoid such lapses in future.

(PDP#430, AIR#02)

4.5.11 Excess award of work beyond Administrative Approval - Rs. 2,009.580 million

As per Delegation of Financial Powers Part-II, Second Schedule, Irrigation Department, Technical Sanction, “The Chief Engineer is having full powers subject to the condition that the excess over the amount for which administrative approval has been accorded does not exceed 15 per cent. In case of excess over 15 percent, fresh administrative approval will be required”.

During audit of the following offices of Irrigation Department, for the financial year 2023-24, it was observed that works were awarded to the contractors in excess of Rs. 2,009.580 million over and above Administrative Approval cost which is above the 15% permissible limit. Details are as under:

(Rs. in Million)

Sr. No.	Name of office	PDP #	Name of scheme/ Contractor	AA amount	Bid Cost	Incr. %	Amount above AA
1	XEN, Phulleli Canal Division, Badin at Hyderabad	581	C.C Lining of Sultani Branch from RD 0+000 to 158+600. M/S Al Ramzan Constt: Co.	2,342.50	3,135.48	34	792.98
2	XEN Guni Canal Division, S.F Rahu, Badin	608	CC lining of Dadharko Distry RD 0 to 36. M/S Jamali & Brothers	213.067	280.772	32	67.71
			CC lining of Raj Wah RD 0 to 55. M/S Abdul Hakeem Chachar & Sons	325.674	427.42	31	101.75
			CC lining of Sher Wah RD 0 to 70.5. M/S Universal Aorma Construction	547.121	752.518	38	205.40
3	XEN Sakro Division Mirpur Sakro	874	CC lining Odero Lal Branch	3,931.98	4,773.72	21.41	841.74
Total				7,360.342	9,369.91		2009.58

Audit is of the view that expenditure over and above the permissible limit is violation of the rules which reflected negligent project management.

The matter was reported to the management during August to December, 2024. The management at Sr.1&3 replied that approval of the competent authority was obtained beyond permissible limit of 15%. The management at Sr. 2 replied that work order was issued within the permissible limit of 15% above from Administrative Approval.

DAC in its meetings held on 16th August, 24th to 30th December 2024 directed the Managing Director, SIDA/ Chief Engineer to enquire into the matter and submit report to PAO and Audit (Sr.1 & 3). DAC also directed the management to produce relevant record for verification to Audit (Sr. 2).

The management produced record however, same was not found satisfactory as works were awarded over and above the prescribed limit.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides strict adherence to government regulations to avoid such lapses in future.

4.5.12 Irregular execution of work beyond 15% of the original contract amount - Rs. 2,720.591 million

As per Rule-16 (1) (e) of SPPRA Rules, 2010, “Repeat Orders means, procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.”

During the audit of following offices of Irrigation Department Government of Sindh, for the financial years 2022-23 and 2023-24, it was observed that different works were awarded at a cost of Rs. 2,568.196 million. Later, the cost and scope of the works were enhanced to Rs. 5,289.088 million beyond the permissible limit of 15% of the original works of Rs. 2,720.591 million without calling fresh tenders. Details are as under:

(Rs. in Million)

Sr#	Name of Office	Financial Year	PDP #	Awarded Cost	Exp.	Excess Exp.	% age
1	XEN Hala Irrigation Division Hala at Hyderabad	2022-23	3	17.003	106.668	89.665	527%
2	XEN, Drainage Division, Thatta	2022-23		287.215	432.564	145.349	51%
3	XEN, Drainage Division, Badin	2022-23		15.098	19.045	3.947	26%
4	XEN, Drainage Division, Badin	2022-23	136	99.654	192.523	92.568	93%
5	XEN, Rice Canal, Division, Larkana	2022-23	378	39.703	125.711	86.008	216%
6	XEN, Drainage Division, Mirpurkhas	2023-24	475	1,042.828	1,625.712	582.884	56%
7	XEN, Naseer division, Hyderabad	2023-24	512	238.22	483.277	245.057	100%
8	XEN, Rohri Canal Division Kandiaro @ Naushahro Feroze	2023-24	564	772.447	2,158.989	1,386.542	179%
9	XEN, Irrigation East Division, Khairpur	2023-24	832	56.028	144.599	88.571	158
Total				2,568.196	5,289.088	2,720.591	

Audit is of the view that execution of works beyond prescribed limit of 15% and without calling fresh tender is irregular and violation of SPPRA rules.

The matter was reported to the management during March to December, 2024. The management replied that works were awarded on rate contract basis as per admissibility (Sr.1,2&3). The original work pertains to M&R and executed on emergency basis after approval of the estimate from the competent authority (Sr. 4). The excess executed items were adjusted in the revised estimates (Sr. 5,6,7&8). The works were awarded on tender cost instead of estimate. Work was initiated under umbrella PC-I with cost of Rs. 275.464 million. Subsequently, on scheme was revised with cost of Rs. 767.044 million (Sr. 09).

DAC in its meetings held on 16th and 22nd August, 24th to 30th December, 2024 directed that PAO may enquire into the matter, examine and scrutinize each case and fix responsibility on the person(s) at fault (Sr.1,2,3&4). The management to get the stated position verified from Audit (Sr.5,6,7,8&9).

The management produced record however, same was not satisfactory as work was executed beyond 15% of the original contract without re-tendering and justification (Sr.6,7,8&9). Failed to produce record for verification (Sr.5).

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides strengthening internal controls of the organization.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 4.5.36 having financial impact of Rs. 2455.169 million and 2023-24 vide para number 4.5.13 having financial impact of Rs. 1,633.09 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.13 Doubtful tendering process – Rs. 3,542.799 million

According to the Notice of Inviting Tender issued vide letter No: TC/G-55/NIT/1270 of 2021 dated 20-12-2021 invited for execution of work “Rehabilitation of South Sakro Branch Drain / Ochitto Outfall Drain / 1-L Ghorabari Drain and Jam Sakro Outfall Drain System & Construction of new Drains in Thatta District” the procurement was to be conducted using the single stage two envelopes method with 13 mandatory eligibility criteria/conditions.”

Further, according to the NIT No TC/G-55/300 dated 08.02.2023 for work namely “Constructing of retaining wall along Chota Begari RD-17 to 23” the procurement was to be made through single stage two envelopes method, with 09 mandatory eligibility criteria/conditions.

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that tenders of Rs. 3,542.799 million were invited by way of splitting into sub-components. Further, bidders were declared qualified without proper evaluation and allocation of marks against the predetermined mandatory eligibility criteria/conditions set for the technical proposals. Details are as under:

(Rs. in Million)

Sr#	Name of Office	Financial Year	PDP #	AIR #	Particulars	Amount
1	XEN Drainage Division, Thatta,	2022-23	41	2	Bidders were declared qualified without proper evaluation and allocation of marks against the predetermined mandatory eligibility criteria/conditions	1,389.867
2	XEN, Begari Bund Division Sukkur	2022-23	333	08		181.614
3	XEN Drainage Division, Shikarpur	2023-24	820	3	Awarded works without technical evaluation	461.856
4	XEN Rohri Canal Division Kandiaro	2023-24	562	03	Single stage two envelope procedure basis without adoption of technical evaluation criteria	1,509.462
Total						3,542.799

Audit is of the view that works were awarded without adoption of technical evaluation criteria which is tantamount to mis-procurement.

The matter was reported to the management during May to November, 2024. The management replied that all the requirements of eligibility criteria were evaluated by the procurement committee.

The replies of the management were not tenable as bidders were qualified without evaluation and eligibility conditions of the technical proposal (Sr. 1).

Works were executed without complying with mandatory criteria of NIT(Sr. 2). Requisite record including NIT, BER, technical evaluation, A.A, work order, acceptance letter and agreement was not produced (Sr.3). Bidder's eligibility/qualification report were not produced (Sr. 4).

DAC in its meetings held on 16th August, 13th September & 24th to 30th December, 2024 directed the management to provide proper technical evaluation for verification (Sr.1,2,4), and Chief Engineer concerned to conduct inquiry into the matter and share report with PAO and Audit (Sr.3).

The management did not produce documentary evidence in support of their contention.

Audit recommends compliance with DAC directives besides strengthening internal controls of the contract management.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2022-2023 vide para number 4.5.6 having financial impact of Rs. 218.990 million. Recurrence of same irregularity is a matter of serious concern.

4.5.14 Unauthorized reduction in quantities to avoid re-tendering impacting quality of works – Rs. 571.897 million

According to SPPRA Works Guidelines 11.3.3 “In case tenders are invited on the items of composite schedule of rates, where contractor has to quote the premium on schedule B, then its premium shall not exceed Engineer's estimate by 20%. If the premium quoted by the bidder is not within allowable limit of 20% then approval may be obtained from the Finance Department or the tender be floated afresh.”

During the audit of Executive Engineer, Kotri Barrage Division, Jamshoro, for the financial year 2023-24, it was observed that work of Rs. 571.897 million was awarded to the contractor, however, quantities of various items were reduced than provided in NIT in order to avoid exceeding premium limit of 20% and re-tendering whereas, the same were not admissible without prior issuance of corrigendum. Details are as under:

(Rs. in Million)

Name of work: Painting of Main Barrage Gates and structure of Kotri Barrage Head works Jamshoro									
Contractor: M/S THADANI ENTERPRISE									
WO. No. & Date: TC/G-55/915 dt: 14-May-23									
Sr. No	Chq# Date	Particulars	BOQ Qty in NIT	Signed BOQ Qty	Qty Red.	Unit	Exe. Qty	Rate	Amount Red.
Main Barrage Gates									
1	5158237/ 26.02.24	Sand blasting (SSI-Sa 2 ½) standard.	19,447	15,448	3,999	Sq. Meter	2,091	6300	25.199
2		Application inter seal primer paint coating 100 microns.	19,447	15,448	3,999		2,091	3800	15.199
3		Application of inter zone epoxy paint coating 200 microns.	19,447	15,448	3,999		2,091	4600	18.399
4		Application of inter zone epoxy paint finished coating 200 microns.	19,447	15,448	3,999		2,091	4600	18.399
Total									77.199

Audit is of the view that undue favor was extended to the contractor by reduction in the quantities without prior issuance of corrigendum which is mandatory under SPPRA rules.

The matter was reported to the management in August, 2024. The management replied that tenders were invited according to the SPPRA rules by competent authority and the rates of bidder were within the limit of 20% of the engineer's estimate.

DAC in its meetings held on 24th to 30th December, 2024 directed the Chief Engineer concerned to conduct inquiry into matter and share report with PAO and Audit.

Audit recommends compliance DAC directives besides strengthening the internal controls to avoid such lapses in future.

(PDP#421, AIR#02)

4.5.15 Execution of earthwork / silt clearance through private contractors – Rs. 651.868 million

As per Finance Department Circular No. B-IV -8/131/85 dated 9th April 1987, read with Circular # FD/ID-EX/10/87/698 dated 27-04-1998, “Earthwork is to be carried out through Mechanical Divisions.”

During the audit of various offices of Irrigation Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that execution of earthwork and silt clearance of Rs. 651.868 million was carried out through private contractors instead of Mechanical Divisions of irrigation department. Further, NOC from the Mechanical Division was also not obtained prior to the engagement of private contractors. Details are given in **Annex-4 of Chapter-4.**

Audit is of the view that the execution of works through private contractors instead of available government machinery resulted in extending an undue benefit to the contractors.

The matter was reported to the management during February to November, 2024. The management replied that work was executed in flood emergency and no work of silt clearance was executed for which NOC was required (Sr. 2). De-silting work was carried out after approval of technical sanction, approval of rates from the competent authority. Further, NOC from the Mechanical Division was also obtained before commencement work (Sr.1,3to7, 19 to 22). . Works were of minor nature and inspection path of drain was from 6 Rft to 8 Rft. Hence, machines of Mechanical Division cannot move on inspection path. Further, NIT was obtained and works were executed on rate contract basis (Sr.14). NOC from office of Mechanical Division Guddu Barrage, Sukkur was obtained prior to the execution of desilting work (Sr.15). The estimate for earthwork excavation through wheel type hydraulic excavator with lead upto 3 miles was calculated in % 0 Cft and later on converted in hours and same was approved from the competent authority (Sr.17). No record was produced in support of reply by the offices (Sr. 8 to 13 &16).

DAC in its meetings held on 16th, 22nd August, 4th, 12th, 13th September, 24th to 30th December, 2024 directed that department to devise a policy/procedure to streamline the utilization of government machinery and minimal reliance on

private machinery for routine M&R works of the Irrigation department. Further, DAC directed that management to get the stated position verified from Audit.

The replies/record of the management was not tenable/relevant as all offices failed to justify execution of works through private contractors.

Audit recommends compliance with DAC directives besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 4.5.12 having financial impact of Rs. 535.955 million and 2023-24 vide para number 4.5.14 having financial impact of Rs. 273.163 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.16 Irregular payment of liability - Rs. 343.199 million

According to Para-6 (k) of the Finance Department, letter No. FD(B&E-1/4)-I/51/2009 dated 01-07-2009 “Liabilities of previous years may not be allowed to be cleared unless concurrence is given by the Finance Department.”

During the audit of following offices of Irrigation Department Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that payment of Rs. 343.199 million was made against liabilities from the current year’s budget without approval of the Finance Department. Details are as under:

(Rs. in Million)

S#	Name of Office	Financial Years	PDP #	AIR #	Particulars	Amount
1	XEN, Barrage Division, Sukkur	2022-23	7	2	Payment of liabilities from current year’s budget	3.250
2	XEN, Begari Bund Division Sukkur	2022-23	352	27	Payment of liabilities from current year’s budget on account of M&R works	96.376
3	XEN, Rice Canal Division, Larkana	2022-23	380	13	Payment of liabilities from current year’s budget on account of M&R works	5.922
4	PD, (P.M.U) Flood Emergency Reconstruction Project, Hyderabad	2022-23 & 2023-24	532	10	Payment of liabilities from current year’s budget	237.651
Total						343.199

Audit is of the view that the payment of previous years' liabilities from the current year's budget is a violation of rules which reflected poor financial management.

The matter was reported to the management during February to November, 2024. The management replied that Sukkur Barrage undergoes annual maintenance in January, during which all components were inspected. Payment for 2023 closure works was made from the first quarter of the 2022-23 M&R funds, as no funds were released for the previous year (Sr.1). Funds of M&R were released to clear the liabilities of previous year (Sr.2). Works were of important nature to be carried out completed as per specification, the contractors approached for making payment which was made subject to availability of funds (Sr.3). Payment of outstanding claims was made against the ADP Scheme namely "Sindh Flood Emergency Reconstruction Project for Bunds & Canals (Flood 2010-11) ADB Loan Scheme (Sr.4).

DAC in its meetings held on 16th August, 13th September, 24th to 30th December, 2024 directed that approval from the Finance Department was mandatory. PAO may examine the matter personally & share report with Audit.

Audit recommends implementation of DAC directives besides strengthening its financial management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 4.5.47 having financial impact of Rs. 6.194 million and 2023-24 vide para number 4.5.21 having financial impact of Rs. 704.172 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.17 Doubtful execution of work – Rs. 22.002 million

As per 11.1.3 (i) of SPPRA, Procurement Regulation (Works), "PC-I of the scheme/work is required to be revised when the original scope is modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate."

During the audit of Executive Engineer, Northern Dadu Division Larkana for the financial year 2022-23, it was observed that construction work of office block for AXEN Dokri of Rs. 22.002 million was completed. However,

items of brick work in foundation and ground floor were executed 35% to 48% below the estimates. This reflected that either estimate was overstated or actual work was not executed and payments were made in advance. Details are as under:

W/O#1578 Dt 15.11.21 RA#06, Cheque #4729700 dated 03.02.23					
Item of work	Rate	Estimated qty	Execute qty	Excess/ Less	%
Borrow pit Excavation	2.1175	424900	424475	-425	(0)
Carriage	5.7941	424900	424475	-425	(0)
E/W Compaction	0.354	424900	424475	-425	(0)
RCC	337	6105.5	5739.2	-366.3	(6)
Steel	4820.2	318	307.44	-10.56	(3)
Pacca Brick work in foundation	125.01	9648	4989	-4659	(48)
Pacca Brick work in G/floor	132.27	8772.5	5692	-3080.5	(35)
Cement plaster 1:6	22.066	29862	29862	0	-
Cement plaster 1:4	30.158	29862	29862	0	-
S/F Aluminum Chanel for windows/ventilators	1592.7	642	504	-138	(21)
Deodor wood wrought for doors /windows	1131.1	512	490	-22	(4)
Lyng floor with glazed tile	276.79	529	529	0	-
Glazed tiles 6*6	305.1	720	646.25	-73.75	(10)
while marble	567.48	1545	1545	0	-
Difference cost					
Steel	112000	9.7	15.372	5.672	58
Bricks	3	248688	108445	-140243	(56)
Cement	325	2663	2275	-388	(15)
Wood	5500	512	490	-22	(4)

Audit is of the view that 56% less execution of brick work creates doubt on execution of allied items and reflected weak monitoring oversight.

The matter was reported to the management during April, 2024. The management neither replied nor provided the relevant record.

DAC in its meetings held on 24th December, 2024 directed the management to produce reply along with detail/ record to Audit. However, no record/justification was provided till finalization of this report.

Audit recommends implementation of DAC directives besides ensuring effective monitoring of physical execution of work before making payments to the contractors.

(PDP#119, AIR #02)

4.5.18 Wastage of resources on non-functional Division – Rs. 55.705 million

As per Finance Department Circular No. B-IV -8/131/85 dated 9th April 1987, read with circular No.FD/ID-EX/10/87/698 dated 27-04-1998, “Earthwork is to be carried out through Mechanical Divisions.”

During the audit of Executive Engineer, Stores Division, Hyderabad for the financial years 2021-22 and 2022-23, it was observed that expenditure of Rs. 55.705 million was incurred on pay & allowances and operating expenses, but no work was assigned to the Division during the financial year. Further, neither steps were taken to rehabilitate the non-functional machinery nor HR was utilized in other Divisions. Details are as under:

(Rs. in Million)

Description	Budget	Expenditure
Salary	63.422	54.765
Operational expenses	2.874	0.940
Development Expenditure	-	-
Total	66.296	55.705

Audit is of the view that expenditure without any work performed is sheer wastage of public money.

The matter was reported to the management in April, 2024. The management replied that no de-silting work was allotted to the Mechanical Division by civil Divisions.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide revised reply along with machinery details, NOCs and work orders for verification.

The management produced minutes of the meeting chaired by the Secretary held on 08.01.2024 to get desilting work done by this office; however, no work was allotted by concerned Civil Divisions.

Audit recommends fixing of responsibility on the concerned Civil Divisions which preferred de-silting work through private firms instead of the Mechanical Division against the decision of the PAO.

(PDP#68, AIR #02)

4.5.19 Non-functional tubewells leading to reduced water availability and lapse in achieving objectives of desalination of land

According to Para-23 of General Financial Rules Volume I, “Every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that out of 1,310 tube wells, 692 tube wells were non-functional despite expenditure of Rs. 463.816 million through M&R on these tube wells. Details are as under:

(Rs. in Million)									
Sr #	Name of office	FY	PDP #	AIR #	Func.	Non-Func.	Total	Func. %	Exp.
01	XEN Tube wells, Division, Khairpur	2023-24	705	2	56	178	234	23.93	92.265
02	XEN Tube wells, Division-I Hala	2023-24	579	10	283	197	480	58.95	91.337
03	XEN Tube well Division, Naushehro Feroze	2022-24	742	3	279	317	596	46.81	280.214
Total					618	692	1310	52.824	463.816

Audit is of the view that non-functional tubewells compromised the primary objective of desalination, leading to reduced crop yields, decreased agricultural productivity and increased soil salinity.

The matter was reported to the management during May to November, 2024. The management replied that being the oldest tube well system, the repair and maintenance require heavy funding. Therefore, funds allocated were not sufficient to meet requirements of all the tube wells (Sr. 1), There are 480 tube

wells within the jurisdiction of the division and their maintenance is a recurring activity. The report of a June cannot determine the progress of the division as same was prepared to keep vigilant watch over the functionality of tube wells (Sr. 2), Office is making efforts to make tube wells functional. The progress of functional tube wells was increased (Sr. 3).

DAC in its meetings held on 24th to 30th December, 2024 directed the management that detailed report be furnished to Audit on M&R expenditure incurred on tube wells along with history sheets to ascertain factual position of their non-functionality. The progress on cases of theft/missing of transformers may also be furnished to Audit for verification.

Management produced status of tubewells which indicated no change. However, detailed report of the management is awaited (Sr. 1), Management produced weekly operation report, the reply was not tenable as proper justification was not produced regarding non-functionality of tube wells and expenditure incurred through M&R on these tube wells (Sr. 2), Management produced record for verification but the reply was not tenable as out of 596 tube wells, 155 are non-functional (26%) whereas, 7 tube wells were non-functional due to minor defects (Sr. 3).

Audit recommends placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors besides fixing of responsibility on the person(s) at fault.

4.5.20 Unjustified payment against cumulative measurements – Rs. 1,177.996 million

As per Para-527 of Public Works Departmental Manual, Volume-I, “No work shall begin unless proper detailed design and estimate have been sanctioned; allotment of funds made and order for its commencement issued by the competent authority.”

During the audit of Executive Engineer Drainage, Division Thatta for the financial year 2023-24, it was observed that expenditure of Rs. 1,177.996 million was incurred through cumulative measurements instead of considering site-wise detailed measurement. Details are as under:

(Rs. in Million)

Name of Scheme	Package -1	Package -2	Package -3
Construction of New Drains and their structure	Salar Enterprise	Safdar Ali Jatoi	M/s Zawar & A.S
No. of Estimates	41	28	31
No. of Sites	212	129	64
Amount	453.871	378.583	345.542
		Total Amount	1,177.996

Audit is of the view that payments without site-wise detailed measurements raise concerns about the accuracy, transparency, and accountability of payment processes which reflected weak financial management.

The matter was reported to the management in August, 2024. The management replied that total number of estimates are Packages 1, 2 & 3 are 28, 32, and 52. After execution of works, measurement was recorded for each work separately. The reply of the management was not tenable as contention of the audit was not addressed and copies of MBs were not produced.

DAC in its meetings held on 24th to 30th December, 2024 directed the Chief Engineer concerned to conduct inquiry in to the matter and share report with PAO and Audit. However, the same is still awaited from the chief engineer.

Audit recommends discontinuation of such practices immediately besides fixing responsibility on the person(s) at fault.

(PDP#484, AIR#06)

4.5.21 Irregular payment on account of borrow pit earth – Rs. 68.090 million

As per Rule-88 of Sindh Financial Rules, Volume-I states that, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of the following offices of Irrigation Department, for the financial years 2022-23 & 2023-24, it was observed that:

- i. Quantity of borrow pit was executed which included charges for compaction in 6” layers along-with leveling, dressing and watering amounting Rs. 8.063 million (Sr. 1).
- ii. Borrow pit excavation executed quantity was 9,989,616 Cft whereas, quantity of earthwork compaction executed was 8,754,422 Cft, resulting in an excess payment of Rs.3.705 million (Sr. 2).
- iii. Similarly, borrow pit quantity of 18,924,860 Cft was paid against carriage and extra lead of 18,101,551 Cft, leading to excess of 823,309 Cft (Sr. 3).

Details are as follows:

(Rs. in Million)

Sr#	Name of Office	Financial Year	PDP #	AIR #	Particulars	Amount
1	Executive Engineer, Mirpur Division (SIDA) at Mirpur Mathelo	2022-23	44	1	Irregular payment on borrow pit earth	8.063
2	Executive Engineer, Guni Canal Division, S.F Rahu, Badin	2023-24	602	2		3.705
3	Executive Engineer, Southern Division, Dadu	2023-24	646	3		56.322
Total						68.090

Audit is of the view that an undue benefit was extended to the contractors on account of dressing and levelling charges against the quantity of borrow pit earth which was already included in the item rate of compaction.

The matter was reported to the management during February to November, 2024. The management replied that the items of borrow pit excavation is a separate item in CSR, 2012 whereas, earthwork compaction is another item with separate rate.

DAC in its meetings held on 16th August 24th to 30th December, 2024 directed to get the stated position verified from Audit.

The replies/evidence of the management was not tenable since offices at Sr.2&3 paid excess quantities beyond admissibility. Office at Sr.1 failed to produce documentary evidence.

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides strengthening of internal controls to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.51 having financial impact of Rs. 1.993 million. Recurrence of same irregularity is a matter of serious concern.

4.5.22 Non-recovery of Abiana – Rs. 591.192 million

According to Para-28 of GFR Volume-I, “No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable, the orders of competent authority for their adjustment must be sought.”

During the audit of following offices of Irrigation Department for the financial years 2013-23, it was observed that the management failed to recover Abiana of Rs. 591.192 million from the farmers since 2008-09 to-date. Details are as under:

(Rs.in Million)

Sr.#	Name of Office	FY	PDP#	AIR#	Amount
01	Director Area Water Board, Left Bank circle Badin @ Hyderabad	2013-23	199	2	255.294
02	Director Nara Water Board Mirpurkhas	2014-23	245, 246, 248,227, 229 & 230	21,23 2, 4&5	335.898
Total					591.192

Audit is of the view that non-recovery of government dues resulted loss to the public exchequer.

The matter was reported to the management in April, 2024. The management at Sr.1 replied that letters were issued to NBP Badin & Sindh Bank Hyderabad for bank statements. The management at Sr. 2 replied that as per Sindh Water Management Ordinance, 2002 Farmers’ Organizations (FOs) manage water charges, including Abiana, for irrigation and drainage services. Efforts will be made to ensure timely collection.

DAC in its meeting held on 4th September, 2024 directed to submit a revised reply and progress be got verified from Audit.

The reply of the management was not tenable as no proper justification was produced for non-collection of revenue.

Audit requires recovery of the pointed-out amount besides strengthening of financial controls to avoid such lapses in future.

4.5.23 Non-recovery of water charges - Rs. 503.913 million

According to Rule-41(a) of Sindh Financial Rules Volume-I, “The Departmental Controlling Officer should see that all sums due to the Government are regularly received and checked against demands and that they are paid into the treasury.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 503.913 million on account of water charges was not collected from various agencies which includes thermal power stations Jamshoro and Guddu, Municipal Committees, WASA Hyderabad etc. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP#	AIR Para#	Amount
1	Executive Engineer, Kotri Barrage Division, Jamshoro	2022-23	12	11	396.353
2	Executive Engineer, Mithrao, Division Mirpurkhas	2023-24	444	10	0.869
3	Executive Engineer, Jamrao Division, Mirpurkhas	2023-24	450	10	59.927
4	Executive Engineer, Guddu Barrage Division, Kashmore	2023-24	728	8	46.764
Total					503.913

Audit is of the view that due to the non-recovery of dues, the government sustained loss of revenue.

The matter was reported to the management during February to November, 2024. All offices replied that correspondence was made with the concerned authorities for recovery of water charges.

DAC in its meetings held on 16th August, 24th 30th December, 2024 directed that the recovery may be expedited & the matter may be taken up with the Finance Department for resolution.

The management failed to produce updated statement of outstanding dues and amount realized till finalization of the audit report.

Audit recommends recovery of due amount under intimation to Audit besides strengthening its revenue collecting machinery for effective pursuance of recoveries.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.27 having financial impact of Rs. 382.380 million. Recurrence of same irregularity is a matter of serious concern.

4.5.24 Excess payment on account of premium on carriage – Rs. 328.731 million

As per SPPRA Guidelines for Procurement 11.3.3 “Cost of cartage is not paid separately as same is adjusted in the quoted premium but cost of escalation on materials is paid separately as per consumption. No separate payment for carriage of material shall be made, premium quoted by the contractor covers all the cost of carriage of material involved.”

During the audit of following offices of Irrigation Department for the financial years 2022-23 & 2023-24, it was observed that excess payment of Rs. 328.731 million was made on account of premium against carriage & extra lead contrary to the rule quoted above. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP#	AIR #	Particulars	Amount
1	XEN, North Dadu Drainage Division, Larkana	2022-23	10	5	Premium against carriage & extra lead	0.891
2	XEN, Kashmore Division, Kashmore	2022-23		2		17.535
3	XEN, Drainage Division, Larkana	2022-23		6		4.833
4	XEN, Drainage, Division, Mirpurkhas	2023-24	476	3	Premium against extra lead	1.391
5	XEN, Sujawal Drainage Division, Sujawal	2023-24	814	6	Premium allowed on market rate item	0.352
6	XEN, Hala Division, Hala	2023-24	494	4	Premium against carriage	303.729
Total						328.731

Audit is of the view that undue favor was extended to the contractors at the cost of public exchequer which reflected negligent financial management.

The matter was reported to the management during February to December, 2024. The management replied that carriage was paid to the contractor without premium (Sr. 1 to 3 & 6). The management replied that extra lead may not be treated as cartage of material as item was scheduled and there is no bar on premium over a scheduled item (Sr. 4). The management replied that premium quoted by the contractor was 19.89% above the engineer's estimate (Sr. 5).

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management provided record for verification which revealed that premium was allowed against the items beyond admissibility which require to be recovered (Sr. 4&5). However, no record was produced by the remaining offices.

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides strengthening of internal controls to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 4.5.22 having financial impact of Rs. 110.047 million and 2023-24 vide para number 4.5.24 having financial impact of Rs. 18.356 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.25 Understated revenue realized from Abiana – Rs. 255.159 million

According to Rule-26 of General Financial Rule Vol-I, "Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the department controlling officers to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the Department Account. No department receipt shall be utilized towards contingent expenditure."

During the audit of Director, Area Water Board, left bank Circle Badin @ Hyderabad for the financial years 2013-23, it was observed that revenue of Rs. 93.48 million was realized on account of Abiana from 2008-2009 to 2022-23 whereas, bank statement depicted amount of Rs. 344.159 million credited into account. Thus, revenue of Rs. 255.159 million was understated. Details are given in **Annex-5 of Chapter-4**.

Audit is of the view that difference of revenue figures is serious negligence on part of the management and possibility of misappropriation of revenue cannot be ruled out.

The matter was reported to the management in April, 2024. The management replied that the State Bank did not produced record. The reply of the management was not relevant since it is the responsibility of the management to get the reconciliation from the concerned authorities.

DAC in its meeting held on 4th September, 2024 directed that the representative of the concerned office to visit personally to get the record from Bank and provide to Audit for verification.

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

(PDP#198, AIR#01)

4.5.26 Irregular payment on execution of stone pitching work without earthwork – Rs. 110.128 million

As per Estimate of work of stone pitching on S.M Bund, earthwork is required to be carried out including dressing, leveling and compaction before execution of stone pitching.

During the audit of the Secretary, Irrigation Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that expenditure of Rs. 110.128 million was incurred on stone pitching/stone filling without execution of earthwork. Details are as under:

(Rs. in Million)

Quantity	Items of work or supplies	Rate	Unit	Amount
0	Borrow pit excavation undressed lead up to 100 ft (a) Ordinary soil.	2117.5	%0Cft	0
0	Carriage of 100 Cft/5 tons of all material like stone aggregate spawl, coal lime, surkhi etc. BG rails fastening points and crossing bridges and girders pipe sheets, rails M.S bars etc. or 1000 No's bricks 10"x5"x3" are 1000 No's tiles 12"x6"x2" are 150 Cft of timber of 1000 mounds of fuel wood by trucks or any other means owned by contractor 2miles.	502.52	%Cft	0
0	Earthwork compaction by sheep foot roller and power roller with optimum moisture content for 85% modified AASHTO density.	1445.58	%0Cft	0
50139	Excavation in foundation of buildings bridges and other structure i.e. leveling, dressing, refilling around structures with excavated earth watering and ramming earth lead up to 5ft b). In ordinary soil.	3176.25	%0Cft	0.159
780231	Stone filling dry hand packed as filling behind the retaining wall or in pitching and apron.	2684	%Cft	20.941
233422	Formation dressing and preparing sub grade. On slope.	453.75	%Cft	1.059
408488.5	Stone pitching including sub base with hammer dressed stone on surface laid-in course including.	5377.63	%Cft	21.967
	Premium 134.1%			59.174
	Difference of cost of material, crush, spawl, stone boulder			6.827
Total				110.127

Audit is of the view that the execution of stone pitching item without prior execution of earth worth stands unjustified.

The matter was reported to the management in July, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that stone pitching work was carried out for excavation of toe wall, dressing and leveling of surface as per the required specification. The earth on top of Bund was not required to be carried out before stone-pitching.

DAC in its meetings held on 24th to 30th December 2024 directed the management to get the stated position verified from Audit.

The management produced only copies of estimate and R.A bills (1st, 4th & 5th final bill). The reply of the management was not tenable as work on stone pitching was initiated before execution of earth work beyond approved estimate.

Audit recommends fixing of responsibility on the person (s) at fault besides strengthening of internal controls to avoid such lapses in future.

(PDP#387,AIR#05)

4.5.27 Award of work on higher rates – Rs. 10.216 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Executive Engineer, Tube well Division-I Hala for the financial year 2023-24, it was observed that excess payment of Rs. 10.216 million was made to contractors for award of work of solar panels of 550 watt in different schemes of same Division with two different rates without justification. Details are as under:

(Rs. in Million)

Solar panel (550 V)	Name of work	Rate	Excess Rate	Qty Executed	Total
C.V # 02 dated 01.08.2023	Installation of new solar tube wells 23 Nos. in District Sanghar SBA & T. Allahyar	48,000	-	-	-
C.V # 04 Dated 02.08.2023	Installation of (18) Nos. solar tube wells in various villages	81,000	33,000	288	9.504
C.V #07 Dated 12.12.2023 7 th RA	Construction of surface drainage solar pumping station –Sinhuri	56,900	8900	80	0.712
Total					10.216

Audit is of the view that undue favor was extended to the contractors on account of payment at higher rates of same items.

The matter was reported to the management in October, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that M&R works on various minors were carried out and measurements were recorded in MBs.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced abstract of the TS, however, failed to justify rate variation of the same item in same Division.

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides strengthening of internal controls to avoid recurrence of such lapses in future.

(PDP#577, AIR#08)

4.5.28 Unjustified payment of earthwork - Rs. 401.008 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by the government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Executive Engineer, East Division, Khairpur for the financial year 2023-24, it was observed that payment of Rs. 401.008 million was made for 100% executed earthwork without CC lining. Further, 1/3rd payment was made during rainy season of July-August, whereas the closure/Warabandi of water was in the month of January. Details are as below:

(Rs. in Million)

Sr#	Item	BOQ Qty	Qty	Unit	Rate	Amount
Name of work: CC lining of Khairpur Feeder east Canal from RD 12.8 to 32.8 M/s AGK & sons W/O# 511/20.03.23 1 st RA 25.07.23 & 5 th RA 24.08.23						
1	Jungle Clearance	1,720,000	2,140,000	%0Sft	75.63	0.162
2	Ploughing 3 times	39.49	49	%Cft	1769.63	0.0 86
3	Barrow pit excavation 100 ft	44,948,431	44,771,177	%0Cft	2117.5	94.803
					49.10%	46.548
4	Carriage off 100Cft /5 tons	44,948,431	44,771,177	%Cft	579.41	259.408
Total						401.008

Audit is of the view that the full payment of earthwork within one month without proportionate CC lining indicated that advance payment was made to the contractor.

The matter was reported to the management in August, 2024. The management replied that work was initiated by the contractor in full swing in May, 2023 whereas, earthwork was executed at the site up to June, 2023. The payments for earthwork were processed in July and August, 2023 to the contractor.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to submit revised reply along with relevant record to Audit for verification.

The reply of the management was not tenable as M.Bs were not produced to reveal that execution of items was carried out within one month or otherwise.

Audit recommends fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 4.5.29 having financial impact of Rs. 26.186 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#469,AIR#02)

4.5.29 Excess payment due to non-deduction of factor-rate on stone items – Rs. 42.274 million

According to Technical Specification No. 2.5.1.8, “Stone shall be measured by volume; the unit of measurement shall be 100 Cft. Actual stone contents shall be obtained by multiplying the stack measurement with a factor of 0.75.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial years 2022-23 and 2023-24, it was observed that payment was made to the contractors on account of stone items without applying factor of 0.75 on measured quantity of stone during stack measurement which resulted in excess payment of Rs. 42.274 million. Details are as follows:

(Rs. in Million)

Sr#	Name of Office	Financial Year	PDP#	AIR #	Particulars	Amount
1	XEN, Hala Division, Hyderabad	2022-23	33	3	without applying factor of 0.75	28.377
2	XEN, Begari Bund Division, Sukkur	2022-23	351	26		2.924
3	XEN, Kotri Barrage Division Jamshoro	2023-24	426	7	non-deduction of factor rate on stack measurement of stone	5.163
4	XEN, Drainage Division, LBOD Shaheed Benazirabad	2023-24	863	9	Non-deduction of voids on stone pitching	5.81
Total						42.274

Audit is of the view that owing to inefficient monitoring, undue favor was extended to the contractors which resulted in excess payment.

The matter was reported to the management in February to November, 2024. The management replied that measurement was carried out at site and 15% of quantity was deducted on account of voids (Sr.1), while other offices replied that factor rate was paid as per admissibility (Sr. 2, 3 & 4).

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed the management to get the stated position verified from audit.

The management produced record however, reply was not tenable as factor rate was not deducted as per admissible rates at the time of recording of measurements (Sr. 1 to 4).

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

4.5.30 Excess payment to the contractor on carriage of stone boulders – Rs. 24.175 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of Secretary, Irrigation Department, Government of Sindh, Karachi, for the financial year 2023-24, it was observed that expenditure of Rs. 24.175 million was incurred on carriage of stone boulders beyond executed quantity used in stone pitching and stone filling. Details are as under:

(Rs. in Million)

Item	Diff. Factors	Executed Quantity	Unit	Rate	Excess Quantity	Excess Amount
Stone pitching	0.2	797,545	% Cft	3602.31	119632	4.309
Stone filling dry hand pack	0.35	1,575,642	%0 Cft	3602.31	551474	19.865
Total						24.175

Audit is of the view that excess payment on account of carriage beyond executed quantity reflected negligence on the part of the management.

The matter was reported to the management in July, 2024. The management replied that payment on account of carriage on stone boulders was made as per actual work done at site, and the factor of 0.2 & 0.35 for stone pitching & stone filling dry hand pack was provided respectively.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced estimate and M.B which confirms excess payment had been made to the contractor.

Audit recommends recovery of the pointed-out amount besides strengthening of financial controls to avoid such lapses in future.

(PDP#386,AIR#04)

4.5.31 Un-justified payment against borrow-pit earth and carriage – Rs. 31.712 million

According to Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of Executive Engineer, Guddu Barrage Division, Kashmore for the financial year 2023-24, it was observed that excess payment of Rs. 31.712 million was made on account of borrow pit and carriage to the contractor due to wrong calculation in the estimate. Details are as follows:

(Rs. in Million)

Rehabilitation of Raineer main canal M/s Sardar M. Ashraf D-Baloch CV#03 dt 20.02.24						
Particulars	Qty of silt as per estimate	Qty as per execution	Qty due as per Audit	Excess	Rate	Amount
Qty of earth work	55,726,935	-	53,222,928			
Deductions	(-) 16,662,659		(-) 22,194,696			
Qty of Borrow pit	39,064,200	36,903,346	31,028,232	5,875,114	2.69	15.804
Cutting 45%	(-) 17,531,700		(-) 13,925,222			
Carriage 55%	21,532,500	21,011,653	17,103,010	3,908,643	4.07	15.908
Qty of Excavation /de-silting	34,799,944	34,077,781	34,077,781	Total		31.712

Audit is of the view that undue benefit was extended to the contractor due to weak financial management.

The matter was reported to management in November, 2024. The matter was also reported to the PAO / Chief Secretary as critical issue. The management replied that work was carried out according to PWD specifications and technical sanction.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide copies of MBs and estimate for verification.

The management did not produce relevant record to authenticate the actual execution of de-silting on RDs in order to ascertain the quantity of borrow pit and carriage.

Audit recommends recovery of the excess payment besides strengthening of financial controls to avoid such lapses in future.

Note: The issue was reported earlier also in the audit report for Audit Year 2023-24 vide para number 4.5.38 having financial impact of Rs. 156.601 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#723, AIR #03)

4.5.32 Excess payment of carriage – Rs. 57.523 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of Executive Engineer, Begari Sindh Feeder Division, Kashmore for the financial year 2023-24, it was observed that an excess expenditure of Rs. 57.523 million was incurred against carriage on execution of earthwork. Details are as under:

(Rs. in Million)							
Name of work	Item	Exe. Qty	Lead in estimate	Lead allowed	Rate	Unit	Excess amount
Re-sectioning and sand coring of Gharaghat bund mile 0/0 to 2/4 and Haibat bund mile 0/0 to 5/0 10 th R.A	Borrow pit	8384670	2 miles	4 miles	580	% Cft	48.631
	Clean screen sand	1071338	2 miles	6 miles	830	% Cft	8.892
Total							57.523

Audit is of the view that excess payment on carriage reflected poor financial management.

The matter was reported to the management in September, 2024. The management replied that lead on carriage against the item of borrow pit was

allowed up to 4 miles whereas, lead up to 5 miles was allowed against the item of sand.

The reply of the management was not tenable as scrutiny of estimate revealed that inadmissible extra leads were given to the contractor.

DAC in its meetings held on 24th to 30th December, 2024 did not agree with the contention of the management and found that an excess payment of one lead was made. In view of above, DAC directed that the Chief Engineer concerned to enquire into the matter and share fact finding report with PAO & Audit.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-2024 vide para number 4.5.40 having financial impact of Rs. 5.506 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#536, AIR #01)

4.5.33 Irregular payment without execution of works – Rs. 60.876 million

As per SPPRA Guidelines 6.2.2 (2), “A Procuring Agency shall prepare the Bill of Quantities appropriate to the works. The quantities given in the Bill of Quantities are estimated and provisional and provide a common basis for tendering. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the contractor and verified by the Engineer and valued at the rates and prices tendered in the bill of the quantities.”

During the audit of Executive Engineer, Shahdadt Irrigation Division for the financial year 2022-23, it was observed that expenditure of Rs. 60.876 million was incurred on two works from ADP and M&R funds. However, subsequent to physical verification on a test check basis, work was not executed as per recorded MBs. Details are given in **Annex-6 of Chapter-4**.

Audit is of the view that incorporation of entries in the measurement book without actual execution of work at the site reflected weak project oversight.

The matter was reported to the management in March, 2024. The management replied that works were carried out at site and measurements were recorded in the relevant MBs.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management did not produce MBs, bills, estimates and physical verification report of Superintendent Engineer or Chief Engineer.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#360, AIR# 03)

4.5.34 Faulty planning & execution of solarization of tubewells – Rs. 307.829 million

As per Rule-23 of G.F.R, “Every Government officer should realize fully and clearly that he will be personally responsible for any loss sustained by the Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contributes to the losses by his own action or negligence.”

During the audit of Executive Engineer, Drainage Division Sanghar for the financial year 2023-2024, it was observed that expenditure of Rs. 307.829 million was incurred on conversion of tube wells & pumping stations on solar system. However, out of total 64 tube wells, only 33 were functional (51.57%) resulted in 31 non-functional (48.44%) tube wells. Further, out of 9 pumping stations only 05 were functional (55.56%) resulted in 4 non-functional (44.44%). Despite huge expenditure, neither any functional tubewell nor existing pumping station was solarized. Details of expenditure are as under:

(Rs. in Million)

C.V No./dt	Name of work & contractor	W.O/dt:	Tender cost	Exp-June 24	Amount
6/27.2.24 7 th RA Bill	Conversion of tube wells & pumping station on Solar system of Drainage Division Sanghar (M/s. MBC & Sons)	232/ 8.3.22	564.765	475.051	259.155
	Conversion of existing 4 pumping stations into solar energy system (40 HP Pumps)				48.674
Total					307.829

Audit is of the view that due to faulty planning, benefit to the public was not achieved despite heavy expenditure.

The matter was reported to the management in August, 2024. The management replied that construction of civil works, installation of pumps and solar system are simultaneously carried out. As the civil works are completed on tube well/pumping station the installation will be started and tube wells/pumping stations will become operational.

DAC in its meetings held on 24th to 30th December, 2024 directed the Chief Engineer concerned to conduct inquiry into the matter and share report with PAO and Audit.

Audit recommends compliance with the DAC directives besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#416,AIR#09)

4.5.35 Unjustified payment on engaging labor – Rs. 247.969 million

According to Para-1(E) of chapter 10 (Embankment Maintenance) Operation & Maintenance, Irrigation and Power Department, published in April, 1993 “Any tree or brushwood growth on berms or on outer slopes should be removed by Beldar. Sometimes branches of trees or other trash are blown into the canals by windstorms. This debris can choke the bays of regulator or bridges and can result in damage. The Beldar should use long-handled rakes or other tools to remove the debris as soon as possible.”

During the audit of various offices of Irrigation Department, for the financial years 2020-23 & 2023-24, it was observed that expenditure of Rs. 247.969 million was incurred on account of hiring of labor/contingent paid staff in the presence of regular staff for routine work. Details are given in **Annex-7 of Chapter-4**.

Audit is of the view that the payment on account of engaging labor was unjustified as large number of employees were already on the strength of Division for same tasks.

The matter was reported to the management during February to November, 2024. The management of all offices replied that there was shortage of staff and during flood season un-skilled labor was hired through contractors to handle the quantum of work.

DAC in its meetings held on 16th and 22nd August and 13th September, 2024 directed that the sanctioned and working strength of Beldars may be provided to audit for verification.

The management submitted record for verification. The reply was not tenable as the management failed to produce letters of emergency/flood threats/rains and canal wise posting of employees (Sr. 7, 11 & 12) and detail of deployment of Beldars (RD wise, shift wise and day wise). (Sr. 15, 17, 20). The offices at Sr. 1 to 6, 8 to 10, 13, 14, 16, 18 to 19, & 21 failed to submit record for verification.

Audit recommends implementation of DAC directives and discontinuation of such irregular practices in the organization.

Note: The issue was reported earlier also in the audit report for Audit Years 2023-24 vide para number 4.5.66 having financial impact of Rs. 85.77 million. Recurrence of same irregularity is a matter of serious concern.

4.5.36 Non-imposition of liquidity damages charges- Rs. 299.214 million

According to Para-H (5) of the Instruction to the Procuring Agencies, "The conditions of contract contain no overall limit on the contractor's liability. The amount of liquidated damages per day of delay shall be entered by the engineer/procuring agency in contract data. Usually, the liquidated damages are

set between 0.05 percent and 0.10 percent per day and the maximum limit is 10 percent of the contract price stated in the letter of acceptance.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, it was observed that penalty of Rs. 299.214 million was not imposed on contractors against works which were not completed within stipulated time. Details are as under:

(Rs. in Million)

Sr. No.	Name of Office	FY	PDP #	Scheme Name Abbreviated	Comp. Date	Delay in month	Amount	Penalty (10%)
1	XEN, Mirpur Division	2022-23	29	Earthwork, CC lining, rehabilitation (3)	30/06/23	12	360.2	36.02
2	XEN ,Shahbaz Division, Sehwan	2022-23		Leftover essential works	30/06/23	12	211.315	21.132
3	XEN , Kotri Barrage Division	2022-23		Engineering training academy	03/05/22	9	107.614	10.761
4	XEN, Drainage Division, Larkana	2022-23		Pumps, tube wells, pump houses (4)	02/12/16	18	956.953	95.695
5	XEN, Drainage Division, Badin	2022-23		Roads, link drains (3)	Various dates	12	92.109	9.21
6	XEN , Thar Fresh Water Division	2022-23		Sweet water project (2)	Various dates	24	911.578	91.157
7	XEN , Rice Canal Division, Larkana	2022-23	374	13 different schemes	Various dates	88	285.534	28.553
8	XEN, Drainage Division, Badin	2023-24	593	Outfall/pre-stressed bridge	12/04/16	87	66.864	6.686
Total							2992.167	299.214

Further details are given at **Annex-8 of Chapter-4**

Audit is of the view that non-imposition of penalty against delayed works reflected undue favor to the contractors.

The matter was reported to the management during February to November, 2024.

The management of all the offices replied that works were not completed due to certain reasons such as technical issues/site conditions and short release

of funds, consequently extensions were granted by the concerned Executive Engineers as per contract clauses.

DAC in its meetings held on 16th, 22nd August, 4th, 12th, 13th September, 24th to 30th December, 2024 directed the concerned officers to provide copy of releases and phasing of expenditure besides giving exact justification for non-imposition of penalty as per contract clause. In case of non-availability of any proper justification penalty clause shall be invoked and responsibility be fixed against the person(s) at fault.

The reply/record of the management was not tenable as the management failed to produce documentary evidence in support of reply (Sr.1 to 8) and correspondence with the Finance Department including current status of the schemes were also not provided (Sr. 3).

Audit requires recovery of the pointed-out amount besides strict adherence to the SPPRA regulations.

4.5.37 Non-existence of practice of assessment for collection of Abiana – Rs. 561.734 million

According to Rule-28 of the General Financial Rules, Volume – I, “No amount due to government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.”

During the audit of Director, Nara Water Board Mirpurkhas, for the financial years 2014-23, it was observed that revenue of Rs. 561.734 million was demanded on account of Abiana in four Divisions however, assessment of cultivated land was not surveyed/verified by the management. Details are as under:

(Rs. in Million)			
Sr.#	Name of the Division	Financial year	Target of Abiana
1	Thar Division	2014-15 to 2022-23	106.832
2	Mithrao Division		169.807
3	Jamrao Division		231.805
4	Khairpur Nara Division @ Sukkur		53.290
Total			561.734

Audit is of the view that due to failure in assessment of land revenue, targets could not be achieved which resulted in loss to the public exchequer.

The matter was reported to the management in May, 2024. The management replied that the AWB staff follows the Irrigation Manual for Canal Assistants and Abadgars in Sindh. Cultivation figures are verified by Canal Assistants and AENs, and Abiana amounts are calculated accordingly.

DAC in its meetings held on 4th September, 2024 directed that the assessment made by the AENs may be provided to Audit. However, no record was produced to audit.

Audit recommends formulation of policy for assessment and collection of Abiana.

(PDP#249, AIR#24)

4.5.38 Faulty completion of irrigation minors – Rs. 270.486 million

As per 11.1.3 (i) of SPPRA, Procurement Regulation (Works), “PC-I of the scheme/work is required to be revised when the original scope is modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate.”

During the audit of Executive Engineer, Irrigation West Division, Khairpur for the financial year 2023-24, it was observed that work was awarded worth Rs. 386.087 million and completed with expenditure of Rs. 340.318 million. However, following items were not executed:

- C.C lining work on Lakha & Geru minors.
- Earthwork of Geru minors.
- Earthwork on banks.
- Module works & village road bridges on three minors.

Details are as follows:

(Rs. in Million)

Name of Work	M/s	Bid Amount	As per progress report		Exp. As per bill
			2022-23	305.043	
Construction of C.C Lining of Hamerji Minor from RD 0+0 to 64+025, Lining Lakha Minor RD 0.0 to 30.0 and C.C Lining of Geru Minor RD 0.0 to 21.0 CV#10 RA 30/31.07.23	M/s Kolachi & Co wo#634 02.02.22	386.087	2023-24	35.275	270.486 (70%)
Total		386.087		340.318	270.486

Audit is of the view that work was not completed as per specification which reflected weak project management and compromised on quality of work.

The matter was reported to the management in August, 2024. The management replied that expenditure was incurred up to June, 2024 of Rs. 340.784 million.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced record. However, the same was not tenable as per the progress report, expenditure of Rs. 305.043 million and Rs. 35.275 million was incurred during 2022-23 and 2023-24 respectively. Whereas, as per 10th RA bill dated 31.07.23 payment of Rs. 270.486 million made.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#827, AIR#1)

4.5.39 Ill-planning in the execution of work - Rs. 54.706 million

As per Para-527 of Public Works Departmental Manual, Volume-I, “No work shall begin unless proper detailed design and estimate have been sanctioned; allotment of funds made and order for its commencement issued by the competent authority.” Further, according to Para -528 of Public Works Departmental Manual, “No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction.”

During the audit of Executive Engineer, Northern Dadu Canal Division, Larkana for the financial year 2022-23, it was observed that an expenditure of Rs. 54.706 million was incurred on ‘CC lining of Jatoi Distry’ instead of utilizing the same on ‘Gillespie Distry and its Module’ to complete the scheme. Thus, improper work was executed. Details are as follows:

(Rs. in Million)

Name of Distry	Tender cost	RA	Expenditure
CC lining of Gillespie Distry	113.836	1-4	88.920
		5	34.179
			123.099
Modules of Gillespie Distry	53.918		Nil
CC lining of Jatoi Distry	101.201	5	54.706
Modules of Distry	26.158		Nil

Audit is of the view that improper utilization of funds resulted hurdles in smooth supply of water which reflected improper project execution.

The matter was reported to the management in April, 2024. The management neither replied nor submitted the relevant record.

DAC in its meetings held on 24th to 30th December, 2024 directed to issue explanation to concerned XEN and further directed to produce reply along-with record to Audit for verification.

Audit recommends fixing of responsibility on person(s) at fault besides strengthening of planning and internal controls to avoid such lapses in future.

(PDP#118, AIR#01)

4.5.40 Improper execution and utilization of funds - Rs. 150.067 million

As per Para-527 of Public Works Departmental Manual, Volume-I, no work shall begin unless proper detailed design and estimate have been sanctioned; allotment of funds made and order for its commencement issued by the competent authority.

During the audit of Executive Engineer, West Irrigation Division Khairpur, for the financial year 2023-24, it was observed that expenditure of Rs.150.067 million was incurred on Ahmedpur, Abad & Piryalo minor's works. However, none of the minors were operational due to incomplete work. Thus, misallocation of funds and incomplete earthwork risked damaging existing earthwork and crop losses for local farmers. Details are as under:

(Rs. in Million)

Part of work	Ahmed Pur Minor		Abad Minor		Piryalo Minor	
	As per estimate	As per execution	As per estimate	As per execution	As per estimate	As per execution
Earth Filling	10.807	11.062	17.169	17.932	25.257	14.401
CC Lining	20.621	20.325	30.027	0	50.317	0
Banks	1.705	1.561	5.071	0.149	6.162	0
Village bridges	1.263	0	1.683	0	1.263	0
Modules	3.032	0	5.597	0	6.297	0
Total	37.428	32.948	59.547	18.081	89.296	14.401
57.90%	21.670	19.076	34.477	10.468	51.702	8.338
Carriage	10.635	10.61	23.331	13.151	30.335	10.125
Diff: Cost	16.288	12.703	24.683	0	37.64	0
G. Total	86.022	75.338	142.039	41.701	208.973	32.864

Audit is of the view that funds were utilized improperly which reflected poor project execution.

The matter was reported to the management in August, 2024. The management replied that the work on the scheme was carried out in a phased manner, prioritizing the CC lining of Ahmed Pur Minor to ensure the channel's operability. Simultaneously, earth filling of Abad and Piryalo minors were completed to meet site-specific requirements.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide record to audit for verification. However, reply/record was not tenable as it does not address the contention of the Audit.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2023-2024 vide para number 4.5.64 having financial impact of Rs. 591.506 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#465, AIR#05)

4.5.41 Defective completion of the works – Rs. 3.478 million

According to Para-528 of Public Works Departmental Manual, “No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction.”

During the audit of Executive Engineer, Warah Division, Larkana for the financial year 2022-23, it was observed that expenditure of Rs. 3.478 million was incurred on various items of the work for “Construction of retaining wall along Mohabat RD 3.5-5.5. Following variations in execution of various items as compared to the estimates were noted:

- i. Excavation in foundation and hire charges of pump were executed (223% to 759%) above the estimated quantities, whereas the brickwork in foundation was (26%) below the estimated quantity.
- ii. Cement work was claimed (50%-75%) above the estimated quantity, whereas pacca brick work other than building was executed (10%) below the estimated quantity. Details are as under:

Name of items	As per estimate		As per MB		%	Excess
	Qty	Rate	Qty	Excess/ Below		
Excavation in foundation	90,000	3.17625	290,888	200,888	223.21	638,069
Erection & removal	16,023	31.2741	9,000	(7,023)	(43.83)	-
CC plain 1:3:6	36,000	125.95	32,400	(3,600)	(10.00)	-
Pacca brick in foundation	36,000	125.014 1	26,550	(9,450)	(26.25)	-
Pacca brick other than building	54,000	125.743 8	48,600	(5,400)	(10.00)	-
CC plain 1:2:4	3,000	144.292 5	2,700	(300)	(10.00)	-
Cement plaster 1:3 ¾	26,000	27.955	45,000	19,000	73.08	531,145
Cement plaster 1:3 ½	36,000	23.4459	54,000	18,000	50.00	422,026
hire charges of pump set	53	1500	224	171	322.64	256,500
hire charges of pump set beyond 8 hours	212	250	1,822	1,610	759.43	402,500
earth work excavation in irrigation channel	-	2.42	160,762	160,762	100	
Sub-total						2,250,240
Premium		54.59%				1,228,406
Cement	9,511	325	8,755	(756)	(7.95)	
Bricks	1,215,000	3	1,014,525	(200,475)	(16.50)	
Hill sand	-	4.75	38,809	38,809	-	
Crush bajri	-	10.66	11,348	11,348	-	
			Total Expenditure			3,478,646

Audit is of the view that works were not completed as per the specifications and some were executed beyond the actual scope. Despite these shortcomings, the scheme was irregularly shown as complete, therefore the chances of defective works cannot be ruled out.

The matter was reported to the management during April, 2024. The management replied that during execution of work essential items were carried out as per site requirements within the revised estimate.

DAC in its meeting held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced revised estimate and comparative statement however, failed to produce proper justification of the issues raised by Audit with documentary evidence.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#320, AIR#03)

4.5.42 Execution of work in deviation of specification and scope – Rs. 182.887 million

According to Para-528 of Public Works Departmental Manual, “No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction.”

During the audit of Executive Engineer, Begari Bund Division Sukkur, for the financial year 2022-23, it was observed that the management modified the scope against the scheme of Rs. 182.887 million without approval of the Competent Forum. Details of modifications are as under:

- i. Scope and specification of work was changed from CC Plain work to R.C.C work.

- ii. The component of scheme i.e., repair of Sindh Canal Sub-Division and Residence of AXEN was not executed.
- iii. Overall cost of the scheme was kept within approved limit despite deviations in various components/items and specification by more than 100%.

Audit is of the view that modifications in the scheme without approval of the competent authority reflected poor project management.

The matter was reported to the management in March, 2024. The management replied that work was executed as per approved PC-I, estimate and NIT. The reply of the management was not tenable as work was executed on modified scope of work without prior approval of the same from the competent forum.

DAC in its meeting held on 13th September, 2024 directed the management that the work order, original TS, Revised TS and administrative approval be provided to Audit for verification. However, the management did not produce any record.

Audit recommends implementation of DAC directives besides strengthening its planning and monitoring mechanisms to avoid such variations during execution of works in future.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.25 having financial impact of Rs. 70.000 million and 2023-24 vide para number 4.5.64 having financial impact of Rs. 591.506 million respectively. Recurrence of same irregularity is a matter of serious concern.

(PDP#328, AIR# 02)

4.5.43 Doubtful expenditure on dewatering without maintaining measurement books– Rs. 31.534 million

According to Para-209 (d) of C.P.W.A Code, “All payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately. He will also have worked out and enter in the measurement book the figures for the “Contents or Area”

During the audit of Executive Engineer, Tube wells Division Khairpur for the financial year 2022-2023, it was observed that an expenditure of Rs. 31.534 million was incurred on de-watering of rain water through hiring of diesel pumps and excavator machines. However, quantity of the same were not provided to justify consumption and utilization of the expenditure. Details are as under:

(Rs. in Million)

Vendor Name	G/L Description	Document Date	Cheque No	Amount
M/S Nizamuddin & Co A/C	Others	16/01/2023	4731385	3.788
M/S Nizamuddin & Co A/C	Others	16/01/2023	4731383	3.492
M/S Nizamuddin & Co A/C	Others	27/01/2023	4732090	3.812
M/S Nizamuddin & Co A/C	Others	27/01/2023	4732091	3.244
M/S Nizamuddin & Co A/C	Others	27/01/2023	4732096	2.447
M/S Nizamuddin & Co A/C	Others	27/01/2023	4732095	2.415
M/S Sarki Brother Enterprise	Drainage	27/01/2023	4732088	3.336
M/S Sarki Brother Enterprise	Others	27/01/2023	4732098	2.886
M/S Sarki Brother Enterprise	Others	27/01/2023	4732097	2.924
M/S Sarki Brother Enterprise	Others	27/01/2023	4732094	3.190
Total				31.534

Audit is of the view that incurring of expenditure without maintaining essential record to justify huge payment reflected poor financial management.

The matter was reported to the management in May, 2024. The management replied that machinery for de-watering rainstorm water was hired on lowest approved rates. The number of machineries was recorded in MBs and logbooks were maintained properly.

DAC in its meetings held on 12th September, 2024 directed that Chief Engineer concerned to conduct the enquiry in the matter and share report with PAO and Audit.

Audit recommends implementation of DAC directives besides strengthening its financial management system to avoid such lapses in future.

(PDP#83, AIR #01)

4.5.44 Irregular payment on reduced rates – Rs. 414.978 million

According to Clause-8 standard bidding documents of SPPRA, “Reduced rates allowed for the works provides that in cases where the items of work are not accepted as so completed, the Engineer-in-charge may make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final or on running account bills with reasons recorded in writing.”

During the audit of following offices of Irrigation Department for the financial years 2022-23 and 2023-24, it was observed that payment of Rs. 414.978 million was allowed on reduced rates without recording reasons. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	Amount
1	XEN, Shahbaz Division Sehwan	2022-23	159	10	72.540
2	XEN, Tube wells Division No:1, Hala	2022-23	160	8	46.035
3	XEN, Thar Fresh Water Supply Division, Mirpurkhas	2022-23	161	3	219.401
4	XEN, Tube well Division-I Hala	2023-24	574	5	77.002
Total					414.978

Audit is of the view that allowing part-rate / reduced rate payment is tantamount to advance payment to the contractors which reflected weak financial management.

The matter was reported to the management during March to November, 2024. The management replied that reduced rates were allowed against the supplied items whereas, balance amount will be released on fixing, installation and testing of the items after their completion.

DAC in its meetings held on 22nd August, 24th to 30th December, 2024 directed the management to get the stance verified from Audit (Sr. 1 to 4). The reply of the management was not tenable since allowing payment without fixing and installation on composite rate is not permissible.

Audit recommends fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

4.5.45 Irregular retention of amount in current account - Rs. 91.567 million

As per Notification No.FD/RO/FS/30/2006 dated 28/9/2006 issued by Finance Department, Government of Sindh, Karachi, “All bank accounts of the government department/entities, being operated in private/ commercial banks, should immediately be closed and the public funds maintained in such accounts transferred to respective PLS saving forthwith. The details of all such accounts / account number, name and address of the bank and the date of opening of account) and amount returned to PLS saving should be sent to the Finance Department.”

During the audit of Director, Nara Water Board Mirpurkhas, for the financial years 2014-23, it was observed that amount Rs. 91.567 million was retained in the current account instead of PLS account in violation of prescribed rules. Details are as under:

(Rs.in Million)

Sr.No.	Name of branch / bank	Account #	Balance as on	Amount
1	Sukkur Eid Gah road, NBP, 0065	4053844729 (10763)	30/6/2023	4.850
2	Main Branch, Mirpurkhas, NBP, 0036	4051923441 (5597-0)		67.031
3	Chundiko branch, NBP, 0241	4087165097 (970-9)		19.686
Total				91.567

Audit is of the view that retaining funds in the current account instead of PLS account reflected weak revenue management.

The matter was reported to the management in May, 2024. The management replied that cash book for the relevant account has been maintained. The reply of the management was not tenable as no relevant reply was provided to audit.

DAC in its meetings held on 4th September, 2024 directed to transfer the amount to the PLS account and submit the report to Audit for verification.

Audit recommends formulation of an effective revenue/investment policy of the authority in order to increase its revenue.

(PDP#258,AIR#33)

4.5.46 Non-formulation of investment policy – Rs. 198.569 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Director, Nara Water Board Mirpurkhas, for the financial years 2014-15 to 2022-23, it was observed that an amount of Rs. 198.569 million was earned as profits accrued in the bank but there was no policy for its investment. Details are as follows:

(Rs. in Million)

Name of branch / bank	Account #	Period	Amount
Sindh Bank, Mirpurkhas	4041305556100	01/07/2014 to 30/06/2023	198.569

Audit is of the view that the profit was earned however, its utilization policy was not devised which created ambiguity and prospective misuse of revenue receipts.

The matter was reported to the management in May, 2024. The management replied that AWB is developing a comprehensive utilization policy to guide the efficient deployment of surplus funds for operations, development projects and approved activities.

DAC in its meetings held on 4th September, 2024 directed management to frame policy and furnish the same to Audit.

Audit recommends formulation of an effective revenue/investment policy of the authority in order to increase its revenue.

(PDP#231, AIR #06)

4.5.47 Un-justified expenditure on borrow pit – Rs. 72.376 million

As per Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of following offices of Irrigation Department for the financial years 2022-23 and 2023-24, it was observed that expenditure of Rs. 72.376 million was incurred on account of borrowed earth despite that excavated earth was available at site. The resulted into excess payment against the item of borrow pit. Details are as follows:

(Rs. In Million)

Sr. No.	Name of Office	Financial Year	PDP #	AIR #	Particulars	Amount
1	XEN, Nara Canal Division Khairpur @ Sukkur	2022-23	45	4	“Borrow pit excavation, undressed lead up to 100 ft” whereas earth was already available through execution of another item of work ‘Earth work excavation in irrigation channels, drain etc.”	19.993
2	XEN, Drainage Division, Larkana	2022-23	106	3	Irregular expenditure on excavated earth	16.831
3	Secretary, Irrigation Department	2023-24	383	1	Borrow pit and carriage for strengthening of an embankment, however, earth excavated from the same site for stone pitching was not utilized.	3.313
4	XEN, Mithrao, Division Mirpurkhas	2023-24	443	8	Non-utilization of earth excavated	20.253
5	XEN, Jamrao Division, Mirpurkhas	2023-24	445	1	Non-utilization of earth excavated	5.107
6	XEN, Begari Sindh Feeder Division, Kashmore	2023-24	540	5	Payment against carriage of borrow pit earth instead of utilization of available earth.	6.879
Total						72.376

Audit is of the view that due to non-utilization of available earth, government sustained loss.

The matter was reported to the management in February & November 2024. The management replied that the excavated earth was utilized for strengthening of embankment whereas remaining quantity of earth was borrowed as per approved estimate (Sr. 1). The excavated earth from site was sand hence, borrowed earth was utilized for filling and strengthening of the channel (Sr. 2 to 6).

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced record for verification. The reply of the management was not tenable as the management failed to produce documentary evidence (Sr. 1 to 4) the management failed to produce estimate and measurement book, (Sr. 5), the management failed to utilize available quantity of 2,262,940 Cft. borrowed earth and failed to recover actual excess payment on account of borrowed earth including carriage and additional lead of Rs. 10.408 million (Sr. 6). Further, no soil test was provided to ascertain the quality of earth.

Audit seeks recovery of excess payment besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.39 having financial impact of Rs. 9.368 million and 2023-24 vide para number 4.5.38 having financial impact of Rs. 156.601 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.48 Irregular inviting NIT before Technical Sanction – Rs.912.723 million

As per Rule-2.22 (2) of the West Pakistan Building & Roads Department Code, “Before any detailed plan and estimates are prepared the administrative approval of government or the head of the department concerned or other officers competent to accord such approval should be obtained. As soon as administrative approval has been received from the competent authority, the Divisional Officer will take up the preparation of the detailed estimate, Technical Sanction to which will be accorded by the authority competent in order as that the work may be started as soon as funds are allotted.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2023-24, it was observed that the NITs of Rs. 912.723 million were floated prior to the approval of Technical Sanctions which implies that tenders were invited without ascertaining the estimated approved cost. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	TS Date	NIT Date	Amount
1	XEN, Naseer Division, Hyderabad	2023-24	511	4	27.02.23 28.01.22	17.02.23 18.01.22	400.863
2	XEN, Drainage Division, LBOD Shaheed Benazirabad	2023-24	854	3	12.06.23	10.04.23	50.737
3	XEN, Dad Division, Shaheed Benazirabad	2023-24	862	7	04.07.23	03.07.23	2.256
4	XEN, Tube well Division-I Hala	2023-24	571	02	07.04.22	29.03.22	458.867
Total							912.723

Audit is of the view that inviting NITs prior to the issuance of the technical sanctions is irregular and violation of SPPRA rules.

The matter was reported to the management during July to November, 2024. The management replied that Chief Engineer accorded Technical Sanction as per competency (Sr. 1). Approval of tender was obtained from the competent authority on 16.05.2023 instead of 12.06.2023 (Sr. 2). Estimate was sanctioned by S.E (Sr. 3). Estimate was sanctioned technically carrying the most competitive market rates but no relevant documentary evidence was produced (Sr. 4).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced record for verification. However, reply of the management was not tenable as the contention of Audit was not addressed (Sr.1&4), failed to produce approved estimate (Sr.2). Record revealed that estimate was approved on 04.07.2023 whereas, work order was issued on 03.07.2023 (Sr.3).

Audit recommends fixing of responsibility on the person(s) at fault besides strict adherence to government regulations to avoid such lapses in future.

4.5.49 Unjustified recording of measurement in single day – Rs. 61.286 million

According to Para-17 of C.P.W.A code, “The Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2023-24, it was observed that expenditure of Rs. 61.286 million was incurred on various M&R works whereas measurement of these works on different locations was recorded by the AXEN on same day. Details are as follows:

(Rs. in Million)

Sr.#	Name of Offices	PDP #	AIR #	Particulars	Amount
1	XEN, Drainage Division, Badin	595	5	Various measurement of the works was recorded on the same date i.e. 14-05-2024,17-05-2024, 02-5-24	34.828
2	XEN, Guni Canal Division, S.F Rahu, Badin	607	7	Various measurement of the works was recorded on the same date i.e. 27.11.2023, 26.4.2024, 22.02.2024	26.458
Total					61.286

Audit is of the view that recording of measurement by the same official in single day at various sites involving large quantum of work reflected weak site monitoring by the senior management.

The matter was reported to the management in September, 2024. The management replied that measurements were taken at site, but the computation of measurements and preparation of bills was carried out later in office to avoid untoward payment (Sr. 1). AEN with necessary equipment, record & staff visited the site to measure the work quantities, almost each AXEN have command area within 8 to 10 Km distance which could be covered in a single day (Sr. 2).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The record was produced for verification. However, reply of the management was not tenable as recording of the MB in a single day was beyond justification.

Audit recommends enquiry into the matter and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

4.5.50 Mis-procurement due to award of works to ineligible bidders – Rs 1,789.447 million

According to Rule-37 of SPPRA Rules 2010, “Procuring agency may require the bidders to furnish a bid security neither less than one percent nor exceeding five per cent of the Bid Price/Estimated Cost in the form of a call on deposit, pay order, demand draft or Bank guarantee issued by a Scheduled Bank in Pakistan in favour of procuring agency, which shall remain valid for a period of 28 days beyond the validity period for the bids in order to provide the procuring agency reasonable time to act if the security is to be called. Any bid/tender not accompanied by it to the extent and in appropriate form as notified while inviting tenders or stated in the bidding document shall be rejected and treated as non-responsive.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, it was observed that works of Rs. 1,789.447 million were awarded to the contractors without submission of the required bid security. Details are as below:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	Amount
1	XEN, Begari Bund Division Sukkur	2022-23	331	6	2.108
2	XEN, Drainage Division, Mirpurkhas	2023-24	479	6	396.335
3	Chief Engineer Small Dams Organization Sindh, Hyderabad	2022-24	783	3	1,189.87
4	Chief Engineer Small Dams Organization Sindh, Hyderabad	2022-23 & 2023-24	795	15	33.383
5	XEN, Small Dam Division Kohistan-II Jamshoro	2023-24	801	5	35.863
6	XEN, Rice Canal Division, Larkana	2022-23	377	10	131.888
Total					1,789.447

Audit is of the view that in the absence of valid bid security, the management was required to reject the bid. Thus, the management violated the prescribed rules, which is tantamount to mis-procurement and extension of undue favor to the contractor.

The matter was reported to the management during May to November, 2024. The management at Sr. 1 replied that total 10% of bid amount was recovered including security deposit. The management at Sr. 2 replied that fixed amount of bid security at 5% of the estimate was obtained. The management at Sr. 3, 5 & 6 replied that bid security at the time of N.I.T was fixed at 5% on the estimated cost of work. The management at Sr. 4 replied that bid security on enhanced contract amount will be deducted in upcoming bills.

DAC in its meetings held on 13th September, 24th to 30th December, 2024 directed that an enquiry committee may probe the matter and submit the report to Audit (Sr.1, 2 & 3). To get the stance verified from the Audit (Sr. 5 & 6). To recover security deposit on enhanced contract amount and submit the same for verification to Audit (Sr. 4).

The replies of the management were not tenable as the evidence was not produced (Sr. 1,3,5 & 6). The bid security on enhanced amount of contract was not produced (Sr. 4). The difference of bid security challan was not produced (Sr. 2).

Audit recommends enquiry/recovery and fixing of responsibility on the person(s) at fault besides strict adherence to procurement regulations to avoid such lapses in future.

4.5.51 Irregular expenditure without competitive bidding – Rs. 530.66 million

As per Rule-17 (1) & (2) of Sindh Public Procurement Rules, 2010, “Procurement over three hundred thousand rupees and up to two million rupees shall be advertised by timely notification on the Authority’s website and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi languages.”

During the audit of following offices of Irrigation Department, for the financial years 2021-24, it was observed that expenditure of Rs. 530.66 million

was incurred without competitive bidding in violation of the prescribed rules. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	Amount
1	Chief Engineer Guddu Barrage at Sukkur	2022-23	2	8	1.631
2	XEN, DAD Division Shaheed Benazirabad	2022-23		8	206.702
3	XEN, Drainage Division, Tando Mohammad Khan	2022-23		5	10.717
4	XEN, Drainage Division, Larkana	2022-23		1	3.759
5	XEN, Drainage Division, KN Shah Dadu	2022-23		4	187.052
6	XEN, Saifullah Magsi Branch Division Shahdaskot	2021-22 & 2022-23	169	2	38.626
7	XEN, Drainage Division, Larkana	2022-23	113	14	78.838
8	PD, (P.M.U) Flood Emergency Reconstruction Project, Hyderabad	2022-23 & 2023-24	524	2	3.335
Total					530.66

Audit is of the view that due to the violation of SPPRA Rules, the management could not achieve competitive rates.

The matter was reported to the management during March to November, 2024. The management at Sr. 1 replied that the work was carried out on emergent basis and is basically direct contracting. The management at Sr. 2 & 3 replied that work related to contingency payment of less than three hundred thousand. The management at Sr. 4 to 8 replied that the tenders were invited. The replies of the management were not tenable as no documentary evidence was produced in support of their replies.

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed the management to get the stated position verified from audit.

Audit recommends implementation of DAC directives besides strengthening its financial and procurement management to avoid such lapses in future.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.4 having financial impact of Rs. 1,350.328 million and 2023-24 vide para number 4.5.4 having financial impact of Rs. 189.522 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.52 Irregular payment of secured advance without measurement – Rs. 81.260 million

As per SPPRA, Procurement Regulation (Works) Rule-9.3(2)(a), “On verification and certification of quality, quantity and market rates of the material by the Assistant Engineer/Engineer’s representative (ii) Contractor has to furnish the Indenture Bond (iii) Secured advance shall be paid to the contractor on the quantities brought and properly stored at site of work. Full quantities of materials for entire work / contract should not be advanced (iv) Recoveries of advances so made should be made from his bills for work done as the materials are used, the necessary deductions be made whenever the items of work in which are used are billed for, or shall be recovered in full within 90 days, even if unutilized (v) New secured advance should not be allowed until and unless the previous advance, if any, stands fully recovered (vi) Advance amount is calculated on the basis of 75% of the market value of that material.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 & 2023-24, it was observed that secured advance of Rs. 81.260 million was allowed without authentication of quality and quantity of the material at site. Details are as under:

(Rs. In Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR Para#	Particulars	Amount
1	XEN, Thar Fresh Water Supply, division, Mirpurkhas	2022-23	137	1	Secured advance without measurement	27.399
2	XEN, Mithrao, Division Mirpurkhas	2023-24	437	1		10.431
3	XEN, Southern Division, Dadu	2023-24	647	4		8.321
4	XEN, Small Dam Division Kohistan-I Dadu	2023-24	678	4	Unjustified payment of secured advance in violation of SPPRA rules	35.109
Total						81.260

Audit is of the view that payment of secured advances without fulfilling codal formalities which reflected weak financial management.

The matter was reported to the management during February to November, 2024. The management replied that secured advance was paid to the

contractor after receiving indenture bond. The Assistant Engineer concerned certified the quantity and quality of the materials at site (Sr. 1 & 2). The amount of secured advance has been adjusted from bills of the contractor (Sr. 3). The remaining amount of secured advance is Rs.7.022 million against the item of steel. The indenture bond, quantity & quality certificate of material at site and invoices are enclosed (Sr. 4).

DAC in its meetings held on 22nd August, 24th to 30th December 2024 directed the management to provide certificates of concerned AXEN and consultants along with MBs for verification (Sr. 1). Get the stated position verified from Audit (Sr. 2, 4). Submit revised reply and provide supporting documents for verification (Sr. 3). The reply of the management was not tenable as the management failed to produce record for verification (Sr. 1,2&3). Further the management failed to adjust remaining amount of secured advance against the item of steel worth Rs. 7.022 million (Sr. 4).

Audit recommends recovery/adjustment of the secured loan at the earliest and fixing of responsibility on the person (s) at fault besides ensuring financial discipline in the organization to ensure effective control.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.47 having financial impact of Rs. 75.250 million. Recurrence of same irregularity is a matter of serious concern.

4.5.53 Non-transparent procurement process - Rs. 3.750 million

As per Regulation-5.1 of the Procurement Regulation of Works, 2011, “Procuring agencies shall use open competitive bidding as the principal method of procurement for procurement of works. Staff of procuring agency must maintain the highest standards of honesty and integrity in performing their duties by:

- (i) Developing the highest possible standards of professional competence.
- (ii) Using funds and other resources for which they are responsible to provide the maximum benefit to the work.
- (iii) Complying with both the letter and the spirit of the laws, rules and regulations of the procurement; so that work is awarded without influence of any unfair, corrupt or collusive practices.

- (iv) Treating all bidders and suppliers with fairness and impartiality and avoid any business arrangement that might prevent the effective operation of fair and transparent competition.”

During the audit of Executive Engineer, Sujawal Drainage Division, Sujawal for the financial years 2022-23 & 2023-24, it was observed that NIT was published on 21st February, 2023 against which the contractor submitted 5% call deposit in shape of pay order of Rs. 3.750 million dated 23rd January, 2023 i.e. almost one month before the publication of the NIT. Details are as under:

(Rs. in Million)

Scheme & contractor	Estimated Cost	Date of advertisement	CDR Date	CDR Amount
Construction of Bhad Link Drain RD. 0.0 to 11.5 of 2-L Ladun sub drain out falling at RD. 40.0 and Rehab: of Ladiun Drain RD 0.0 to 40.0 and 2-L Ladiun Dub Drain 0.0 to 40.0. M/s Harmain Engineering ADP # 1398	73.926	21/02/2023	23/01/2023	3.750

Audit is of the view that acceptance of call deposit before the date of advertisement showed non-transparency in procurement process which reflected negligent contract management.

The matter was reported to the management in September, 2024. The management replied that procuring agency demanded call deposit of Rs. 3.733 million whereas, the contractor submitted call deposit of Rs. 3.750 million against tender amount of Rs. 74.666 million. The contractor produced call deposit with bidding documents before the procurement committee hence, question of non-transparency does not arise. The reply was not tenable as NIT was published on 21-02-2023 whereas, CD was issued on 23-01-2023 prior to issuance of 29 days from the date of NIT.

DAC in its meetings held on 24th to 30th December, 2024 directed the PAO to conduct an enquiry and fix responsibility on the person(s) at fault and share report with Audit.

Audit recommends implementation of DAC directives besides strengthening its procurement management to avoid such lapses in future.

(PDP#517,AIR# 05)

4.5.54 Unjustified acceptance of open tenders – Rs. 68.728 million

According to SPPRA Works Guidelines 11.3.3, “In case tenders are invited on the items of composite schedule of rates, where contractor has to quote the premium on schedule B, then its premium shall not exceed Engineer’s estimate by 20%. If the premium quoted by the bidder is not within allowable limit of 20% then approval may be obtained from the Finance Department or the tender be floated afresh.”

During the audit of the following offices of Irrigation Department for the financial year 2022-2023, it was observed that works of Rs. 68.728 million were awarded through NIT. However, differential cost of materials i.e. cement, steel and bricks were not incorporated in comparative statement in order to keep bid within permissible limit of 20% of the engineer’s estimate. Details are as under:

(Rs. in Million)

Sr.No.	Name of Office	PDP #	AIR Para#	Amount
1	XEN, Larkana Drainage Division, Larkana	317	8	18.810
2	XEN, Nara Project Division Sanghar	189	2	49.918
			Total	68.728

Audit is of the view that award of tender by way of mis-representation in the bidding process reflected violation of SPPRA rules and poor contract management.

The matter was reported to the management during February to June, 2024. The management at Sr. 1 replied that total cost of bid including differential cost was 11.38% above the estimate. The management at Sr. 2 failed to submit reply.

DAC in its meeting held on 12th September, 2024 directed that the enquiry committee be constituted which may enquire the matter and submit a report to Audit.

Audit recommends implementation of DAC directives besides strengthening its procurement management to avoid such lapses in future.

**4.5.55 Unjustified payment of difference of cost of material on market rates
– Rs. 549.899 million**

As per Rule-88 of Sindh Financial Rules, Volume-I states that, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, it was observed that payment of Rs. 549.899 million was made on account of difference of cost of material (cement, sand and steel items) which were quoted on market rates. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	Amount
1	XEN, Drainage Division, Thatta	2022-23	20	5	5.476
2	XEN, Mirpur Division (SIDA) at Mirpur Mathelo	2022-23		9	49.206
3	XEN, Drainage Division, LBOD Shaheed Benazirabad	2023-24	453	5	27.346
4	XEN, Guni Canal Division, S.F Rahu, Badin	2023-24	601	1	300.546
5	XEN, Karli Baghar Division, Thatta	2023-24	623	2	140.261
6	Secretary, Irrigation Department	2023-24	400	25	1.342
7	XEN, Dad Division, Shaheed Benazirabad	2023-24	459	3	25.722
Total					549.899

Audit is of the view that unjustified payment of difference of cost of material on market rates reflected poor financial management.

The matter was reported to the management during February to November, 2024. The management at Sr. 1 replied that the difference cost of material was included in the PC-I and approved by the competent authority. The management at Sr. 2 to 7 replied that Government of Sindh has allowed difference cost of material w.e.f. 17.02.2022. The payment of carriage of stone boulders has been made according to actual work done at site, whereas, to counter the wastage of material (i.e. crushing of stone boulders), the factor of 1.2 & 1.35 for stone pitching & stone filling dry hand pack respectively provided, same was also provided in the estimates.

DAC in its meetings held on 16th August 24th to 30th December, 2024 referred the para for verification and Chief Engineer concerned to conduct enquiry into matter and share report with PAO and Audit for office at Sr. 4. The enquiry report from the Chief Engineer is awaited till the finalization of the audit report.

The management produced record however, the same was not found satisfactory as differential cost was allowed on items which were paid on market rates (Sr. 3 & 5). Further, the management @ Sr. 1,2,4,6 & 7 failed to produce record.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.52 having financial impact of Rs. 419.935 million. Recurrence of same irregularity is a matter of serious concern.

4.5.56 Unauthorized award of contract – Rs. 548.339 million

As per Rule 21-A of SPPRA, “The procuring agencies shall formulate an appropriate evaluation criterion, listing all the relevant information against which a bid is to be evaluated and criteria of such evaluation shall form an integral part of the bidding documents. The failure to provide a clear and unambiguous evaluation criterion in the bidding documents shall amount to mis-procurement.”

During the audit of the Executive Engineer, Begari Bund Division Sukkur, for the financial year 2022-23, it was observed that works of Rs. 548.339 million were awarded in violation of TORs of the tenders. Details are as follows:

(Rs. in Million)

Sr. #	Tender Description	Tender ID	Work Order Cost	Specialization Required (PEC)
1	SQ20222131-C.C Lining of Chitti Minor RD-0 to 33 (SDG # 6)	T01497-22-0001	340.068	C-3 Marine Structures Dredging Underwater Works
2	SQ20222130-Construction of Retaining wall along Chota Begari RD-17 to 23(City Portion) and Repair of Sindh Canal Sub Division and Resident of AXEN	T01497-22-0001	208.271	C-4 Dams/Water Retaining Structures Irrigation & Flood Control Systems
Total			548.339	

Following irregularities were observed in tendering process:

- i) NIT was called from contractors registered in C-3 & C-4 category with certain specialties whereas, the same was awarded to the firm registered in C-1 category.
- ii) Marks were assigned without having details of completed projects, qualification & experience of persons and details of equipment.
- iii) Excess marks were allocated on annual audit reports and financial capabilities beyond weightage.
- iv) Member-wise detailed marks sheet was not available on record.
- v) The criteria of allocating marks were not given in technical evaluation.

Audit is of the view that due to above shortcomings, an ineligible bidder was awarded contract in violation of SPPRA rules.

The matter was reported to the management in March, 2024. The management replied that the work was awarded to a firm with specialization in the relevant field and registered with PEC of category C-3/C-4.

DAC in its meeting held on 13th September, 2024 directed the management to get the stated position verified from Audit.

The reply/evidence of the management was not tenable since work was awarded to the contractors without enlistment and experience in the concerned category of PEC.

Audit recommends fixing of responsibility on the person(s) at fault besides strengthening of internal controls to avoid such lapses in future.

(PDP#329, AIR #03&04)

4.5.57 Excess payment on account of steel consumption – Rs. 12.377 million

As per Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of following offices of Irrigation Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that steel was consumed beyond approved estimates and material statements. This resulted into excess payment of Rs. 12.377 million. Details are as follows:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP#	AIR #	Excess Qty.	Rate	Excess Amount with premium
1	XEN, Drainage Division, Larkana	2022-2023	107	4	351.06	4,820.20	2.251
2	Chief Engineer Small Dams Organization Sindh, Hyderabad	2022-23 & 2023-24	790	10	90.418	112,000	10.126
Total							12.377

Audit is of the view that undue benefit was extended to the contractor which resulted into loss to the public exchequer.

The matter was reported to the management during April & November, 2024. The management of both offices replied that excess quantity of steel was consumed within permissible limit of 30%.

DAC in its meetings held on 12th September, 24th to 30th December, 2024 directed that PAO to enquire the matter in the light of SPPRA rules and a report be furnished to Audit (Sr. 1). The excess amount of steel may be recovered and reconcile the same with Audit (Sr. 2).

Enquiry report from PAO is awaited (Sr.1) and the management failed to recover excess payment against the quantity of 6.984 cwt steel in the light of DAC directives (Sr. 2).

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides strengthening of internal controls to avoid such lapses in future.

4.5.58 Irregular payment due to higher rates – Rs. 22.757 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that irregular expenditure of Rs. 22.757 million was incurred on M&R works due to higher rates. Details are as follows:

(Rs. in Million)

Sr#	Name of Office	Financial Year	PDP #	AIR #	Particulars	Amount
1	XEN, Northern Dadu Canal Division Larkana	2022-23	124	8	Higher Rate (M&R)	3.869
2	XEN, Guddu Barrage Division, Kashmore	2023-24	726	6	Higher Rate (M&R)	2.169
3	XEN, Drainage Division Sanghar	2023-24	418	11	payment at different rates on same items	15.464
4	XEN, Southern Division, Dadu	2023-24	651	06	Higher Rate (M&R)	1.255
Total						22.757

Audit is of the view that allowing higher rates to the contractors reflected poor financial management.

The matter was reported to the management during April to November, 2024. The management failed to submit reply (Sr.1). The lowest rates were approved by competent authority (Sr.2). Bidding documents were based on market rate and tenders were evaluated keeping in view the approved estimates whereas, work order was awarded to the lowest evaluated bidder after approval of competent authority (Sr.3). Rate of hydraulic excavator machine (wheel type) was sanctioned during the year 2022-23 at Rs. 9,000 per hour however, due to typographical mistake it was written as Rs. 6,850 per hour (Sr. 4).

The replies of the management were not tenable as no documentary evidence was produced (Sr.1, 2 & 3). Rate of Rs. 9,000 was allowed on the approved rates of 2022-23, whereas the same item was allowed at Rs. 6,850 in 2023-24, thus excess payment was made (Sr. 4).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to produce revised reply along-with detailed record to Audit for verification.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.46 having financial impact of Rs. 9.261 million. Recurrence of same irregularity is a matter of serious concern.

4.5.59 Unauthorized inclusion of income tax in the rate analysis – Rs. 6.918 million

As per Government of Sindh Composite Schedule of Rates-2012, the following percentage of profit and sundries shall only be allowed while preparing the rate analysis.

Sr. #	Particulars	% Allowed
01	On Overheads & Sundries	10
02	On Contractor Profit	10

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2023-24, it was observed that while preparing rate analysis of non-schedule items, income tax at the rate of 7.5% was included as additional overhead in violation of the above rule. This resulted in loss of Rs. 6.918 million to the public exchequer. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	Amount
1	XEN, Phulleli Canal Division, Badin @ Hyderabad	2023-24	582	2	4.833
2	XEN, Small Dam Nagarparkar @ Mithi	2023-24	672	9	0.177
3	XEN, Small Dam Division Kohistan-I Dadu	2023-24	680	6	0.584
4	Chief Engineer Small Dams Organization Sindh, Hyderabad	2022-23 & 2023-24	786	6	1.324
Total					6.918

Audit is of the view that undue favor was extended to the contractor by allowing income tax without legal justification which reflected poor financial management.

The matter was reported to the management in October, 2024. The management of all offices replied that basic rates were approved on market rates exclusive of income tax. Hence, the amount of income tax was incorporated in R.A.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to recover excess amount and provide record to Audit for verification.

Audit recommends recovery of the excess amount at the earliest besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.43 having financial impact of Rs. 1.255 million. Recurrence of same irregularity is a matter of serious concern.

4.5.60 Unjustified payment without execution of work - Rs. 76.159 million

According to Para-209 (d) of C.P.W.A Code, “All payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately. He will also have worked out and enter in the measurement book the figures for the “Contents or Area” column.

During the audit of Executive Engineer, West Division Khairpur, for the financial year 2023-24, it was observed that an expenditure of Rs. 116.348 million was incurred on CC Lining of Ahmed Pur minor (RD 0-15) and earth filling including compaction of Abad minor. However, while review of google map on 26.09.23 & 29.04.24 (**Annex-9 of Chapter-4.**), it was noticed that CC Lining work of Ahmed Pur minor was carried out on 8 RDs only whereas, no earth filling was executed on Abad minor. Hence, payment of Rs. 76.159 million stands unjustified. Details are as follows:

(Rs. in Million)

Name of work: CC Lining of Ahmed Pur Minor from RD 0+00 to 15+00 Abad Minor from RD 0+00 to 24+00 & Piryalo Minor from RD 0+00 to 38+500 M/s M.Z Baloch & NFC & Co. W/O# 1902/11.04.23 Rs.459.264 million 1st RA 25.07.23 & 2nd RA 30.08.23 Rs. 150.067				
Part of work	Ahmed Pur Minor		Abad Minor	
	As per estimate	As per execution	As per estimate	As per execution
Earth Filling	10.807	11.062	17.169	17.932
CC Lining	20.621	20.325	30.027	0
Banks	1.705	1.561	5.071	0.149
Village bridges	1.263	0	1.683	0
Modules	3.032	0	5.597	0
Total	37.428	32.948	59.547	18.081
57.90%	21.67081	19.076	34.477	10.468
Carriage	10.635	10.61	23.331	13.151
Diff: Cost	16.288	12.703	24.683	
G. Total	86.022	75.338	142.039	41.701
08 RDs		40.180		
07 RDs		35.158		41.701

Audit is of the view that unjustified payment without execution of work indicated extension of undue favour to contractor.

The matter was reported to the management in August, 2024. The management replied that the progress and measurements were duly recorded in M.B. The observation on Google imagery does not reflect reliable source as satellite images do not accurately capture the detailed execution of works on-site. The official record including M.B and progress reports are reliable source and verified by the concerned AXEN.

DAC in its meetings held on 24th to 30th December, 2024 directed to submit revised reply and get the stated position verified from Audit.

Audit recommends implementation of DAC directives besides ensuring effective monitoring of physical execution of work before making payments to the contractors.

(PDP#828, AIR#04)

4.5.61 Unjustified expenditure of POL from M&R budget – Rs. 26.803 million

As per Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of following offices of Irrigation Department for the financial years 2022-23 and 2023-24, it was observed that expenditure of Rs. 26.803 million was incurred on account of POL from M&R budget in violation of instructions issued by the Finance Department. Further, logbooks, history sheets and petrol consumption account were also not maintained. Details are as under:

(Rs. in Million)					
Sr. #	Name of Office	Financial Year	PDP #	AIR #	Amount
1	XEN, Drainage Division, Tando Mohammad Khan	2022-23	11	8	0.505
2	XEN, Drainage Division, Tando Mohammad Khan	2022-23	153	3	17.612
3	XEN, Ghotki Division, Ghotki	2022-23	220	7	4.835
4	XEN, Mithrao, Division Mirpurkhas	2023-24	442	7	2.158
5	XEN, Jamrao Division, Mirpurkhas	2023-24	448	5	1.693
Total					26.803

Audit is of the view that POL payment from the M&R budget is held irregular.

The matter was reported to the management during March to November, 2024. The management replied that budget of Rs. 0.940 million for three vehicles under Head A-03807 for 2022-23 was insufficient (Sr. 1). The management replied that log books for engaging tractor trolleys and recording trips for the

"Raising and strengthening banks" were maintained by the sub-division (Sr. 2). The management replied that budget released under the head of POL was insufficient to supervise works and canals, hence few bills of POL were charged to M&R (Sr. 3). The management replied that provision of POL is included in annual work plan of M&R works (Sr. 4). The management replied that logbooks are maintained showing consumption of POL, purpose and location (Sr. 5).

DAC in its meetings held on 16th August, 4th September and 24th to 30th December, 2024 directed the management to take up matter with the Finance Department for clarification (Sr. 1 to 3). The management to provide detail of item-wise break up of costs from contractors, including material, labor, carriage, taxes and profit (Sr. 4). Whereas, management to provide details of vehicles, regular budget of POL along-with reasons for drawl of POL from M&R and regular budget to Audit for verification (Sr. 5).

The reply of the management in the light of produced record was not satisfactory since relevant record as well as clarification from the Finance Department is still awaited.

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit report for Audit Years 2023-24 vide para number 4.5.25 having financial impact of Rs. 2.347 million. Recurrence of same irregularity is a matter of serious concern.

4.5.62 Unauthorized execution of works beyond jurisdiction – Rs. 129.967 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of following offices of Irrigation Department Government of Sindh, for the financial years 2022-23 and 2023-24, it was observed that;

1. XEN, Karli Baghar Division, Thatta

Work of Rs. 129.967 million was executed beyond the domain and without obtaining NOC from Works & Services department. Details are as follows:

(Rs. in Million)

PDP#	AIR#	Particulars	Amount
628	7	Construction of new road bridge over Kalri Baghar Feeder Upper @ RD 120 of Karli Baghar Division, Thatta	129.967

(PDP#628)

2. XEN, Tube wells Division Khairpur

Various works of Rs. 19.086 million were executed in an area of ‘Thari Mirwah Canal’ which was beyond the administrative jurisdiction of the Division. **(PDP#85)**

3. XEN, Northern Dadu Canal Division Larkana

The scheme “Rehabilitation/Renovation of office block & residences of AXEN Dokri and Tajo Dero” worth Rs. 107.790 million was executed beyond the administrative jurisdiction of the Division. **(PDP#125)**

Audit is of the view that execution of the works without having jurisdiction is irregular and chances of improper execution and duplication of works cannot be ruled out.

The matter was reported to the management during February to December, 2024. The management replied that the works were carried out within the administrative jurisdiction of Irrigation department as approved by the competent forum (Sr. 1) and for dewatering of rainwater (Sr. 2). The management did not furnish reply (Sr. 3).

DAC in its meetings held on 12th September & 24th to 30th December, 2024 directed that PAO to submit the report on the matter that how works of road & bridges are being carried out by Irrigation Department instead of Works & Services Department (Sr. 1). The Chief Engineer concerned conduct inquiry and submit a fact-finding report to PAO and Audit (Sr. 2). DAC showed serious displeasure on non-submission of reply by the Executive Engineer / management and directed to issue explanation and further directed to produce reply along with details/ record to audit for verification (Sr. 3).

Audit recommends implementation of the Rules of Business of Government of Sindh, besides fixing of responsibility on the person(s) at fault.

4.5.63 Unauthorized approval of contracts of civil works – Rs. 346.376 million

According to Regulation No.2.21 Procurement Regulation (Works), 2011 “The procuring agency/ committee shall not invite bids for development works, unless following conditions are fulfilled:

- i) Approval of PC-I/PC-II from competent forum.
- ii) Issuance of Administrative Approval (A.A) for development schemes.
- iii) Technical Sanction (TS) of a detailed estimate is obtained.
- iv) Funds are either released or anticipated to be released before award of contract.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2022-23, it was observed that:

1. Chief Engineer Guddu Barrage @ Sukkur,

Tenders of Rs. 238.387 million were invited prior to the issuance of administrative approval and technical sanction. Details are as under:

(Rs. in Million)

Name of scheme	Contractor	Amount	Tender Date	A.A Date issuance	Document posted date on website
Construction of CC lining along Khoski minor	M/s. A.W.F	238.387	16-03-2023	06-04-2023	24-03-2023

(PDP#38)

2. XEN, North Dadu Drainage Division, Larkana

Bids of Rs. 107.989 million were accepted prior to the approval of estimate of mechanical component of Rs. 49.725 million from concerned Chief Engineer. Detail are as follows:

(Rs. in Million)

NIT No. & Date	T.S No. & Date	W.O No. & Date	Name of work & contractor	Component	Amount
1359 Dated 28-01- 2022	171 Dated 18-01- 2022	2167 Dated 13-05- 2022	Construction of A&B sub-drain of Sonhari System & Construction of pumping station @ RD 327 of Dadu Canal under scheme (ADP No.1372 of 2022-23) (M/s. Modern Technology & Traders	Part-A: Civil work	58.264
	1205 Dated 25-04- 2022			Part-B: Mechanical work (Open rate)	49.724
Total					107.989

(PDP#102)

Audit is of the view that acceptance of bids prior to the approval of AA and Technical Sanction from the competent authority is a serious violation of rules which leads to mis-procurement.

The matter was reported to the management in April, 2024. The management replied that tender documents were issued in light of terms and conditions of NIT. The reply of the management was not tenable since without issuance of AA and approval of T.S, estimated cost of the scheme cannot be determined (Sr. 1). Technical sanction was approved by the competent authority prior to NIT. The reply of the management was not tenable as it is evident that in mechanical component, TS was obtained after floating of NIT. (Sr. 2).

DAC in its meetings held on 16th August & 12th September, 2024 directed the management to get the stated position verified from Audit. However, the management did not produce documentary evidence in support of their contention.

Audit recommends fixing of responsibility on the person(s) at fault besides strict adherence to government regulations to avoid such lapses in future.

4.5.64 Irregular refund of security deposit – Rs. 165.258 million

According to Rule-7.12.3 (i) of SPPRA, Procurement Regulation (Works), “Security deposit can be released in either of following ways - (a) On completion of the works; half the total amount retained is refunded to the

contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction; (b) Full amount be released after completion of defect liability period.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2022-23 & 2023-24, it was observed that security deposit of Rs. 165.258 million was refunded during execution of work and prior to the completion of defect liability period. Details are given in **Annex-10 of Chapter-4**.

Audit is of the view that the pre-mature refund of security deposit reflected negligence on the part of the management.

The matter was reported to the management during July to November, 2024. The management replied that execution of items was within permissible limit of 30% whereas, overall execution of work was within 5% of the sanctioned cost (Sr. 1). The management replied that security deposit upto 79% of Rs. 31.671 million was refunded (Sr.2&3). Payment of security deposit was released after defect liability period (Sr.4, 5 & 6).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The reply of the management was not tenable as work was physically completed on 15.03.2023 whereas, 100% security deposit was refunded before the expiry of defect liability period (Sr.1&2). The other offices failed to submit record for verification (Sr.3,4,5 & 6).

Audit requires enquiry and fixing of responsibility on the person(s) at fault strict adherence to financial regulations to avoid such lapses in future.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2022-2023 vide para number 4.5.14 having financial impact of Rs. 431.539 million and 2023-24 vide para number 4.5.65 having financial impact of Rs. 466.127 million. Recurrence of same irregularity is a matter of serious concern.

4.5.65 Non-disposal of replaced machinery and equipment – Rs. 26.875 million

According to Annex-I (10) of the Consumer Service Manual, 2020, “In case of removal or replacement of dedicated distribution system or any part thereof on account of permanent disconnection, extension, reduction of load, change of tariff, shifting of site etc. the life period of transformer be taken as 20 Years. For calculation of depreciation for adjustment i.e. @ 5% per annum. However, in any case the depreciated value of transformer/material should not be less than 10% of the initial cost. Further, according to Rule 28 of the General Financial Rules, Volume – I, “No amount due to government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.”

During the audit of Executive Engineer, Drainage Division, Larkana for the financial year 2022-2023, it was observed that the management replaced old machinery and equipment during the rehabilitation work of pumping stations & tube wells. However, scrap value of the items @ 10% (excluding transformer) of Rs. 26.875 million was not deposited into the Government account. Further, amount in the old demand notice paid to the SEPCO was not adjusted nor the scrap value of the transformer was adjusted.

Audit is of the view that non-recovery of re-sale cost of the old machinery and equipment reflected poor financial management.

The matter was reported to the management in April, 2024. The management replied that new pumps installed at Ruk, Garhi Yaseen, and Masti stations do not involve replacing old machinery. The old electric motors were recorded as scrap in the subdivision's account and were not resold. The reply of the management was not tenable as physical verification report of the department is awaited along-with record.

DAC in its meeting held on 12th September, 2024 directed that stock register for scrap accounts may be provided to audit for verification. DAC further directed that the department may constitute a team for physical verification to ascertain the machinery as mentioned in para and auction position may be provided to Audit.

Audit recommends compliance with DAC directives.

(PDP#111, AIR #11)

4.5.66 Award of work in deviation of scope of the scheme

According to Para-528 of Public Works Departmental Manual, “No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2023-24, it was observed that:

1. Executive Engineer, Karli Baghar Division, Thatta

PC-1 was approved upto length of 7+300 RDs estimate was approved with reduced scope upto 5+300 RDs. Details are as under:

(Rs. in Million)

Scheme: Construction of J-Spurs U/S Left Guide Bank of Centralize the Flow of Indus River Water under Thatta Sujawal Road Bridge (Doolah Bridge). (ADP 1761)						
Contractor: Al-Ramzan Cons. Co.						
PC I / A.A	RD. Approved in PC-I	Detailed Estimate	RD approved in Estimate	R.A	CV. Date	Work Done
1,947.576	7+500	1,837.784	5+300	10 th	01, 30.10.2023	1,888.690

(PDP#625, AIR#04)

2. Executive Engineer, Rohri Canal Division Kandiaro

Schemes were awarded to the contractors worth Rs. 1,245.089 million but the same were not tendered in the light of scope of the schemes as per PC-I. Thus, scope of works was decreased while tender amount was enhanced. The details are as under:

(Rs. in Million)

CV.No /Dt	Name of work	W.O/ dt	PC-I Cost	Award Amount	Particular
41/29.8.23 5 th R.A	CC lining of let minor from RD 0+00 to 43 +00 M/S G.H.B Construction	788/ 24.5.23	475.00	508.074	Total work was RD 0+00 to 59+00, but work was awarded of RD 0+00 to 43+00
20/11.6.24 11 th R.a	CC lining of Dodha minor from RD 0-0 to 23+250 including Construction of head regulator and CC lining Sangi distry from RD 0 to 48 including other components M/S NBCC	170/ 14.1.22	659.332	737.015	Scheme was from RD 0-0 to 27 as per PC-I but tender was floated for 00+23 RD
Total				1,245.089	

(PDP#561, AIR#2)

Audit is of the view that the execution of works was in deviation of scope as approved in the PC-I reflected poor project management.

The matter was reported to the management in October, 2024. The management replied that due to rate fluctuation it was difficult to complete work within PC-I cost. Hence, estimate was prepared with shorter length than the approved (Sr. 1). Schemes were prepared during the year 2021-22 consisting of items based on the schedule of rates 2012. Whereas, approval of the PC-I for both schemes were given after several months. Consequently, the rates of material particularly steel, stone, bricks, cement etc. were abnormally increased in the market. Considering such abnormal fluctuation in the rates, government allowed difference of rates on various items (Sr. 2).

DAC in its meetings held on 24th to 30th December, 2024 directed Chief Engineer concerned to conduct inquiry into the matter and share report with PAO and Audit (Sr.1) to get the stated position verified from Audit (Sr. 2).

The management produced record for verification. However, reply was not tenable as scope of PC-I was modified in the estimate prior to the approval of modified PC-I and compromise the intended objectives of the scheme. Hence, public could not be benefited with the scheme (Sr. 1). Scope of work was deviated from approved PC-I (Sr. 2).

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

4.5.67 Irregular payment to the contractor without measurements – Rs. 297.510 million

According to Rule-221 of Central Public Works Account Code, “Before signing the bills, sub-divisional officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically.” Further, as per Para-209 (d) of CPWD Code, “All payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2022-23, it was observed that the management made payment of Rs. 297.510 million for hiring machinery for earthwork without recording of measurement. Details are as under:

(Rs. in Million)

Sr#	Name of office	Financial Year	PDP #	AIR #	Particulars	Amount
1	XEN, Shahbaz Division Sehwan	2022-23	50	01	Flood fighting 2022	86.920
2	XEN, Tube wells Division No:1, Hala	2022-23	91	03	Hire charges of Hydraulic Excavator Machine with POL on hourly basis but detailed measurement in cubic feet was not recorded.	4.385
3	XEN, Drainage Division, Thatta	2022-23	43	11	Hiring excavator/tractor	182.565
4	XEN, Shahbaz Division, Sehwan	2022-23	82	08	Machinery for earthwork	23.640
Total						297.51

Audit is of the view that incurring of expenditure without recording measurement of quantities stands irregular.

The matter was reported to the management during March to June, 2024. The management did not furnish replies (Sr.1,2). AEN documented all work

measurements and estimates were approved on hourly basis (Sr. 3), Tractor trolley and other machinery were recorded in measurement book by the concerned AEN (Sr. 4). No documentary evidence was produced in support of replies.

DAC in its meetings held on 16th August, 2024 showed displeasure for non-submission of replies within stipulated time and directed the management to submit reply along with supporting documents to (Sr.1&2).

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

4.5.68 Unjustified expenditure of M&R through defective rate contract - Rs 31.649 million

According to Rule-12 of General Financial Rules, Volume-I, “Controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2023-24, it was observed that expenditure of Rs.31.649 million was incurred on M&R works through defective rate contract method without approval of rate analysis. Further, break-up of rates (material cost, labor cost, carriage cost, taxes, and contractor’s profit, potentially leading to opaque and inaccurate pricing) was not prepared prior to the approval of bids. Details of offices are as follows:

Sr.#	Name of Office	PDP#	AIR Para#
1	XEN, Nara Canal, Division, Khairpur	702	7
2	XEN, Tube well Division, Khairpur	709	6
3	XEN, Akram Wah Division, Badin (SIDA)	841	7
4	XEN, Drainage, Division Thatta	873	11
5	XEN, Chotiari Reservoir, Khipro Sanghar	767	8

Audit is of the view that completion of procurement process in contravention of SPPRA rules reflected failure in achievement of competitive rates.

The matter was reported to the management in August, 2024. The management replied that item rate contract method was adopted as per rules (Sr. 1&4). Rate quoted by contractors was inclusive of all overhead charges (Sr. 2). Rates were invited through open competition (Sr. 3). Open tenders were invited to obtain competitive rates which were approved by the competent authority. The replies of the management were not tenable as no documentary evidence was produced.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stance verified from Audit (Sr.1&5). Item-wise break-up of costs including material, labor, carriage, taxes and profit be got verified from Audit (Sr. 2). Requisite record including copy of R.A, NIT & bidding documents be produced for verification (Sr.3).

Audit recommends implementation of DAC directives besides strengthening its project planning and procurement regulations.

4.5.69 Irregular payment on similar works at different rates – Rs. 52.829 million

According to Rule-221 of the Central Public Works Account Code, “Before signing the bills, sub-divisional officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically.”

During the audit of following offices of Irrigation Department, Government of Sindh, for the financial year 2022-23, it was observed that works of Rs. 52.829 million were awarded to various contractors at different rates with similar nature and specifications. Details are as under:

(Rs. in Million)				
Sr.#	Name of Office	PDP#	AIR Para#	Amount
1	XEN, Nara Canal Division Khairpur at Sukkur	28	2	7.830
2	XEN, Thar Division Mirpurkhas		4	11.247
3	XEN, Begari Division, Thul		8	15.401
4	XEN, Mirpur Division (SIDA) at Mirpur Mathelo		10	18.351
			Total	52.829

Audit is of the view that irregular payment due to execution of similar items on different rates reflected weak financial management.

The matter was reported to the management in April, 2024. The management at Sr. 1,2&3 replied that due to flood emergency, the demand of earth moving machinery abruptly increased which affected the demand and supply causing hike in prices. The management at Sr. 4 replied that difference cost on items (cement, steel etc.) were allowed after approval of competent authority.

DAC in its meeting held on 16th August, 2024 directed the Special Secretary Technical to scrutinize the issue and submit the report to the Audit.

Audit recommends early submission of the report in compliance of the DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.26 having financial impact of Rs. 9.261 million. Recurrence of same irregularity is a matter of serious concern.

4.5.70 Undue favor to single contractor – Rs. 127.019 million

As per Rule-88 of Sindh Financial Rules, volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of Executive Engineer, Drainage Division, Sanghar for the financial year 2023-24, it was observed that works of M&R nature were awarded upto Rs. 127.019 million to single contractor out of total expenditure of Rs. 157.328 million which raises doubt on bidding process.

Audit is of the view that incurring major expenditure i.e. 81% of total expenditure from one contractor reflected undue favor despite the fact that equal rates were also offered by other competitive bidders.

The matter was reported to the management in August, 2024. The management replied that works were awarded to the contractor quoting lowest rates duly approved by the competent authority.

DAC in its meetings held on 24th to 30th December, 2024 directed that an enquiry be conducted by the concerned Chief Engineer into matter and submit report to PAO & Audit.

Audit recommends implementation of DAC directives besides strengthening its procurement management to avoid such lapses in future.

(PDP#409) (AIR#02)

4.5.71 Irregular award of work to second lowest bidder – Rs. 91.779 million

As per Regulation No.5.1 of the Procurement Regulation of Works, 2011, “Procuring agencies shall use open competitive bidding as the principal method of procurement for procurement of works. Staff of procuring agency must maintain the highest standards of honesty and integrity in performing their duties by:

- Developing the highest possible standards of professional competence.
- Using funds and other resources for which they are responsible to provide the maximum benefit to the work.
- Complying with both the letter and the spirit of the laws, rules and regulations of the procurement; so that work is awarded without influence of any unfair, corrupt or collusive practices.
- Treating all bidders and suppliers with fairness and impartiality and avoid any business arrangement that might prevent the effective operation of fair and transparent competition.”

During the audit of Executive Engineer, Drainage Division, Thatta, for the financial year 2022-23, it was observed that work orders of Rs. 91.779 million were issued to second lowest bidder on the rates and terms of the lowest bidder. This fact was also verified from the letter of acceptance issued by the executive engineer whereby the management had categorically mentioned in the items against which the bidder submitted the lowest rates.

Audit is of the view that award of work to the second lowest bidder without competitive rates is serious violation of SPPRA rules.

The matter was reported to the management in March, 2024. The management replied that the bidder was qualified during the financial year 2022-23. The offered bids were evaluated by the committee and approved the lowest

rates. The reply of the management was not tenable as there was no provision in rules to accommodate the second lowest bidder on the lowest quoted rates of first bidder.

DAC in its meeting held on 16th August, 2024 to get the stated position verified from Audit. The management did not produce any record.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides strict adherence to procurement regulations to avoid such lapses in future.

(PDP#40, AIR#01)

4.5.72 Loss due to theft of material and spare parts of machinery – Rs. 6.492 million

As per Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of Executive Engineer, Stores Division, Hyderabad for the financial years 2021-22 and 2022-23, it was observed that the department reported incidents of pilferage via office letter No. SDC/G-148/S-II/104 dated 21-11-2022 of materials and spare parts of machinery from the HWM section of Store sub-Division II, amounting to Rs. 6.492 million. Details are as under:

(Rs. in Million)	
Item Description	Amount
Spare parts of Hydraulic Excavator, Ken worth Trailer, Uniex, Samsung excavator and shantui Bulldozer	6.492
Total	6.492

Audit is of the view that the management failed to safeguard the government property, and did not take efforts for recovery of stolen machinery which indicated weak administrative management.

The matter was reported to the management in April, 2024. The management replied that theft of spare parts of heavy earth-moving machinery,

including various excavators and a bulldozer is under proceedings in the court of law.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to pursue the matter and share the latest position to the Department and Audit.

The management produced copy of FIR. The inquiry was conducted by the Anti-Corruption Department, Kotri and case is in process with Honorable Anti-Corruption Court, Hyderabad.

Audit recommends effective pursuance of the case.

(PDP#69, AIR#03)

4.5.73 Non-hoisting of bidding documents on SPPRA website

According to Rule-10 of Sindh Public Procurement Rules, 2010, “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement public through hoisting on the Authority’s website as well as on procuring agency’s website, if the procuring agency has such a website.”

Further, as per Rule-50 of *ibid* “Within fifteen (15) days of signing of contract, procuring agency shall publish on the website of the Authority and on its own website, if such a website exists, the results of the bidding process, identifying the bid through procurement identifying number, if any, and the following information: (1) Contract Evaluation Report; (2) Form of Contract and Letter of Award; (3) Bill of Quantities or Schedule of Requirement.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, it was observed that works of Rs. 4,141.060 million were awarded however, the management did not hoist their contract agreements, contract evaluation reports and award of contracts on SPPRA website in violation of above rules. Details are as follows:

(Rs. In Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR Para#	Amount
1	XEN, Thar Division Mirpurkhas	2022-23	31	1	162.061
2	XEN, Tube wells Division No:1, Hala	2022-23		5	284.184
3	XEN, Drainage Division, Larkana	2022-23		16	123.396
4	XEN, Begari Bund Division, Sukkur	2022-23	336	11	883.225
5	XEN, Shahdadt Irrigation Division, Shahdadt	2022-23	358	1	824.297
6	XEN, Mithrao, Division Mirpurkhas	2023-24	438	3	1,863.897
Total					4,141.06

Audit is of view that non-hoisting of documents on SPPRA website reflected weak internal controls.

The matter was reported to the management from March to November, 2024. The management at Sr. 1 to 6 replied that the contract agreement, contract evaluation report, and contract award to the contractors were hoisted on the SPPRA website.

DAC in its meetings held on 16th August, and 24th to 30th December 2024 directed the management to get the stated position verified from Audit. The reply of the management was not tenable as no documentary evidence was produced in support of reply.

Audit recommends fixing of responsibility on the person(s) at fault besides strict adherence to procurement regulations to avoid such lapses in future.

4.5.74 Un-authorized transfer of funds from revenue account – Rs. 202.639 million

According to Rule-26 of General Financial Rule Vol-I, “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the department controlling officers to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the Department Account. No department receipt shall be utilized towards contingent expenditure.”

During the audit of Director, Area Water Board, Left Bank Circle Badin @ Hyderabad for the financial years 2013-23, it was observed that management

transferred an amount of Rs. 202.639 million to various bank accounts without any proper justification. Details are given in **Annex-11 of Chapter-4**.

Audit is of the view that transfer of funds from revenue account to various accounts without justification is very serious issue which reflected weak internal control.

The matter was reported to the management in April, 2024. The management replied that all these transactions were made for the salaries disbursement by stop gap method. Management further informed that funds pertained to the ADP scheme instead of Abiana. The reply of the management was not tenable since there is no provision of payment as stop gap arrangement in rules. Further, no documentary evidence was produced in support of reply.

DAC in its meeting held on 4th September, 2024 directed the management to get the stated position verified from Audit. However, the management did not produce record.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

(PDP#200, AIR# 03)

4.5.75 Un-justified diversion of funds without approval of competent authority – Rs. 20.000 million

According to Para-26 of General Financial Rule, Volume-I, “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the department controlling officers to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the Department Account. No department receipt shall be utilized towards contingent expenditure.”

During the audit of Director, Area Water Board, Left Bank Circle, Badin @ Hyderabad for the financial years 2013-23, it was observed that an amount of Rs. 20.000 million was paid to Executive Engineer, Phulleli Division, however, neither approval from competent authority was obtained nor recovered from concerned office despite lapse of five years.

Audit is of the view that allowing payment without any justification and sanction of competent authority is a serious issue as chances of misappropriation cannot be ruled out.

The matter was reported to the management in April, 2024. The management replied that an operation was conducted to remove illegal encroachments along the Phulleli Canal to comply with the Supreme Court's orders. Thus, Rs. 20.00 million loan was paid to the Executive Engineer Phulleli Division. The reply of the management was not tenable as transfer of funds is not allowed from Authority to Irrigation Division without approval of the Finance Department.

DAC in its meeting held on 4th September, 2024 directed the management that the matter may be taken up with Finance Department and relevant record specially orders of the Apex court be provided to Audit for verification. However, the management did not produce record.

Audit recommends implementation of DAC directives besides strengthening its financial and monitoring mechanism to avoid such lapses in future.

(PDP#205, AIR#08)

4.5.76 Less cultivation of crops against targeted/assessed irrigated lands

As per Rule-33 (i) of Sindh Water Management Ordinance 2022, “In order to perform its role and functions, an AWB shall perform to reduce irrigation water supply services to FOs upon non-payment by one or more of its water users of due water charges.”

During the audit of Director, Nara Water Board Mirpurkhas, for the financial years 2014-15 to 2022-23, it was observed that an amount of Rs. 1,761.896 million was not recovered due to less cultivation of crops in the targeted/assessed irrigated lands. Details are given in **Annex-12 of Chapter-4**.

Audit is of the view that due to less cultivation of crops in the irrigated land against the targeted/assessed area, Government was deprived of potential revenue.

The matter was reported to the management in May, 2024. The management replied that shortfall was due to inconsistent water supply from the river Indus, requiring a rotation program for equitable distribution. Further, Nara

Canal command area was severely impacted by major floods in 2020 and 2022. The reply of the management was not tenable as proper justification on less-realization of revenue targets were not provided.

DAC in its meeting held on 4th September, 2024 directed the management to get the stated position verified from Audit. However, the management did not produced record.

Audit recommends formulation of an effective revenue/investment policy of the authority in order to avoid unnecessary burden on provincial exchequer.

(PDP#226, AIR #01)

4.5.77 Non-issuance of corrigendum despite deviation in items – Rs. 208.271 million

As per Rule-23 (2) SPPRA, 2010, “Procuring Agency shall re-issue the Notice Inviting Tenders, in accordance with Rules 17 and 18, if it is convinced that there is a material infirmity or ambiguity in the bidding documents, which cannot be addressed without modifying the contents of bidding documents. In case any material changes are made in the scope of work, corrigendum or addendum is issued considering the following points as per Rule, 22.”

During the audit of Executive Engineer, Begari Bund Division Sukkur, for the financial year 2022-23, it was observed that work was awarded of Rs. 208.271 million without issuance of corrigendum as following amendments were made in original NIT:

- i) Incorporation of additional items in work (from CC work to RCC).
- ii) The NIT was issued on 08.02.2023 whereas, estimate was approved on 03.04.2023.
- iii) Technical evaluation was made on 15.03.2023 instead of 28.02.2023.
- iv) Item of steel including cartage and escalation was incorporated in the estimate.
- v) Various items were available in BoQ however, the same were not approved in the estimate. Details are as under:

(Rs. in Million)		
Name of work &	NIT No.	Amount
Constructing of Retaining Wall along Chota Begari RD-17 to 23	No TC/G-55/300 dated: 08.02.2023	208.271

Audit is of the view that the award of work without issuance of corrigendum reflected violation of SPPRA Rules and indicated poor contract management.

The matter was reported to the management in March, 2024. The management replied that the tender was published as per SPPRA Rules. The reply of the management was irrelevant as the contention of Audit was not addressed.

DAC in its meeting held on 13th September, 2024 directed to provide original TS, revised TS and work orders to Audit for verification. However, no relevant record was produced.

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

(PDP#327, AIR#01)

4.5.78 Duplicate execution of work – Rs. 9.840 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of following offices of Irrigation Department for the financial years 2021-22 to 2023-24, it was observed that expenditure of Rs. 9.840 million was incurred on repair & maintenance works on same RDs by different contractors which resulted in duplicate execution of works. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	F.Y	PDP #	AIR #	Particulars	Amount
1	XEN, Tube wells Division Khairpur	2022-23	21	7	Duplicate execution of work on same RDs	0.796
2	XEN, DAD Division Shaheed Benazirabad	2022-23		2	Duplicate execution of work on same RDs	3.024
3	XEN, Saifullah Magsi Branch Division Shahdadkot	2021-22 to 2022-23	175	8	Duplicate execution of work on same RDs	1.053
4	XEN, Barrage Division, Sukkur	2023-24	433	5	Duplicating in execution of works	3.797
5	XEN, Drainage Division, Mirpurkhas	2023-24	480	9	Duplicate execution of work by Repair & Maintenance of Pump & panel	1.170
Total						9.840

Audit is of the view that execution of same work on same RDs by different contractors reflected weak financial management.

The matter was reported to the management during February to November, 2024. The management replied that work of weed clearance was carried out during different period as per site requirement (Sr. 1). The work was executed on same RDs for cutting weeds during rain/flood emergency on approved rates (Sr. 2 & 3). The work of raising and strengthening of Rohri Canal Banks from (RD-7 to 18) was carried out during the closure period of Sukkur Barrage in 2021. However, after completion, it was observed that uplift pressure had increased from RD-18 to 25. This necessitated revised proposal was submitted and subsequently approved by the competent authority which includes already carried out three RDs (15-18) for further raising of the said reaches (Sr. 4). There was no duplicate payment and work was carried out on different intervals on need basis (Sr. 5).

DAC in its meetings held on 16th August, 24th to 30th December, 2024 referred the Para for submission of the revised replies and verification.

The management produced record. However, same was not satisfactory since copy of estimate revealed that W.O No. 322 & # 102 were awarded to the same contractor for same work (Sr. 5). The remaining offices failed to produce relevant record (Sr. 1 to 4).

Audit recommends recovery of excess amount and fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.43 having financial impact of Rs. 8.358 million and 2023-24 vide para number 4.5.53 having financial impact of Rs. 2.006 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.79 Unjustified execution of solar platform for solar system - Rs 30.220 million

As per Rule 11.1.3(i) of SPPRA, Procurement Regulation (Works), “PC-I of the scheme/work is required to be revised when the original scope is modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate.”

During the audit of Executive Engineer, Tube well Division-I Hala for the financial year 2023-24, it was observed that quantities in estimates of structural work of boundary wall were same for solar plates despite different specification of solar system. Details are as follows:

(Rs. in Million)

Conversion of Tube wells & Pumping Stations on Solar System in Three Scarp Projects. M/s M.B.C & sons 545/Dt:7.4.22			
Items	Qty for 40 HP P/stations	Qty for 100 HP P/stations	Solar platform
Solar Panels	80	170	Rs 604,397/ each platform
Angle iron frame	01 at Rs.970,000	01at Rs.1225,000	
Galvanized MS Fencing	07 Job	15 Jobs	
No. of P/stations	35	15	50
Total	218.925	174.810	30.220

Audit is of the view that either estimates for (35) units of 40 HP pumping stations were overstated or estimates for (15) units of 100 HP pumping stations were understated.

The matter was reported to the management in October, 2024. The management replied that structure of pumping stations was designed with same size for each solar plate form irrespective of the capacity of the solar system.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stance verified from Audit.

The reply/evidence of the management was not tenable as scrutiny of estimate revealed that despite difference in specifications of solar plates, structure remains same.

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#572, AIR#03)

4.5.80 Unjustified expenditure on closing of Rain Gharas – Rs. 31.101 million

According to Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of Executive Engineer Small Dam Division, Kohistan-II Jamshoro, for the financial year 2023-24, it was observed that payment of Rs. 31.101 million was made on account of hiring of machinery for filling rain gharas whereas, same work was executed during the months of March to May 2024. Hence, payment was made without existence of rainy season.

Audit is of the view that payment without monsoon/flood season reflected doubtful payment and constituted weak financial management.

The matter was reported to the management in October, 2024. The management replied that monsoon/flood season starts from July to August whereas, rain was reported upto the month of September. The reply of the management was not tenable as period of executed work does not commensurate with monsoon season.

DAC in its meetings held on 24th to 30th December, 2024 directed that Chief Engineer concerned to conduct enquiry and submit fact finding report to PAO and Audit.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#802, AIR#06)

4.5.81 Un-justified expenditure on carriage of earthwork – Rs. 10.471 million

As per SPPRA Guidelines for Procurement 11.3.3, “Cost of cartage is not paid separately as same is adjusted in the quoted premium but cost of escalation on materials is paid separately as per consumption. No separate payment for carriage of material shall be made, premium quoted by the contractor covers all the cost of carriage of material involved.”

During the audit of Secretary, Irrigation Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that expenditure of Rs. 10.471 million was incurred on carriage of borrow pit from 2 miles without utilization of excavated earth available at site. Details are as under:

(Rs. in Million)

Quantity	Items of work or supplies	Rate	Unit	Amount
2083781	Borrow pit excavation undressed lead up to 100 ft (a) Ordinary soil	2117.5	%o Cft	4.412
2083781	Carriage of 100 Cft/5tonns of all material like stone aggregate spawl, coal lime, surkhi etc. BG rails fastening points and crossing bridges and girders pipe sheets, rails M.S bars etc. or 1000 No's bricks 10'x5"x3" are 1000 No's tiles 12"x6"x2" are 150 Cft of timber of 1000 mounds of fuel wood by trucks or any other means owned by contractor 2miles.	502.52	% Cft	10.471

Audit is of the view that due to non-utilization of available earth at site, undue favor was extended to the contractor on account of carriage of two miles.

The matter was reported to the management in August, 2024. The management replied that excavated earth was not suitable for utilization as same was sandy soil deposited by the riverine flood. Therefore, earth was borrowed and carriage was paid against the borrowed earth.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced copy of estimate and 5th & final R.A bill. The reply of the management was not tenable as no soil test report was produced to audit to authenticate their contention.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

(PDP#395, AIR #13)

4.5.82 Excess execution of items of works – Rs. 78.292 million

According to 5.4 (2)(iii)(b)(II) of SPPRA Guidelines/Regulations for Procurement of Works, “If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent, provided the change affects by more than one percent of the Initial Contract Price, the Project Manager/Engineer shall adjust the rate to allow for the change as per clauses of contact agreement”.

During the audit of the following offices of Irrigation Department, Government of Sindh, for the financial years 2022-23 and 2023-24 it was observed that expenditure of Rs. 78.292 million was incurred against the items beyond the approved quantities in the estimate/BoQ. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	F.Y	PDP #	Qty / Amt. as per Bill	Quantity /Amt. as per BoQ	Excess Qty /Amt.	Incr ease %	Amount
1	XEN, DAD Division, Shaheed Benazirabad	2022-23	88	1375.397	235.93	1139.467	483	5.699
2	XEN Sakro Division Mirpur Sakro	2023-24	490	11.854	3.330	8.524	256	8.523

3	XEN, Phulleli Canal Division, Badin @ Hyderabad	2023-24	583	1,049,269	669,124	380,145	57	11.404
4	XEN, Guni Canal Division, S.F Rahu, Badin	2023-24	603	319,640	204,927	114,713	56	37.281
5	XEN, Begari Sindh Feeder Division, Kashmore	2023-24	546	-	-	72,802	63	15.385
Total								78.292

Audit is of the view that expenditure on excess items of works without justification and revision of technical sanction is irregular.

The matter was reported to the management during March to November, 2024. The management replied that there was no item of fabrication in Part-A of 5th R.A Bill (Sr. 1). Revised A.A and revised T.S has been obtained from the competent authority (Sr. 2). PC-I has been approved and revised T.S is in progress (Sr. 3). Contract amount was Rs. 659.600 million and up-to-date expenditure Rs.567.600 million, the work is in progress. The excess amount of Rs. 37.218 million shall be adjusted from the remaining work any calculation error found will be adjusted in time (Sr.4). The quantities were executed according to site requirement however, the revised estimate was approved by the competent authority. Quantities were not executed in excess (Sr. 5).

DAC in its meetings held on 13th September, 24th to 30th December, 2024 directed the Special Secretary Technical to conduct enquiry into the matter and submit the report to PAO & Audit (Sr.2). DAC directed the management to get the stated position verified from Audit (Sr.1,3,4,5&6).

The reply of the management was not tenable as it failed to produce documentary evidence (Sr. 1). Enquiry report is awaited from PAO (Sr. 2). Revised technical sanction was not provided (Sr. 3). Excess expenditure was not regularized in the revised estimate (Sr. 4,6). Copy of 4th RA bill was not produced to compare paid quantities (Sr. 5).

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

4.5.83 Irregular expenditure on engaging machinery - Rs.144.630 million

As per Finance Department Circular # B-IV-8/131/85 dated 9th April 1987, read with circular # DA/FD/ID-EX/10/87/698 dated 27th April 1998, “Earthworks are to be carried out through Mechanical Division.”

During the audit of following offices of Irrigation Department, for the financial years 2021-22 to 2022-23, it was observed that expenditure of Rs.144.630 million was incurred on hiring of machinery from local market for earthwork during ‘heavy rain 2022’ whereby payments were made after the flood period. Further, expenditure was incurred without approved technical sanctions and work plan. Details are as under:

(Rs. in Million)

Sr.#	Name of office	Financial Year	PDP #	AIR #	Amount
1	XEN, Barrage Division, Sukkur	2022-23	304	7	12.891
2	XEN, DAD Division Shaheed Benazirabad	2022-23	307	5	35.885
3	XEN, Shikarpur Drainage Division, Shikarpur	2022-23	182	5	29.454
4	XEN, Saifullah Magsi Branch Division Shahdadtot	2021-22 to 2022-23	173	6	66.400
Total					144.63

Audit is of the view that incurring heavy expenditure without work plan and approved technical sanctions reflected weak financial management.

The matter was reported to the management in May, 2024. The management replied that the lowest rates for hydraulic excavator machines, engaging tractor trollies & front blade were obtained from private contractors for earthwork during closure period of Sukkur Barrage (Sr. 1). The unexpected heavy rain caused major disruptions, requiring urgent procurement of machinery. Due to the emergency, no detailed work plan or prior technical sanctions were possible (Sr. 2). The works were carried out during flash flood in July and August on an emergency basis to minimize the damages, the technical sanctions were also obtained from the competent authority (Sr. 3). The open

market rates and technical sanctions were approved by the competent authority. The work plan was not prepared as work was of an emergency nature and rain flood water was around the area (Sr. 4).

DAC in its meetings held on 12th & 13th September, 24th to 30th December, 2024 directed that the Technical Sanction and work plan be provided to the audit for verification (Sr. 1&2). The enquiry committee to enquire the matter and a report be furnished to the Audit (Sr. 3). To get the stated position verified from Audit (Sr. 4). However, the management did not provide any record.

Audit recommends implementation of DAC directives besides strengthening its financial management to avoid such lapses in future.

4.5.84 Doubtful execution of work – Rs. 22.072 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of Executive Engineer Small Dam Division Nagarparkar @ Mithi, for the financial year 2023-24, it was observed that expenditure of Rs. 22.072 million was incurred on execution of “C.C plain 1:2:4 and C.C plain 1:4:8” items. However, difference of cost on cement, sand and crush aggregate were not claimed. Details are as under:

(Rs. in Million)

Name of work & contractor	Item	Amount	Premium 83%	Amount
Const: of Khutkheri Tarrai in Chachro (M/S B.K Engineering CV# 08/ 24-10-23	CC Plain 1.4.8	4.230	10.010	22.072
	CC plain1.2.4	7.830		

Audit is of the view that execution of work without claiming difference of cost reflected either defective work was executed or advance payment was made to the contractor which constituted weak project management.

The matter was reported to the management in October, 2024. The management replied that work was carried out under vigilant supervision of technical staff and no compromise was made on the quantity and quality of work.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stance verified from Audit.

In compliance of DAC directives, the reply of the management was not tenable as contention of the Audit was not addressed.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

(PDP#671, AIR#08)

4.5.85 Excess execution of CC lining in bed of Minor - Rs. 10.374 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by the government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Executive Engineer, Irrigation West Division, Khairpur for the financial year 2023-24, it was observed that in bed of the minor 14.67% quantity of item dressing & cement plaster and 32.79% quantity of CC lining items were executed in excess as compared to the BoQ quantity, whereas, in slopes the quantity of these items remained under the estimate. This indicates that work was executed beyond the specifications which resulted excess payment of Rs. 10.374 million. Details are as follows:

(Rs. in Million)

Name of work: Construction of C.C Lining of Hamerji Minor from RD 0+0 to 64+025, Lining of Lakha Minor RD 0.0 to 30.0 and C.C Lining of Geru Minor RD 0.0 to 21.0, M/s Kolachi & Co wo#634 02.02.22, 10 th RA CV# 30/31.07.23, Bid Amount Rs.386.087 million, Exp: Rs. 270.486 million							
Item	Executed Qty	Rate	Amount	BOQ Qty	Excess	%	Amount
Formation dressing			-				
In bed	532,278	326.70	1,738,951	464,181	68,097	14.67	0.222
on slope	1,015,956	453.75	4,609,900	1,018,318	(2,362)	(0.23)	
Cement plaster 1:10			-				
In bed	532,278	895.07	4,764,256	464,181	68,097	14.67	0.609
on slope	1,015,956	1,063.26	10,802,254	1,018,318	(2,362)	(0.23)	
CC lining ratio 1:2:4			-				
In bed	154,100	13,789.32	21,249,342	116,045	38,055	32.79	5.247
on slope	253,606	14,227.95	36,082,935	254,579	(973)	(0.38)	
Total							6.079
Premium						70.65%	4.295
							10.374

Audit is of the view that the excess execution of CC lining items in bed of the minor without justification reflected weak project management.

The matter was reported to the management in August, 2024. The management replied that measurement book and the estimate are available.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide relevant record to Audit for verification.

The management produced the record. However, reply of the management was not tenable as quantities of CC lining were increased beyond approved estimate. Further, MB was also not produced in support of its contention.

Audit recommends recovery of an excess amount under intimation to audit besides strengthening internal controls to avoid such lapses in future.

(PDP#463, AIR#02)

4.5.86 Doubtful expenditure on account of jungle clearance – Rs. 70.612 million

As per Para-72 (Paragraph-2) of CPWD Code, “When the vouchers exist any expenditure from which revenue may prima facie be expected to occur as, for instance, when payment appears in bill removing material from a building or after work or clearing jungle or cutting trees in the compound of building or canal bank, a note should be recorded to indicate how the materials removed or trees cut etc.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 & 2023-24, it was observed that expenditure Rs. 70.612 million was incurred on jungle clearance but sale proceeds/auction of trees were not recorded. Further, jungle clearance was made through the contractors instead of Beldars who were drawing salaries from the department. Details are as follows:

(Rs. in Million)

S#	Name of Office	Financial Year	PDP #	Particulars	Amount
1	XEN, Mirpur Division (SIDA) at Mirpur Mathelo	2022-23	5	Jungle clearance through the contractors instead of already employed Beldar who were drawing salaries from the department	1.918
2	XEN, Kotri Barrage Division, Jamshoro	2022-23		i. Valuation of cutting trees was not carried out	3.431
3	XEN, Drainage, Division, Badin	2022-23			5.511
4	XEN, Saifullah Magsi Branch Division Shahdaktot	2021-22 to 2022-23	176	ii. Record of auction of cutting trees was not available on record.	2.887
5	XEN, Nara Project Division Sanghar	2022-23	194		0.947
6	XEN, Ghotki Division, Ghotki	2022-23	217	Jungle clearance through the contractors instead of already employed Beldar who were drawing salaries from the department	1.378
7	XEN, Kandhkot Division, Garhi Hasan Sarki	2023-24	736		7.044
8	XEN, Small Dam Division Kohistan-II Jamshoro	2023-24	800		40.469
9	XEN, Upper Pinyari Division, Tando Mohammad Khan @ Hyderabad	2023-24	507	i. Valuation of cutting trees was not carried out ii. Record of auction of cutting trees was not available on record.	7.027
Total					70.612

Audit is of the view that chances of embezzlement of expenditure on jungle cutting cannot be ruled out due to non-availability of relevant record.

The matter was reported to the management during February to November, 2024. The management replied that limited number of Beldar was engaged for cleaning of bed and sides of canal to clear water way to take the required discharge upto tail portion (Sr. 1). The item work was executed on clearance of weeds and debris from the drains to ensure proper functioning of canal and water flow. Hence there was no need of auction of such grass/debris (Sr. 2 to 5 & 9). The sanctioned strength includes 170 Beldar and 26 Khallasi, however, the on-site staff is insufficient for the work. Additionally, a rate of Rs. 5,500/- per hour was approved by the Managing Director, SIDA Hyderabad (Sr. 6). The management at Sr. 7 & 8 replied that location of work is mentioned in estimates approved by the competent authority and recorded in the M.B.

DAC in its meetings held on 16th August and 4th September 2024 directed that management to get the instance verified from Audit (Sr. 1 to 7 & 9). The Chief Engineer to conduct inquiry and submit fact-finding report (Sr. 8).

The reply of the management was not tenable as the management failed to produce documentary evidence (Sr. 1 to 7 & 9). Fact-finding report of the Chief Engineer is also awaited (Sr. 8).

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.27 having financial impact of Rs. 55.877 million and 2023-24 vide para number 4.5.18 having financial impact of Rs. 165.074 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.87 Non / less recovery of Sindh Sales Tax - Rs. 63.994 million

As per SRB letter dated 29-08-2019, "Sindh sales tax on service providers contractors/vendors shall be deducted/withheld and deposited on payment bills for all works including Civil work/construction works & repair of all government building works and similar other works @5% of the value of the

bill and deduct all other taxable services at the applicable rate of tax prescribed in 2nd schedule to the Act 2011.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, an amount of Rs. 63.994 million was not/less-deducted on account of Sindh sales tax on services while making payments to various contractors. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	F.Y	PDP#	Total Exp.	Due SST 5%	SST ded.	Particulars	Non/less ded.
1	XEN, Drainage Division, Thatta	2022-23	13	146.313	7.316	-	Non deduction of SST (5%)	7.315
2	XEN, Mirpur Division (SIDA) at Mirpur Mathelo	2022-23		601.590	30.080	-		30.079
3	XEN, Begari Division, Thul	2022-23		17.953	0.898	-		0.897
4	XEN, Drainage, Division, Badin	2022-23		53.635	2.682	-		2.681
5	XEN, Drainage, Division, Badin	2022-23		217.600	10.880	5.658	Less deduction of SST (2.4%)	5.222
6	XEN, Providing Fresh Water in Arid Zone of Sindh, Hyderabad	2022-23		129.780	6.489	3.374	Less deduction of SST (2.4%)	3.115
7	XEN, Shikarpur Drainage Division, Shikarpur	2022-23	179	22.080	1.104	-	Non deduction SST (5%)	1.104
8	XEN, Begari Bund Division Sukkur	2022-23	356	307.017	15.351	5.170	Less deduction of SST (3.3%)	10.18
9	XEN, Small Dam Nagarparkar @ Mithi	2023-24	668	86.671	4.955	2.367	Less deduction of SST (2%)	2.892
10	XEN, Mirpur Division at Mirpur Mathelo	2023-24	658	10.180	0	0.509	5% SST on enhance amount	0.509
Total				1592.819	79.755	8.046		63.994

Audit is of the view that non/less recovery of SST resulted in short realization of government revenue.

The matter was reported to the management during February to November, 2024. The management at Sr.1,2,4 & 10 replied that provision of SST was introduced in July, 2020 and works in question pertain to the exempted period. The management at Sr. 3, 5 to 9 replied that the SST has have been deducted from bills of the contractors.

DAC in its meetings held on 16th August, 2024 directed that DAO/DDO should not pass bill without deduction of due taxes. The DAC directed the PAO that job description of DAO/DDO's may be circulated and to get the stated position verified from Audit. However, the management did not produced record.

The management did not produce documentary evidence in support of their contention (Sr.1 to 8 & 10). Further, an amount of Rs. 2.892 million is outstanding (Sr. 9).

Audit recommends expedite recovery and strengthening tax compliance mechanism in the organization.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.19 having financial impact of Rs. 212.840 million and 2023-24 vide para number 4.5.28 having financial impact of Rs. 107.036 million respectively. Recurrence of same irregularity is a matter of serious concern

4.5.88 Non / less recovery of Income Tax - Rs. 41.104 million

According to Section-153 (1) (c) of Income Tax Ordinance, 2001, "Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source on the execution of a contract, in case of a company, 7% of the gross amount payable, if the company is a filer and 10% if the company is a non-filer; and in any other case, 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer."

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2034-24, an amount of Rs. 41.104 million on account of income tax was not/less deducted while making payments to the contractors. Details are as under:

(Rs. in Million)

Sr #	Name of Office	F.Y	PDP #	Exp.	Due IT	IT ded.	Particulars	Non/less recovery
1	XEN, Hala Irrigation Division Hala at Hyderabad	2022-23	14	48.83	3.00	2.44	Less deduction of Income Tax (2%)	0.554
2	XEN, Nara Canal Division Khairpur @ Sukkur	2022-23		133.23	9.33	-	Non-deduction of Income Tax (7%)	9.326
3	XEN, North Dadu Drainage Division, Larkana	2022-23		38.446	3.845	2.691	Less deduction of Income Tax (3%)	1.153
4	XEN, Kashmore Division, Kashmore	2022-23		7.534	0.678	0.339	Less deduction of Income Tax (4.5%)	0.339
5	XEN, Begari Bund Division Sukkur	2022-23	354	351.769	24.624	-	Non-deduction of Income Tax (7%)	24.623
6	XEN, Kotri Barrage Division Jamshoro	2023-24	424	138.247	11.060	9.677	Less deduction of Income Tax (1%)	1.382
7	XEN, Hala Irrigation Division Hala, Hyderabad	2023-24	498	59.461	4.757	4.162		0.595
8	XEN, Naseer Division, Hyderabad	2023-24	508	72.501	5.800	4.952		0.847
9	XEN, Drainage Division, Badin	2023-24	600	68.000	5.440	4.760		0.68
10	XEN, Nasrat Division, Shaheed Benazirabad	2023-24	633	20.850	1.668	1.459		0.208
11	XEN, Small Dam Nagarparkar @ Mithi	2023-24	666	138.336	11.067	9.915		1.253
12	XEN, Rohri Division Moro @ Naushahro Feroze	2023-24	756	14.479	1.158	1.014		0.144
Total					82.427	35.939		41.104

Audit is of the view that non/less recovery of income tax resulted in short realization of government revenue.

The matter was reported to the management during February to November, 2024. The management at Sr. 1 to 12 replied that income tax was deducted at prescribed rate.

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed that DAO/DDO should not pass bill without deduction of due taxes. The DAC directed the PAO that job description of DAO's may be circulated and get the stated position verified from Audit.

The management produced record for verification. On the basis of record produced to Audit, out of Rs. 42.655 million, an amount of Rs. 1.335 million has been recovered and verified by the Audit Sr.2,3,4,6,7. However, further an amount of Rs. 41.320 million is still recoverable. While office in Sr. 1, 5 & 8 to 12 failed to produce relevant record.

Audit recommends expedite recovery and strengthening tax compliance mechanism in the organization.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.19 having financial impact of Rs. 212.840 million and 2023-24 vide para number 4.5.29 having financial impact of Rs. 33.435 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.89 Irregular sanction of works beyond financial powers – Rs. 231.832 million

As per Sindh Delegation of Financial Powers and Financial Control Rules 2019, 9 (1) (b), “Technical Sanction, in the case of ordinary and special repairs to Irrigation Works, non-residential, buildings and machinery & equipment, the Executive Engineer is empowered upto Rs. 0.600 million in each case, Superintending Engineer upto Rs. 3.000 million in each case and Chief Engineer with Full Powers.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, it was observed that expenditure of Rs. 231.832 million was incurred on M&R works which came within the financial powers of Chief Engineer, but T.S were split up to avoid the sanction from higher authority. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	Particulars	Amount
1	XEN, Shahbaz Division Sehwan	2022-23	19	3	Sanction orders were splitted up within Rs. 3.00 million	10.987
2	XEN, Tube wells Division Khairpur	2022-23		2		9.929
3	XEN, DAD Division Shaheed Benazirabad	2022-23		7		39.561
4	XEN, Northern Dadu Division Larkana	2022-23	120	3		5.713
5	XEN, Shahbaz Division Sehwan Jamshoro	2022-23	51			9.480
6	XEN, Drainage Division, Badin	2023-24	596	6		156.162
Total						231.832

Audit is of the view that payment made against M&R works without obtaining approval of technical sanction from competent authority by splitting up the TS, resulted in violation of above rule.

The matter was reported to the management during February to November, 2024. The management of all offices replied that that approval of technical sanctions was obtained from the competent authority i.e. Superintendent Engineer.

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed the concerned Chief Engineer to conduct an inquiry and submit report to the PAO and Audit (Sr. 5,6). DAC directed other offices to get the instance verified from Audit.

The management produced record for verification. The reply of the management was not tenable as the management failed to produce documentary evidence (Sr. 1 to 4 & 6). The inquiry report of the Chief Engineer is awaited (Sr. 5,6).

Audit recommends implementation of DAC directives besides strengthening its financial controls to avoid such lapses in future.

4.5.90 Non-recovery/adjustment of secured advance – Rs. 93.212 million

According to 9.3(2)(a)(iv) of SPPRA, Procurement Regulation Works, “Recoveries of secured advances so made should be made from his bills for work done as the materials are used, the necessary deductions be made whenever the items of work in which are used are billed for, or shall be recovered in full within 90 days, even if unutilized.”

During the audit of following offices of Irrigation Department, for the financial year 2023-24, it was observed that secured advance of Rs. 93.212 million was paid against supply of material. However, despite lapse of 90 days neither adjustment nor recovery of the same was reflected. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	PDP#	AIR #	Particulars	Amount
1	XEN, Small Dam Division Nagarparkar at Mithi	673	10	Non-adjustment of outstanding secured advance after lapse of 90 days,	1.302
2	XEN, Small Dam Division Nagarparkar at Mithi	674	11	Less adjustment of secured advance	9.910
3	XEN, Naseer Division, Hyderabad	809	9		82.00
Total					93.212

Audit is of the view that non-adjustment/recovery of secured advance despite lapse of 90 days reflected undue benefit to the contractor.

The matter was reported to the management in October, 2024. All offices replied that recovery of secured advance will be adjusted in the upcoming bills from the contractor.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to recover the amount in next bill and produce record to Audit for verification (Sr.1&2). The management to submit revised reply along with justification to Audit (Sr. 3).

The management produced record for verification. The reply of the management was not tenable as outstanding mount has not been recovered/adjusted as per rules (Sr. 1 & 2). The secured advance was allowed on

perishable items (25,000 and 41,000 cement bags) whereas, same remained unadjusted (Sr. 3).

Audit seeks recovery/adjustment besides fixing of responsibility on the person(s) at fault.

4.5.91 Award of work to ineligible contractor – Rs. 12.937 million

According to Rule-10 of General Financial Rules Volume-I, “Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety.”

During audit of the Executive Engineer, Hala Irrigation Division, Hyderabad for the financial year 2022-23, it was observed that various works of Rs. 12.937 million were awarded to ineligible suppliers/contractors as per the list of Chief Engineer Kotri Barrage.

Audit is of the view that bidding process was compromised as the works awarded to ineligible contractors which resulted in weak contract management.

The matter was reported to the management in March, 2024. The management replied that the contracts were awarded to eligible contractors which was sanctioned by the competent Authority. The reply of the management was not tenable as no documentary evidence was produced in support of reply.

DAC in its meetings held on 16th August, 2024 directed the management to get the stated position verified from audit. The management did not produce any evidence for verification to Audit.

Audit recommends implementation of DAC directives besides strengthening of financial discipline in the organization to ensure effective control mechanism.

(PDP#34, AIR#07)

4.5.92 Non-recovery of Stamp Duty – Rs. 14.568 million

According to Article-15 (a) of the Stamp Act, 1899 duly amended through Sindh Finance Act, 2015, “The stamp duty is due @ rate of thirty-five paisa for every hundred rupees or part thereof of the amount of the contract”.

During the audit of various offices of Irrigation Department for the financial years 2022-23 and 2023-24, it was observed that works were awarded to various contractors, but the stamp duty @ 0.35% amounting to Rs. 14.568 million was neither found affixed on the agreements nor same was deducted from the bills. Details are as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	PDP #	AIR #	Amount
1	XEN, Hala Irrigation Division Hala at Hyderabad	2022-23	15	1	1.339
2	XEN, Mirpur Division (SIDA) at Mirpur Mathelo	2022-23		3	1.180
3	XEN, Begari Division, Thul	2022-23		5	0.629
4	XEN, Nara Canal Division Khairpur @ Sukkur	2022-23		3	0.590
5	XEN, DAD Division Shaheed Benazirabad	2022-23		1	0.723
6	XEN, Warah Division Larkana	2022-23		9	0.066
7	XEN, Drainage Division, KN Shah Dadu	2022-23		1	0.891
8	XEN, Rice Canal Division, Larkana	2022-23		368	1
9	XEN, Shikarpur Drainage Division, Shikarpur	2022-23	178	1	0.161
10	XEN, Shahdadt Irrigation Division, Shahdadt	2022-23	359	2	2.357
11	XEN, Barrage Division, Sukkur	2023-24	435	7	0.944
12	XEN, Hala Irrigation Division Hala, Hyderabad	2023-24	499	9	0.331
13	XEN, Phulleli Canal Division, Badin @ Hyderabad	2023-24	586	6	3.188
14	XEN Small Dam Division Kohistan-I Dadu	2023-24	683	9	0.709
15	XEN, Small Dam Division Kohistan-II Jamshoro	2023-24	804	8	0.277
16	XEN, Drainage Division, Tando Mohammad Khan	2022-23	313	4	0.175
				Total	14.568

Audit is of the view that the non-recovery of stamp duty resulted in non-realization of government revenue.

The matter was reported to the management during February to November, 2024. The management of all offices replied that stamp duty has been recovered from the contractors.

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

The management produced record for verification. On the basis of record produced to Audit, out of Rs. 33.931 million, an amount of Rs. 17.202 million

has been recovered and verified by the Audit. However, an amount of Rs. 16.729 million is still recoverable.

Audit recommends to expedite the recovery and strengthening of internal controls to avoid such lapses in future.

Note: The issue was reported earlier also in the audit report for Audit Years 2022-23 vide para number 4.5.31 having financial impact of Rs. 20.735 million and 2023-24 vide para number 4.5.31 having financial impact of Rs. 48.689 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.93 Excess payment over and above schedule rate – Rs. 2.518 million

As per Serial# 10 of the Chapter-14 of the Composite Schedule Rates, 2012, “Rate of stone boulder 9” and above, supplying within 5 chains was Rs. 1.095/- per one hundred Cft.”

During the audit of Executive Engineer, Thar Division, Mirpurkhas for the financial year 2022-23, it was observed that excess payment of Rs. 2.518 million was made to the contractor over and above the schedule rate on supply of stone boulder. Details are as follows:

(Rs. In Million)

Name of works/ Contractor	V.#	Date	Qty	CSR Rate	Rate allowed	Excess rate	Amount
Restoration work (Raising and strengthening) of embankment damaged during flood/rainy season along Lower Nara Canal RD97NIP Side M/s Metro Engineering work	20	16.5.23	15228	1095	9850	8755	1.333
Restoration work (Raising and strengthening) of embankment damaged during flood/rainy season along Lower Nara Canal RD108IP Side M/s Metro Engineering work	21	16.5.23	13542	1095	9850	8755	1.185
Total							2.518

Audit is of the view that undue benefit was extended to the contractor on allowing excess rates than the rates specified in the schedule.

The matter was reported to the management in February, 2024. The management replied that as rates in CSR, 2012 are very old hence, market rates were obtained and same were approved from competent authority. The reply of the management was not tenable as no documentary evidence was produced in support of reply.

DAC in its meetings held on 16th August, 2024 directed the management to get the stated position verified from Audit. The management did not produce any evidence in support of their contention.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

(PDP#36,AIR#06)

4.5.94 Non-adjustment of the advances - Rs. 156.596 million

As per Para-668 of Central Treasury Rules, “Advances granted under special orders of competent authority to government officers for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to by vouchers or by refund, as may be necessary.”

During the audit of following offices of Irrigation Department, for the financial year 2022-23, it was observed that an amount of Rs. 156.596 million was paid as miscellaneous P.W advance, but adjustment account was not available on record. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	PDP #	AIR #	Amount
1	XEN, Mirpur Division (SIDA) at Mirpur Mathelo	17	6	5.029
2	XEN, Drainage Division, Larkana		22	1.812
3	XEN, Northern Dadu Division Larkana		9	71.303
4	XEN, Stores Division, Hyderabad	73	7	78.452
Total				156.596

Audit is of the view that non-adjustment of the advances reflected weak financial management.

The matter was reported to the management during March to November, 2024. The management of all offices replied that the advances will be adjusted.

DAC in its meetings held on 16th August, 2024 directed the management to expedite the recovery/adjustment of amount and referred the Para for verification.

The reply of the management was not tenable as no advance has been adjusted by all offices.

Audit recommends adjustment of advances besides strengthening of internal controls to avoid such lapses in future.

Note: The issue was reported earlier also in the audit report for Audit Years 2023-24 vide para number 4.5.33 having financial impact of Rs. 2.633 million. Recurrence of same irregularity is a matter of serious concern.

4.5.95 Irregular execution of M&R work from ADP Scheme –Rs. 1.196 million

According to Rule-12 of General Financial Rules, Volume-I, controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided.

During the audit of Executive Engineer, Nara Canal Division Khairpur @ Sukkur for the financial year 2022-23, it was observed that expenditure of Rs. 1.196 million was incurred on M&R work whereas the same was charged from ADP Scheme which stands irregular. Details are as under:

(Rs. in Million)

Name of work	Name of contractor	W.O/ date	CV.No/ date	Amount
Working estimate for supplying material for survey work along Santhrahu minor from RD 10.00 to 20.00 (ADP-1478)	M/S Muhammad Usman Bhambhro	225/28.2.23	39/16.6.23	0.597
Working estimate for supplying material for survey work along Santhrahu minor from RD 00.00 to 10.00 (ADP-1478)	M/S Muhammad Usman Bhambhro	224/28.2.23	39/16.6.23	0.599
Total				1.196

Audit is of the view that the execution of M&R work from budget of ADP Scheme reflected weak financial management.

The matter was reported to the management in March, 2024. The management replied that mandatory work for “C.C. Lining of Santrahu Minor off-takes from Nara Canal RD-238 (ADP No. 1478)” used M&R rates, despite no M&R work was performed on Santrahu Minor. The reply of the management was not tenable as no documentary evidence was produced in support of reply.

DAC in its meetings held on 16th August, 2024 directed the management to get the position verified from Audit.

Audit recommends implementation of DAC directives besides strengthening its internal controls to avoid such lapses in future.

Note: The issue was reported earlier also in the audit report for Audit Years 2023-24 vide para number 4.5.48 having financial impact of Rs. 15.042 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#49, AIR#10)

4.5.96 Irregular installation of radial and vertical gates – Rs. 32.001 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Executive Engineer, Warah Division Larkana for the financial year 2022-23, it was observed that expenditure of Rs. 32.001 million was incurred on repair of regulator gates whereas related ancillary earth works and other structure of Rs. 34.330 million was not executed. Further, advance payment for purchase of new gates was made in August 2022 since then neither ancillary works were executed nor these gates were installed. Details are as follows:

(Rs. in Million)

Name of work	Contractor	Part of work	Item of works	Esti. cost
Rehabilitation of Irrigation Network in Warah Division Larkana	M/S Rising Sun	R/o main X-regulators & re-sectioning of warah branch	Dismantling R.C.C & Brick work	0.201
			Earth works	18.879
			Structural work	2.887
Total				21.967
Premium 48.60%				10.577
Difference cost of material				1.786
			Total	34.330
As per execution				
			P/F of radial and vertical gates	32.001
			repair of radical and vertical gates	2.400

Audit is of the view that advance payment without execution of earth and structural works reflected wastage funds and weak financial management.

The matter was reported to the management during April, 2024. The management replied that installation of radial and vertical gates are more important, because the regulation of the canal can only be regulated through these gates. In this regard, the contractor installed the gates of the regulator on priority basis so that proper regulation can be carried during the Abkalani Season. The reply of the management was not tenable as no documentary evidence was produced in support of reply.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stance verified from Audit.

Audit recommends implementation of DAC directives besides ensuring effective monitoring of physical execution of work before making payments to the contractors.

(PDP#127, AIR#02)

4.5.97 Excess payment due to wrong calculation – Rs. 2.449 million

According to Rule-221 of Central Public Works Account Code, “Before signing the bills, sub-divisional officer should compare the quantities in the bill

with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically.”

During the audit of Executive Engineer, Drainage Division, KN Shah Dadu for the financial years 2021-23, it was observed that excess payment of Rs. 2.449 million was made due to wrong calculation in the bill. Details are at **Annex-13 of chapter-4.**

Audit is of the view that excess payment to contractors reflected poor financial and internal control management.

The matter was reported to the management during April, 2024. The management replied that works were carried out on the site as per requirement and neither excess payment was made to contractors nor wrong calculation was exercised. The reply of the management was not tenable as no documentary evidence was produced in support of reply.

DAC in its meetings held on 12th September, 2024 directed the management to get the stated position verified from Audit.

Audit requires recovery of the pointed-out amount.

(PDP#146,AIR#09)

4.5.98 Irregular procurement beyond the financial year – Rs. 123.393 million

According to SPPRA, 2013, “Procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.”

During the audit of Executive Engineer, Larkana Drainage Division, Larkana for the financial year 2022-2023, it was observed that expenditure of Rs. 123.393 million was incurred on purchase of goods and repair & maintenance on previous year’s quoted rates without approval of competent authority. Details are as follows:

(Rs. in Million)

Sr.#	Head of account	Cost Center	Expenditure
01	Others	LN0089	22.514
02	Drainage		100.878
Total			123.393

Audit is of the view that procurement of additional quantities of goods beyond the financial year without fresh NIT resulted into violation of procurement rules which reflected poor financial management.

The matter was reported to the management in April 2024. The management replied that the expenditure incurred during 2022-23 on M& R works on approved rates for the year 2021-22, with the permission accorded by the Chief Engineer Irrigation Development Region-I Hyderabad. The reply of the management was not tenable as the management failed to produce any evidence for verification.

DAC in its meetings held on 12th September, 2024 directed that the Special Secretary Technical may enquire about the matter and provide report to the Audit.

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

(PDP#318, AIR#12)

4.5.99 Irregular payment against recording of measurement - Rs. 15.568 million

As per Rule-209 (d) of the Central Public Works Accounts Code, “As all payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately.”

During the audit of Executive Engineer, Phulleli Canal Division, Badin @ Hyderabad for the financial year 2023-24, it was observed that expenditure of Rs.15.568 million was incurred on Flood Emergent work. The MB was recorded in 2019 against 1st R.A Bill whereas, payment was made in 2023 after lapse of 5 years. Details are as under:

(Rs. in Million)

V# Date	Work	Contractor	RA	WO# Date	MB date	Payment Date	Amount
H-17 9-8- 2023	Flood Emergent work 2019-20 "Stone Stacking along Jamshoro front bund from mile1/0 to 3/2"	M/S Touseef Ahmed	1 st	1775 23-8- 2019	15-9- 2019	9/8/2023	15.568

Audit is of the view that payment after lapse of five years reflected poor financial management.

The matter was reported to the management in October, 2024. The management replied that emergent works were carried out in the year 2019 on emergency basis. However, after conversion of same into ADP scheme namely 'Flood Emergent Works for Fiscal Year 2019-20' A.A of Rs. 1,318.662 million was issued on 2021-22. Hence, payment was made after releases against ongoing scheme in 2023-24. The reply of the management was not tenable as no documentary evidence was produced.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide permission of competent authority to execute emergent work along-with justification for conversion of emergent work into ADP and provide details of releases for verification.

Audit recommends provision of detailed record and approval of Finance Department for clearance of liabilities.

(PDP#587, AIR#07)

4.5.100 Improper evaluation of tendering process-Rs. 598.932 million

According to Bidding Document of SPPRA for large work, clause, IB.11 Documents Accompanying the Bid (Standard bidding rule) 11.1, "Each bidder shall (a) submit a written authorization on the letterhead of the bidding firm, authorizing the signatory of the bid to act for and on behalf of the bidder; (b) update the information indicated and listed in the bidding data and previously submitted with the application for prequalification, and continue to meet the minimum criteria set out in the prequalification documents, which as a minimum, would include the following : (i) Evidence of access to financial resources along with average annual construction turnover; (ii) Financial predictions for the current year and the

following two years, including the effect of known commitments; (iii) Work commitments since prequalification; (iv) Current litigation information; and (v) Availability of critical equipment.”

During the audit of Executive Engineer, Begari Bund Division Sukkur, for the financial year 2022-23, it was observed that NIT of Rs. 598.932 million was invited. However, the bidders were qualified without evaluation of mandatory eligibility/conditions of technical proposals and hoisting of the same on the official website. Details are as follows:

(Rs. in Million)

Sr #	Tender Description	Tender ID	Amount	Name of Contractor
1	Providing stone pitching along old Rajib Canal from RD 4+00 to RD 7+00 and retaining along old Rajib Canal from RD 7+695 to RD 8+800 in Sukkur Begari Bund Div. Sukkur (ADP scheme 1224/2020-21-22)	Tender sanction CE/GB/T/WB-1/1604 dated 20/06/2022	63.441	M/S Muhammad Fahad Dahar
2	Providing stone pitching along old Rajib Canal from RD 0+500 to RD 4+00 and retaining along old Rajib Canal from RD 00 to RD 0+500 and RD 7+00 to 7+695 in Sukkur Begari Bund Div Sukkur (ADP sch 1224/2020-21-22)	Tender sanction CE/GB/T/WB-1/1604 dated 20/06/2022	57.487	M/S Qurban Bhangar Ali & Co
3	SQ20222130-Construction of Retaining wall along Chota Begari RD-17 to 23(City Portion) and Repair of Sindh Canal Sub Division and Resident of AXEN	T01497-22-0001	181.614	M/S:Abdul Haq Banglani
4	SQ20222131-C.C Lining of Chitti Minor RD-0 to 33 (SDG # 6)	T01497-22-0001	296.390	M/S:Abdul Haq Banglani
Total			598.932	

Audit is of the view that the work was awarded without complying the mandatory eligibility criteria resulted in non-transparent bidding process.

The matter was reported to the management in March, 2024. The management replied that mandatory eligibility conditions were fulfilled and assessed before opening of tender. The reply of the management was not tenable as no documentary evidence were produced to audit for verification.

DAC in its meeting held on 13th September, 2024 directed the management that TORs of NIT may be provided to audit for verification.

Audit recommends implementation of DAC directives besides strict adherence to procurement regulations to avoid such lapses in future.

(PDP#335, AIR# 10)

4.5.101 Non-reconciliation of payment to the Land Acquisition Officer – Rs. 3.743 million

According to Para-110 (iii) of Sindh Financial Rules, Volume-I, “The officer who settles the price should draw up Form-A, Appendix 5 prescribed for use in the case of an award and this should be made on the basis of subsequent payment.” As per Para 668 of Central Treasury adjustment by submission of detailed accounts supported Rules, “Advances granted under special orders of competent authority to government officers for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to by vouchers or by refund, as may be necessary.”

During the audit of Executive Engineer, Drainage Division, Badin for the financial year 2022-23, it was observed that payment of Rs.3.743 million was made to Land Acquisition Officer/Assistant Commissioner without obtaining details of the disbursement to the land owners along with utilization report. Details are as under:

(Amount in Rupees)

Sr.	Particulars	Cheque #	Date	Amount
01	Assistant Commissioner / Land Acquisition Officer Talhar	4618823	12.10.22	2,743,181
		4618437	30.09.22	280,000
		4618437	30.09.22	481,000
		4618437	30.09.22	239,000
Total				3,743,181

Audit is of the view that payment without necessary disbursement, the chances of misappropriation cannot be ruled out, which constituted weak internal controls.

The matter was reported to the management in April, 2024. The management replied that payment to land acquisition officer was made in compliance of judgment passed by the Honorable High Court of Sindh Circuit Court. The reply of the management was not tenable as the management failed to produce any evidence for verification.

DAC in its meetings held on 22nd August, 2024 directed the management to provide land award, receipt and cheque, court order along with other relevant record to Audit for verification.

Audit recommends compliance with DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 4.5.13 having financial impact of Rs. 204.231 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#132, AIR#05)

4.5.102 Unjustified expenditure from M&R on ADP Schemes – Rs. 29.864 million

According to Rule-13 of General Financial Rules, Volume-I, “Every controlling officer must satisfy himself not only that adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores but also that the prescribed checks are effectively applied.”

During the audit of following offices of Irrigation Department Government of Sindh, for the financial years 2022-23 and 2023-24, it was observed that an expenditure of Rs. 29.864 million was incurred on M&R works despite execution of schemes at the same RDs. The details are given as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP#	AIR #	Amount
1	XEN, Barrage Division, Sukkur	2022-23	86	6	1.753
2	XEN, Sakro Division Mirpur Sakro	2023-24	488	4	8.802
3	XEN, Drainage Division, Badin	2023-24	597	7	11.718
4	XEN, Drainage Division, Tando Muhammad Khan	2023-24	780	10	5.8
5	XEN, Begari Bund Division, Jacobabad	2023-24	555	08	1.791
Total					29.864

Audit is of the view that due to execution of work on same RDs through M&R and ADP schemes, the possibility of duplicate execution cannot be ruled out.

The matter was reported to the management during February to November, 2024. The management replied that expenditure was incurred from regular M&R to repair of rain gharas and inspection paths damaged by heavy rainfall in August 2022. The paths from RD-5 to 12 & RD-13 to 15 needed urgent restoration due to the lack of motorable routes. The ADP scheme "Cement Concrete Lining of Patni Distry" was awarded to the contractor on 17-06-2022, with work starting in January 2023 (Sr. 1). The expenditure was incurred on existing provision of 1% physical contingency over the development scheme (Sr. 2). Works were not executed under the ongoing development scheme (Sr.3). The works on two ADP schemes was stopped due to non-release of budget. Hence, expenditure from M&R was carried out during rainy season on drains of these schemes (Sr.4). Items were procured during Abkalani season. Execution of ADP schemes remained halted at that time. Further, expenditure was incurred on ADP scheme from provision of 2% contingency (Sr. 5).

DAC in its meetings held on 13th September, 24th to 30th December, 2024 directed the Chief Engineer concerned to conduct an inquiry into the matter and submit a fact-finding report to the PAO and Audit (Sr. 2&5). DAC directed the management to get the stated position verified form Audit. (Sr. 1,3&4).

The reply of the management was not tenable as the management failed to produce documentary evidence (Sr. 1&3). An enquiry report from the PAO is awaited (Sr. 2). The expenditure from M&R was executed on same ADP schemes which confirms the contention of the audit (Sr.4). Expenditure on account of pickup Datsun, POL and unskilled labour was charged on 2% contingency of ADP and on same location of ADP scheme on X-regulators instead of M&R (Sr. 5).

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 4.5.48 having financial impact of Rs.15.042 million. Recurrence of same irregularity is a matter of serious concern.

4.5.103 Understatement of revenue due to showing less cultivated area

According to Rule-11 of General Financial Rules, Volume-I, "Each head of a department is responsible for enforcing financial order and strict economy

at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Director, Area Water Board, left bank Circle Badin at Hyderabad for the financial years 2013-23, it was observed that area cultivated 27% and 23% through Akram Wah & Gunni Canal Division respectively. However, supporting documents were not produced to justify less cultivated area.

Audit is of the view that due to less cultivated area, revenue was understated which reflected poor financial management.

The matter was reported to the management in April, 2024. The management replied that Phulleli and Guni Canals are non-perennial, supporting only the Kharif crop season, while Akram Wah is perennial, supporting both Rabi and Kharif. However, due to design defects, Akram Wah cannot carry its intended discharge, contributing to lower cultivation figures. The reply of the management was not tenable as Phulleli and Guni Canals are perennial canals and less-realization of revenue requires justification.

DAC in its meetings held on 4th September, 2024 directed the management to get the stated position verified from Audit.

Audit recommends proper justification of the matter.

(PDP#214,AIR#19)

4.5.104 Excess payment on supply of gunny bags -Rs. 5.185 million

As per Schedule of rates 2012, the item no. 317 “Gunny Bags (1.25 Cft)” was fixed for Rs. 65 per bag.”

During the audit of Executive Engineer, Begari Bund Division Sukkur, for the financial year 2022-23, it was observed that excess payment of Rs. 5.185 million was made on account of gunny bags in violation of the above rule. Details are as under:

(Rs. in Million)

Name of Item	Reference of Schedule of rate 2011	Rate as per Schedule of Rate	Rate Allowed	Excess Rate Allowed	Qty. Supplied	Excess Amount
Gunny Bags (1.25 Cft)	Sr. # 317 schedule of rates (Material)	65 per bag	Rs. 75 to 300 per bag	Rs 10 to 235 per bag	40960 nos.	5.185

Audit is of the view that undue benefit was extended to the contractor which resulted in loss to the government and reflected poor financial management.

The matter was reported to the management in March, 2024. The management replied that competent authority sanctioned rate of gunny bags for Rs 75/-. The reply of the management was not tenable as the management failed to produce evidence in support of their contention.

DAC in its meetings held on 13th September, 2024 directed the management to get the stated position verified from Audit.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

(PDP#338, AIR#13)

4.5.105 Irregular expenditure on account of supply of gravel – Rs. 11.200 million

According to Para-101 of Central Public Works Accounts Code, “A numerical or quantity account of receipts issues and balances has to be maintained for all kinds of store materials.”

During the audit of Executive Engineer, Tube wells Division No.1, Hala for the financial year 2022-23, it was observed that an expenditure of Rs.11.200 million was incurred on supply of gravel materials but details of tube wells against which the material was utilized were not available on record.

Audit is of the view that payment made on supply of gravel without details of its utilization on particular tubewells reflected poor financial management.

The matter was reported to the management in April, 2024. The management replied that locations were duly mentioned in detail in the measurement book. The reply of the management was not tenable as the management failed to produce record.

DAC in its meetings held on 12th September, 2024 directed that enquiry be conducted by the Chief Engineer concerned to probe the matter and a fact-finding report be shared with Administrative Department and Audit.

Audit recommends implementation of DAC directives besides ensuring effective monitoring of physical execution of work before making payments to the contractors.

(PDP#89,AIR#01)

4.5.106 Unauthorized cultivation of crop despite prohibition/ban

As per Letter No.RC/D-55(a)/NCAWB/779/2024 dated 19-04-2024, The Senior Member Board of Revenue, Sindh issued notification by imposing complete ban on rice cultivation in exercise of power conferred under section 3 of West Pakistan Rice (Restriction on cultivation) Ordinance, 1959.

During the audit of Director, Nara Water Board Mirpurkhas, for the financial years 2014-23, it was observed that an amount of Rs. 6.600 million was recovered on account of Abiana on rice cultivation during ban period without approved rate. Details are as under:

(Rs. in Million)

Name of Division	Name of crops	Year	Season	Amount		
Thar Division	Rice	2014-15	Kharif	0.067		
		2017-18		0.026		
Jamrao Division		2015-16		0.966		
		2016-17		0.969		
		2017-18		0.151		
		2018-19		0.008		
		2019-20		0.008		
		2020-21		0.327		
		2021-22		0.378		
		Mithrao Division		2014-15	0.416	
2015-16				0.509		
2016-17				0.616		
2017-18				0.583		
2018-19				0.142		
2019-20				0.394		
2021-22				0.496		
2022-23				0.536		
Nara Canal Khairpur		2014-2015		0.008		
Total				6.600		

Audit is of the view that recovery of Abiana from cultivation of rice crop during ban reflected weak administrative controls.

The matter was reported to the management in May, 2024. The management replied that despite ban on rice cultivation, some farmers have continued illegal paddy farming. The reply of the management was not tenable as the management failed to produce record for verification.

DAC in its meeting held on 4th September, 2024 directed that the department may write a letter to revenue department/commissioner concerned to stop such practice and forward a copy of the same to Audit for record.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

(PDP#228,AIR#03)

4.5.107 Non-taking of action against removal of encroachment

According to Rule-1, Appendix 18-A of Sindh Financial Rules, Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of Chief Engineer Guddu Barrage Sukkur for the financial years 2020-23, it was observed that property (4,997) of Guddu and Sukkur barrage in seven districts was under encroachment whereas, the same was not got vacated. Details are as under:

S#	Name of division	Number of encroachers	Type of encroachment	Remarks
1	XEN, Guddu barrage division Kashmore	1457	Temporary Cabins/Huts /Kacha Makans	Matter pending before honorable Court of Sindh at Karachi in
2	XEN, Kandhkot Division	1327	Houses/Cabins/Huts	
3	XEN, Kashmore Division	1342	Houses/Cabins/Huts	
4	XEN, Sukkur Begari Bund Division	468	Temporary Cabins/Huts/Kacha	

			Makans	CP.6550 OF 2020
5	XEN, Begari Division Thul	18	Old Bungalows	
6	XEN, Begari Division Jacobabad	340	Pacca/House/Shops	
7	XEN, Begari Sindh Feeder Division	45	Temporary Cabins/Huts/Kacha Makans	
	Total	4,997		

Audit is of the view that due to encroachments, public assets were not safeguarded which reflected negligence on part of the management.

The matter was reported to the management in May, 2024. The management replied that case for removal of encroachments on state properties is still under trial at High Court, Karachi (CP-D-6550/2020). The reply of the management was not tenable as the management failed to produce documentary evidence.

DAC in its meeting held on 16th August, 2024 directed that the updated status of each case may be provided to Audit.

Audit recommends pursuance of the matter for early removal of the encroached property.

(PDP#39, AIR#07)

4.5.108 Non/ less-deduction of security deposit – Rs. 183.118 million

As per 7.12.3 of SPPRA, Procurement Regulation (Works), “Procuring Agency will retain/deduct from each interim/running payments due to the contractor, the security deposit in proportion stated in the contract data/data sheet until completion of the whole of the works. The cumulative total of such amount will be 5% of bid total mentioned in the letter of acceptance. In this way total amount with procuring agency will be ten percent of bid cost in the shape of performance security and retention money/security deposit. Recoveries so made from contractor are returned to him by the procuring agency as per terms and conditions of contract.”

During the audit of following offices of Irrigation Department, for the financial years 2022-23 and 2023-24, it was observed that security deposits of

Rs. 183.118 million was not/less deducted from the contractors' bills. Details are as under:

(Rs. in Million)

Sr #	Name of Office	Financial Year	PDP #	S.D due	SD. Ded.	% Less Ded	Less Amount
1	XEN, Sujawal Drainage Division, Sujawal	2022-23 & 2023-24	519	20.262	12.157	2	8.105
2	XEN, Naseer Division, Hyderabad	2023-24	509	20.074	10.037	5	10.037
3	XEN, Lower Pinyari Division, Sujawal	2023-24	615	38.225	22.935	2	15.29
4	XEN, Small Dam Nagarparkar @ Mithi	2023-24	667	6.411	3.57	2	2.842
5	XEN, Begari Division, Thul	2022-23	9	2.003	0.801	4	1.202
6	XEN, Barrage Division, Sukkur	2022-23		26.463	21.170	2	5.292
7	XEN, Kashmore Division, Kashmore	2022-23		10.660	6.396	6	13.586
8	XEN, Irrigation Department, Larkana	2022-23		45.021	22.510	5	31.515
9	XEN, Drainage, Division, Badin	2022-23		45.563	36.450	8	11.999
10	XEN, Drainage Division, Thatta	2022-23		38.924	0	10	38.924
11	XEN, Begari Bund Division Sukkur	2022-23	355	35.824	7.164	2	35.824
12	XEN, Rice Canal Division, larkana	2022-23	369	42.510	34.008	2	8.502
Total							183.118

Audit is of view that non/less deduction of security deposits is violation of SPPRA rules which reflected weak financial management.

The matter was reported to the management in August, 2024. The management replied that remaining security deposit 2% will be deducted from upcoming bills (Sr. 1, 2). Less deducted security deposit has been recovered (Sr. 3). The 8% security deposited has been obtained (Sr. 4). The performance security (CD) and security deposit were received/ deducted at the rate of 5% (Sr. 11). The security deposit was deducted from 4% to 8% (Sr. 5 to 10).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit (Sr.1,11,12). To expedite the recovery (Sr. 2), deduct balance 2% security deposit and get the position verified from Audit (Sr. 3) and recover remaining amount of SD and get it verified from the Audit (Sr. 4). The DAC expressed serious displeasure and directed that a warning letter be issued to all concerned officials. Additionally, the DAC decided that the PAO will issue a circular to ensure compliance with Rule 7.12.3 of the SPPRA in both letter and spirit, instructing all officials to ensure that a total security

deposit of 10% must be obtained from the contractor (Sr. 5 to 10). To get the stated position verified from Audit (Sr. 11 &12).

Audit requires recovery of the pointed-out amount besides strict adherence to the SPPRA regulations.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-2023 vide para number 4.5.16 having financial impact of Rs. 289.148 million and 2023-24 vide para number 4.5.23 having financial impact of Rs. 283.337 million. Recurrence of same irregularity is a matter of serious concern.

4.5.109 Unjustified refund of lapsed deposit – Rs. 8.531 million

According to Para-399 (iii) of the Central Public Works Account Code, “The unclaimed balances of Public Works Deposits for more than three complete accounting years should be credited to the Government as lapsed deposit.”

During the audit of following offices of Irrigation Department, for the financial year 2023-24, it was observed that unclaimed security deposits for more than 3 years of Rs. 8.531 million were released to contractors instead of crediting the same into the government account. Details are as follows:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP #	AIR #	Particulars	Amount
1	XEN, Southern Division, Dadu	2023-24	648	5	Refund of lapsed deposit after completion of five year	3.08
2	XEN, Small Dam Nagarparkar @ Mithi	2023-24	665	2	Refund of lapsed deposit after completion of three years	5.451
Total						8.531

Audit is of the view that refund of lapsed security deposits without approval of the Finance Department reflected weak financial management.

The matter was reported to the management during March to November, 2024. The management replied that security deposits were refunded after

completion of finishing work (Sr. 1). After compliance and rectification of minor defects, security deposit was refunded to the contractor (Sr. 2).

DAC in its meetings held on 24th to 30th December, 2024 directed that Chief Engineer concerned to conduct enquiry into the matter and submit report to PAO & Audit (Sr. 2). To get the stance verified (Sr. 1).

The replies/evidence of the management was not tenable as security deposits were refunded after lapsed period (Sr. 1). Enquiry reports from concerned Chief Engineers are awaited (Sr. 2).

Audit recommends enquiry into the matter and fixing of responsibility on the person(s) at fault.

Note: The issue was also reported earlier in the Audit Reports for Audit Year 2023-24 vide para number 4.5.22 having financial impact of Rs. 15.406 million. Recurrence of same irregularity is a matter of serious concern.

4.5.110 Un-justified excess payment to the contractor – Rs. 18.899 million

As per SPPRA Guidelines 6.2.2 (2), “A Procuring Agency shall prepare the Bill of Quantities appropriate to the works. The quantities given in the Bill of Quantities are estimated and provisional and provide a common basis for tendering. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the contractor and verified by the Engineer and valued at the rates and prices tendered in the bill of the quantities.”

During the audit of Executive Engineer, Drainage Division Sanghar for the financial year 2023-2024, it was observed that the expenditure of Rs. 18.899 million was incurred on similar nature of works having same quantities of items incurred on various tube wells but the rates charged were different, which resulted into unjustified excess payment to the contractors. Details are given in **Annex-14 of Chapter-4.**

Audit is of the view that payment of similar quantities and nature of items at different rates to the same contractor is tantamount to mis-procurement.

The matter was reported to the management in August, 2024. The management replied that the estimates were prepared keeping in view of site

requirement and repair and maintenance of essentially required items. The same nature of work was carried out on different tube wells and transformers on the approved rates.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

In compliance of DAC directives, the management produced record, however, reply / record was not satisfactory since works were awarded of the same amount and nature at different sites.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides strengthening of financial discipline in the organization to ensure effective control mechanism.

(PDP#417, AIR#10)

4.5.111 Loss due to changing the specification of plaster - Rs.11.015 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of Executive Engineer, Barrage Division, Sukkur for the financial year 2023-24, it was observed that the specification of plaster used in Abad minor was 1:6 whereas the same in Patni canal was 1:10. Further, Abad minor off takes from Patni canal which substantiates the fact that Patni canal is larger than Abad minor, without justification to use strong plaster i.e. 1:6 compared to specification of the plaster on Patni i.e. 1:10, resulted in loss of Rs. 7.097 million. Moreover, cement was also utilized in excess of Rs. 3.918 million. Details are as under:

(Rs. in Million)

Cement Plaster 1/2"thick ratio 1:10	Qty	Rate 1:6	Ratio 1:10	Diff.	Amount	
i) in bed	202600	1800.12	895.07	905.05	1.833	
ii) in slope	330800	2011.87	1063.26	948.61	3.138	
Premium 42.75%					2.125	
Total					7.097	
Name of work	Name of Contractor	Qty Admissible 1:10	Qty Allowed 1:6	Excess Qty	Rate	Amount
Construction of CC lining along Abad minor from RD 00 to 19+400	M/s Naseem Shah	2294	8322	6028	650	3.918

Audit is of the view that due to change of specification without justification resulted in loss to public exchequer.

The matter was reported to the management in August, 2024. The management replied that the specification of 1:6 plaster for Abad Minor was selected based on the specific structural and hydraulic requirements of the minor canal. Although the Patni canal is larger, the design and operational conditions of the Abad Minor necessitated a stronger plaster mix to withstand higher localized stresses and potential erosion, ensuring long-term durability and functionality. The additional cement utilization was essential to achieve the desired strength and durability of the 1:6 plaster mix. The reply of the management was not tenable as statistical data was not produced to authenticate the contention of reply.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to submit revised reply along with TS to Audit.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

(PDP#432, AIR#04)

4.5.112 Unjustified expenditure on re-handling of earthwork – Rs. 2.734 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of Executive Engineer, Nasrat Division, Shaheed Benazirabad for the financial year 2023-24, it was observed that payment of Rs. 2.734 million was made on account of re-handling and earth excavation on the scheme ‘Earthwork excavation in irrigation channels’ for the same quantity of earth which was excavated in irrigation channels. The management allowed re-handling item instead of allowing additional lead only for disposal of earth. Details are as under:

(Rs. in Million)

CV & Dt:	Name of Scheme / Contractor	Description	Qty	Unit	Rate	Amount
H-06 & 10.06.24	C.C Lining from Head to Tail of Kot Lalu Minor Magsi Minor Dakhi Mnor & Gabri minor including Allied structures in Nasrat Division Shaheed Benazirabad (PART-A-1 (a) M/s MBC & Sons	Re-handling of earthwork up to lead 50 ft.	2,583,139	%0cft	1,059	2.734
		Earth work in irrigation channel, drains etc. dressed to design section grades & profiles excavated material disposed of & dresses within 50 ft.	2,583,139	0%sft	2420	6.252
Total Re-handling						2.734

Audit is of the view that due to allowing additional item of re-handling, an unjustified payment was made to the contractor which reflected weak financial management.

The matter was reported to the management in October, 2024. The management replied that re-handling of earthwork is used upto lead of 50 ft distance whereas earthwork in irrigation channel lead is within 50 ft. If the distance of earth work is more than 50 ft lead, then there shall be essential to use

these both items instead of additional lead. The reply of the management was not tenable as estimate, MB and drawing were not produced to further probe into the matter.

DAC in its meetings held on 24th to 30th December, 2024 directed to provide necessary record to audit for verification.

Audit recommends strengthening of internal controls besides fixing of responsibility on the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2022-2023 vide para number 4.5.37 having financial impact of Rs. 10.128 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#637,AIR#05)

4.5.113 Unjustified acceptance of bid without call deposit – Rs. 130.243 million

As per Serial No 6. (a) (ii) Terms and Conditions of NIT, “Bids not accompanied by bid security of required amount and form will be rejected.” Further, according to Rule 37 of SPPRA Rules 2010, “Procuring agency may require the bidders to furnish a bid security neither less than one percent nor exceeding five per cent of the Bid Price/Estimated Cost in the form of a call on deposit, pay order, demand draft or Bank guarantee issued by a Scheduled Bank in Pakistan in favour of procuring agency, which shall remain valid for a period of 28 days beyond the validity period for the bids in order to provide the procuring agency reasonable time to act if the security is to be called. Any bid/tender not accompanied by it to the extent and in appropriate form as notified while inviting tenders or stated in the bidding document shall be rejected and treated as non-responsive.”

During the audit of Executive Engineer, Small Dam Division Nagarparkar @ Mithi for the financial year 2023-24, it was observed that contracts of Rs. 130.243 million were awarded whereas, bid security was submitted on 22-08-2023 after award of work on 22-03-2023 i.e. after lapse of 5 months. Details are as under:

(Rs. in Million)

WO# dt	Name of Work	Contractor	Amount	CD# dt:	Bank	Bid cost
259 22-3-23	Const: of Mubarak Rind Taraie	M/S Yaseen and Co:	3.300	06400011 22-8-23	UBL Qasima bad	65.114
258 22-3-23	Const: of Saeedo Rind Taraie	M/S Yaseen and Co:	3.300	06400012 22-8-23		65.129
Total						130.243

Audit is of the view that acceptance of bid securities/call deposits after issuance of work orders reflected undue benefit to the contract and led to misprocurement.

The matter was reported to the management in October, 2024. The management replied that call deposits were already submitted by the contractor. Subsequently, after award of work contractors deposited performance security in the shape of call deposits and same were deposited through challans. Th reply of the management was not tenable as contention of Audit was not addressed.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to submit the revised reply and provide supporting documents in support of its contention to Audit.

Audit requires enquiry and fixing of responsibility on the person(s) at fault besides strict adherence to government regulations to avoid such lapses in future.

(PDP#669, AIR#06)

4.5.114 Doubtful execution of similar works – Rs. 8.914 million

According to Para-209 (d) of C.P.W.A Code, “All payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately.”

During the audit of Executive Engineer, Small Dam Division Kohistan-I Dadu, for the financial year 2023-24, it was observed that expenditure of Rs. 8.914 million was incurred on Katcha paths, filling depression and rain gharas at same sites during short period. Details are at **Annex-15 of Chapter-4**

Audit is of the view that execution of similar works at same sites without justification resulted in duplication of payment and loss to public exchequer.

The matter was reported to the management in October, 2024. The management replied that work was executed at different dates of different Dams. The reply of the management was not tenable as no documentary evidence was produced in support of reply.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to produce detailed measurement sheet and copy of MBs for verification.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#685, AIR#11)

4.5.115 Un-economical procurement of items of earth work and groynes - Rs. 20.063 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, "Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence."

During the audit of Executive Engineer, Kandhkot Division, Garhi Hasan Sarki for the financial year 2023-24, it was observed that excess payment of Rs. 20.063 million was made on account of earthwork and groynes. Following irregularities were noted:

- i. Rate for earthwork including carriage was allowed at Rs.50 per ft, whereas composite rate in CSR was Rs.2.18 per cft. By adding 20% premium and carriage upto 03 mile the rate would be Rs 8.407 per cft. Thus, un-economical procurement was made by allowing Rs. 41.893 per cft in excess with the financial impact of Rs. 11.421 million.

- ii. Rate for groynes work was allowed at Rs70 per ft, whereas composite rate in CSR was Rs.17.56 per Sft. By adding 20% premium and 80% escalation cost, the rate would be maximum upto Rs.35 per ft. Thus, un-economical procurement was made by allowing Rs.35 per ft in excess with the financial impact of Rs. 8.642 million.

Audit is of the view that excess payment to contractors reflected poor financial management.

The matter was reported to the management in November, 2024. The management replied that as per the lowest rate quoted by the contractors, the rate of Rs. 70 per Rft for groynes work was allowed. Th reply of the management was not tenable as no documentary evidence was produced in support of reply.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stated position verified from Audit.

Audit recommends implementation of DAC directives besides strengthening its procurement management system to avoid such lapses in future.

(PDP#735, AIR #05)

4.5.116 Excess payment on execution of work -Rs. 3.600 million

According to Para-528 of Public Works Departmental Manual, “No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction.”

During the audit of Executive Engineer, Tube wells Division, Naushahro Feroze for the financial year 2023-24, it was observed that excess payment of Rs. 3.600 million was made against the item of “furnishing & installing centralizer” by more than permissible limit 30% of the estimated quantity. Details are as follows:

(Rs. in Million)

Name of scheme	Item	T.S / BOQ Qty	Bill Qty	Unit	Rate	Excess Qty	Excess Payment
Installation of solar system Tubewell upto (2.00) Cusecs M/s Haji Saeed Muhammad & Sons CV# 07 & 27.05.2024 W/o# 545 & 02.05.2023	Furnishing & installing Centralizer	65	365	Each	10000	360	3.600
Total							3.600

Audit is of the view that excess payment of work than estimated quantity reflected weak financial management.

The matter was reported to the management in October, 2024. The management replied that quantity was executed as per site requirement. The excess quantity than 30% will be adjusted in final estimate.

DAC in its meetings held on 24th to 30th December, 2024 directed to submit the revised reply.

The management produced record for verification. However, reply of the management was not tenable as quantity of item in Technical Sanction was 65 nos. whereas, payment was made upto the quantity of 365 nos., resulting in excess payment.

Audit recommends recovery of excess payment, besides strengthening of internal controls.

(PDP#746, AIR#07)

4.5.117 Unjustified recording of MB before work order – Rs. 3.610 million

According to Para-209 (d) of C.P.W.A Code, “All payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately. He will also have worked out and enter in the measurement book the figures for the “Contents or Area” column.

During the audit of Executive Engineer, Drainage Division, Badin for the financial year 2022-23, it was observed that expenditure of Rs. 3.610 million was incurred on M&R work, however the measurement was recorded before the award of the work. The details are given at **Annex-16 of Chapter-04**.

Audit is of the view that recording of measurements before issuing of work order is a serious issue which showed that advance payment was made without execution of the work.

The matter was reported to the management in April, 2024. The management replied that the measurement of the work was not made before the award. The reply of the management was not tenable in the absence of original bills, work order and MBs.

DAC in its meeting held on 22nd August, 2024 directed that the original bills and MBs be provided to Audit for verification. However, no relevant documentary evidence in support of its contention was produced.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

(PDP#134,AIR #08)

4.5.118 Excess payment on carriage of stone boulders - Rs. 2.499 million

According to Rule-11 of General Financial Rules, Volume-I, each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

During the audit of Executive Engineer, Begari Sindh Feeder Division, Kashmore for the financial year 2023-24, it was observed that an expenditure of Rs. 2.499 million was incurred on carriage of stone boulders, however, the same was allowed in excess of its admissible quantity. Details are as follows:

(Rs. in Million)

Name of work/ Bill No.	Stone pitching Qty	Admissible Qty of Stone	Esti. Qty	Excess	Rate Carriage	Amount
Construction of stone pitching and earth work along various portions along BS feeder main canal from RD 193 to 269 Bill 9th & Final	501742	215032 (501742*.75 /1.75)	30104 5	86013	2906.34	2.499

Audit is of the view that carriage on stone boulders was paid in excess of its admissible quantity which reflected poor financial management.

The matter was reported to the management in September, 2024. The management replied that approved quantity of stone pitching was 501,742 Cft (301,045 Cft stone boulder + SPAWL 100,348 Cft + aggregate 100,348 Cft). However, no excess quantity was executed or paid beyond admissibility.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide copies of MB and estimates for verification.

The management in support of reply produced record. The reply of the management was not tenable as scrutiny of material statement revealed that 20% allowance was allowed on filling of voids in the item of stone boulders whereas the factor-rate was not deducted from the quantity of stone pitching at the time of calculation in the MB.

Audit recommends recovery and fixing of responsibility on the person(s) at fault besides strengthening of internal controls to avoid such lapses in future.

(PDP#545, AIR#10)

4.5.119 Excess payment on barrow pit and carriage – Rs. 2.254 million

According to Sr.-105 of Chapter-18, Miscellaneous of Composite Schedule of Rates, 2012 the item of “Earth-work Excavation by Hydraulic Excavator lead upto 50-ft for Ordinary Soil (Silt ashes etc.) Clearance” rate was at Rs.1,748.57 per thousand cubic feet (% 0 Cft).”

During the audit of Executive Engineer, Kotri Barrage Division, Jamshoro for the financial year 2022-23, it was observed that an excess payment of Rs. 2.254 million was made to the contractor on account of difference in rate of borrow pit / earthwork and premium on carriage. The details are as under:

(Rs. in Million)

Cv# / Dated	W/o/ Dated	Name of work	Name of item	Qty	Rate Claimed	Rate as Per CSR-12	Unit	Amount
74/ 13.6.23	615/ 3.5.21	Establishment of Engineer Training Academy. M/s Thadani Enterprises	Earth work Excavation by Hydraulic Excavator Leads lift upto 50-ft	326,118	5170	1748.57	%0 Cft	1.116
Premium 35% on earth work								0.390
Premium 35% on carriage								0.748
Total								2.254

Audit is of the view that the excess payment made to contractor resulted in undue favor besides caused loss to the public exchequer.

The matter was reported to the management in April, 2024. The management replied that rate against the item was made as per schedule-B duly sanctioned by the competent authority.

DAC in its meeting held on 22nd August, 2024 directed that the tender documents and approved rates may be provided to Audit for verification.

The management produced record for verification. However, reply was not tenable as extra item was allowed on market rate @ Rs. 5,170 per % 0 cft whereas, CSR-2012 rate against the same item was Rs. 1,748.57 per % 0 cft. Hence, rate benefit of Rs. 3,421.43 per % 0 cft was allowed against the item. Further, premium was also allowed on carriage and earth work which was not admissible.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

(PDP#96, AIR#07)

4.5.120 Unjustified purchase of Abkalani material after monsoon period – Rs. 1.917 million

According to Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During audit of Executive Engineer, Thar Division Mirpurkhas, for the financial year 2022-23, it was observed that Abkalani material of Rs. 1.917 million was purchased after conclusion of monsoon season without any valid justification.

Audit is of the view that the monsoon/flood season starts from May to August, but purchasing of Abkalani material after flood season was not justified.

The matter was reported to the management in February, 2024. The management replied that repair of breaches in the pocket drain necessitated material procurement at approved rates. The reply of the management was not tenable as relevant evidence showing the emergency after Abkalani period was not produced to Audit.

DAC in its meetings held on 16th August, 24th to 30th December, 2024 directed the management to get the stated position verified from audit. However, no documentary evidence in support of reply was produced to audit.

Audit recommends fixing of responsibility on the person(s) at fault besides strengthening of financial discipline in the organization to ensure effective control mechanism.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 4.5.8 having financial impact of Rs. 3.941 million and 2023-24 vide para number 4.5.36 having financial impact of Rs. 53.425 million respectively. Recurrence of same irregularity is a matter of serious concern.

(PDP#18,AIR#7)

4.5.121 Excess expenditure due to incorporation of highways item in the estimate – Rs. 1.987 million

According to the Composite Schedule of Rates, 2012 Item No.13: Earth work compaction (soft, ordinary or hard soil) (b) laying earth in 6” layers levelling dressing and watering for compaction etc. complete’ rate was @ Rs. 354/- per thousand Cft.

During the audit of Executive Engineer, Kashmore Division, Kashmore for the financial year 2022-2023, it was observed that item of Rs. 354 per thousand Cft. was paid against the quantity of 1,734,360 earthwork which also included levelling, dressing and watering. On the contrary, the contractor was accorded separate item for compaction of same quantity of earth work existed in the item No. 13 (I) (ii) @ Rs. 756 Per thousand Cft. Thus, allowing separate item of ‘Highway Schedule’ from CSR-2012 at Rs. 1,445.58 Per thousand Cft was unjustified. This resulted in excess payment of Rs. 1.987 million including premium.

Audit is of the view that undue benefit was extended to the contractor which resulted loss to the public exchequer.

The matter was reported to the management in April, 2024. The management replied that the item of CSR-Highways rate of Rs. 1445.58 for per thousand cft was incorporated in the sanctioned estimate to achieve the required compaction of the earthwork within the time limit.

DAC in its meeting held on 13th September, 2024 directed that Chief Engineer, Gudu Barrage Region to conduct enquiry into the matter and furnish report to PAO and Audit.

Audit recommends recovery of the excess amount and strict adherence to the government instructions to avoid excess payments in future.

(PDP#104, AIR#04)

4.5.122 Doubtful payment on property insurance/hiring of pumps/steel – Rs. 1.450 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During the audit of the following offices of Irrigation Department for the financial years 2014-15 to 2022-23, it was observed that an amount of Rs. 1.450 million was paid on account of property insurance, hiring of pumps and steel which was doubtful. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	PDP#	AIR #	Particulars	Amount
1	Director Nara Water Board Mirpurkhas	2014 to 23	257	32	Payment through cheque on 02/10/2017 to unknown as only property insurance description was mentioned in the bank Statement# 4100529471 in the NBP at Samaro	0.977
2	XEN, North Dadu Drainage Division, Larkana	2022-23	103	4	Excess payment on hiring of pumps	0.118
3	XEN, Drainage Division, Larkana	2022-23	108	5	Payment of steel without execution of R.C.C work	0.355
Total						1.450

Audit is of the view that the payment for insurance of property, hiring of pumps and utilization of steel without execution of R.C.C work was doubtful which reflected weak financial management.

The matter was reported to the management in May, 2024. The management replied that the amount of Rs. 0.977 million was paid through cheque from NBP Samaro Branch and correctly transferred to the main NBP account (No. 4051923441) at Mirpurkhas. The property insurance entry in the bank statement was a clerical error by the bank (Sr. 1). Different pumps were

deployed at various locations for de-watering, operating on different days over 48 days. However, payment for the pumps was recorded based on the total days of all pumps, totaling 66 days, while another similar item was calculated on an hourly basis (Sr.# 2). In the 3rd R.A. bill, the quantity of steel for R.C.C was 17.02 Cwt, and payment was made accordingly. However, in the 4th R.A. Bill, due to a typing mistake, the quantity was erroneously shown as 65.960 Cwt, with an enhanced quantity of 48.940 Cwt. (Sr. 3).

DAC in its meetings held on 4th and 12th September, 2024 directed that the letter from the bank must be obtained and submitted to audit for verification. DAC further directed MD SIDA/Chief Engineer to enquire the matter and share the report with Audit for verification.

Audit recommends implementation of DAC directives besides ensuring effective monitoring of physical execution of work before making payments to the contractors.

4.5.123 Rush of expenditure - Rs. 68.239 million

According to Para-96 of government budget volume-I, “It is contrary to the interest of the state that money should be spent hastily or in all considered manner morally because it is available are their laps of a budget Grand would be avoided.”

During the audit of Executive Engineer, Drainage Division, KN Shah Dadu for the financial years 2021-22 & 2022-2023, it was observed that heavy expenditure of Rs. 68.239 million was incurred in May which was above 40% of total expenditure of the year. Details are at **Annex-17 of Chapter-4**

Audit is of the view that expenditure was incurred in haste to avoid lapse of the budget which reflected weak financial management and favour was extended to the contractor.

The matter was reported to the management in April, 2024. The management replied that as per the site requirement, the necessary works were carried out but due to non-availability of funds, timely payments were not made to contractors. The funds were released in May 2023 and the payments were made to concerned contractors accordingly.

DAC in its meeting held on 12th September 2024 directed that the enquiry committee may enquire the matter and report may be shared with the Audit.

Audit recommends enquiry into the matter besides strengthening of financial discipline in the organization to ensure effective control mechanism.

(PDP#144, AIR#07)

4.5.124 Payment without submission of claim by the contractor – Rs. 2.747 million

According to Para-38.4 of the conditions of contract of SRP (Additional Financing), “The value of work executed shall comprise the value of the quantities of work in the bill of quantities that have been completed, read with Para 38.6 of *ibid*, “The project manager may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.”

During the Financial Attest Audit of Sindh Resilience Project (Additional Financing), Karachi for the financial year 2023-2024, it was observed from the 12th IPA submitted by the contractor that quantity of steel was executed upto 166,958.38 Kgs. However, payment was made in the IPC upto to the quantity of 179,736.39 Kgs. This resulted in excess payment of Rs. 2.747 million. Details are as follows:

[Rs. in Million]						
IPC No. & Date	Name of work & contractor	Qty. of steel paid	Qty. claimed by contractor	Excess Qty. paid	Rate P. Kg	Excess payment
12 th 18-08-23	Construction of Khargani Dam (Uth Palan & Lal Bagh Dam), Upper Kohistan (M/s. Saeed Khan Construction Company)	179,736.39	166,958.38	12,778.01	215	2.747
Total						2.747

Audit is of the view that undue benefit was extended to the contractor without execution of work at site which resulted loss to the public exchequer.

The matter was reported to the management in September, 2024. The management replied that IPA was not a reliable document as payments were made as per actual work done at site and measured through joint visit of the management, consultant and the contractors. The reply of the management was not tenable as consultant was competent authority for exclusion or reduction on submitted claims by the contractors after verification of sites against the submitted claims instead of preparing joint claims with the contractors and the management. This revealed non-existence of independent mechanism for counter checks of payments.

DAC was held on 24th to 30th December, 2024 however the matter could not be discussed due to non-availability of the Project Director.

Audit recommends adjustment of overpaid amount from subsequent bills.

[Para No.05]

4.5.125 Expenditure beyond permissible limit of 15% - Rs. 681.186 million

As per Appendix-1, Para-3 of the Guidelines for procurement of goods, “Works and non-consulting services under International Bank for Reconstruction and Development (IBRD) Loans and IDA Credits & Grants by World Bank Borrowers “In case of contracts subject to prior review, before agreeing to (a) a material extension of the stipulated time for performance of a contract or (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract or (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15% (fifteen percent) or (d) the proposed termination of the contract, the borrower shall seek the bank’s no objection. If the bank determines that the proposal would be inconsistent with the provisions of the loan agreement and/or procurement plan, it shall promptly inform the borrower and state the reasons for its determination. A copy of all amendments to the contract shall be furnished to the bank for its record.”

During the Financial Attest Audit of Sindh Resilience Project (Additional Financing), Karachi for the financial year 2023-2024, it was observed that works were awarded for Rs. 1,927.732 million. However, payment of Rs. 2,608.917 million were made to the contractors due to issuance of variation orders. This

resulted in excess payment of Rs. 681.186 million beyond permissible limit of 15% without prior review and obtaining No Objection Letter (NOL) from the World Bank. Details are as follows:

[Rs. in Million]

Sr. No.	Name of Dam	Contractor's Name	Contract Awarded	Payments Made	Excess payment	Excess %
01	Gurrand	M/s. NK & Company	208.518	309.770	101.252	48.56%
02	Buzeh/ Sohring	M/s. MDS & Co	251.792	351.448	99.656	39.58%
03	Moosa Choro	M/s. Thadani Enterprises	827.966	1,052.002	224.036	27.06%
04	Purkhani	M/s. Thadani Enterprises	639.455	895.697	256.242	40.07%
		Total	1,927.732	2,608.917	681.186	

Audit is of the view that payment beyond permissible limit of 15% is held irregular which reflected weak project management.

The matter was reported to the management in September, 2024. The management replied that no excess payment was made to the contractors. However, expenditure was incurred in excess from the original cost due to revision of the estimates against these packages. The reply of the management was not tenable as variation orders were issued beyond permissible limit of 15% without prior review and obtaining No Objection Letter (NOL) from the World Bank.

DAC was held on 24th to 30th December, 2024 however the matter could not be discussed due to non-availability of the Project Director.

Audit seeks regularization of the matter.

[Para No.03]

4.5.126 Irregular payment to the consultant - Rs. 9.098 million

According to Para 37.1 of the contract agreement for consultancy services “The title, agreed job description, minimum qualification and time input estimates to carry out the services of each of the consultant’s key experts as described in Appendix-B.”

During the Financial Attest Audit of irrigation component of SWAT Project for the financial year 2023-2024, it was observed that payment of Rs.

9.098 million was made to the consultant on account of staff salaries beyond approved strength. Details are as follows:

[Rs. in Million]

Name of work & Consultant	Name of employees	Position	Input Month	Pay without S.T.	Pay with S.T.
Design review, construction supervision and contract management of improvement and rehabilitation works of Akram Wah Canal (M/s. ACE- NESPAK – J.V)	Dr. Muhammad Siddique	Irrigation Engineer	1.871`	-	3.337
	Position	Admissibility	Posted	Excess Post	Excess payment
	Jr. Engineer	01	03	02	5.761
Total					9.098

Audit is of the view that undue benefit was extended to the consultant which constituted weak internal controls.

The matter was reported to the management in September, 2024. The management replied that Dr. Muhammad Siddique was appointed by the consultant in place of Dr. Tabassum Zahoor under provisions of contact clause 38. Whereas, the position of Junior Engineer, the consultant has not changed the man months as stipulated in the contract. The management produced the conditions of contract. However, reply of the management was not tenable as detail of employees was not produced to evaluate duplicity of the posted employees by the consultant.

DAC was held on 24th to 30th December, 2024 however the matter could not be discussed due to non-availability of the Project Director.

Audit seeks justification in the matter.

[Para No.05]

4.5.127 Excess expenditure on POL & repair beyond prescribed ceiling – Rs. 26.441 million

According to Appendix-M (Component-2) of the PC-I “Purchases were to be made as per PC-I provision.”

During the Financial Attest Audit of irrigation component of SWAT Project for the financial year 2023-2024, it was observed that an expenditure of Rs. 26.441 million was incurred on account of purchase of POL and repair of vehicles beyond the ceiling limit as prescribed in PC-I. Details are as follows:

[Rs. in Million]				
Sr. No.	Section	Ceiling for Year-II	Total Expenditure	Excess Expenditure
Expenditure on repair of vehicles				
1	Repair of vehicles	7.350	16.344	8.994
2	Expenditure on POL	4.767	7.059	17.447
Total		12.117	23.403	26.441

Audit is of the view that expenditure incurred beyond PC-I reflected inefficient administrative oversight and poor financial management.

The matter was reported to the management in September, 2024. The management replied that expenditures were incurred on the repair of old vehicles procured in WSIP project back in early 2010s, which are currently being utilized for SWAT project. The expenditure is made against the provision available in SWAT PC-I for SIDA. The reply of the management is not tenable as the total expenditure on POL and repair of vehicles stands more than 200% above the ceiling of the PC-I despite the actual work of the project has not been started yet.

DAC was held on 24th to 30th December, 2024 however the matter could not be discussed due to non-availability of the Project Director.

Audit seeks justification in the matter.

[Para No.07]

4.5.128 Unauthorized payment of mobilization advance to the consultant – Rs. 20.000 million

According to the Standard Sample Format issued by the World Bank dated September, 2021 regarding Request for expressions of interest (consulting services – firm selection) “There was no provision for granting mobilization advance to the consultant.”

During the Financial Attest Audit of irrigation component of SWAT Project for the financial year 2023-2024, it was observed that mobilization advance was admissible to the contractors instead of consultants. This resulted

in an un-authorized payment of Rs. 20.000 million to the consultant beyond admissibility. Details are as follows:

[Rs. in Million]

C.V No. & Date	Name of work & consultant	Amount
693 08-04-24	Design, review, construction supervision and contract management of improvement and rehabilitation work of Akram Wah Canal (M/s. ACE- NESPAK (JV))	20.000
	Total	20.000

Audit is of the view that undue benefit was extended to the consultant on account of mobilization advance beyond provision in the standard sample documents of the World Bank without prior approval.

The matter was reported to the management in September, 2024. The management replied that advance payment to the consultant was made in light of the clause 53.1 (a) of the contract provision. The reply of the management was not tenable as online documents from web port of World Bank 2021-docx) and SPPRA (Ref: Regulation No. 9.3 (2) (b)) revealed that mobilization advance is only admissible to the contractors.

DAC was held on 24th to 30th December, 2024 however the matter could not be discussed due to non-availability of the Project Director.

Audit seeks justification in the matter, besides taking remedial action.

[Para No.01]

4.5.129 Defective preparation of Engineer Estimate– Rs. 5,341.169 million

According to Section-5.26 standards and technical specifications of World Bank procurement regulations 2016, “The consultant must utilize approved engineering practices, methodologies, and standardized procedures to ensure consistency and reliability in cost estimation.”

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi for the financial year 2023-2024, it was observed that the engineer’s estimate of Rs. 5,341.169 million was prepared by the consultant for

the work. However, the qualifying contractor submitted a bid 29% lower than the engineer's estimate. The details are as follows:

(Rs. in Million)

Name of Work	Engineer's Estimates	BID Price	Difference	% of decrease	Remarks
River Training Works at Guddu Barrage, Kashmore_G3 River Training Works at Guddu Barrage, Kashmore_G3, Contractor Sardar M.Ashraf D.Balouch. Letter of acceptance dt: 26.04.2017	5,341.169	3,750.000	1,591.170	29.79%	Bid price is 29.79% is lower than Engineer's Estimate
Total	5,341.169	3,750.000	1,591.170		

Audit is of the view that the consultant's cost estimation process lacked authenticity and did not reflect market realities, resulting in an inflated engineer's estimate. Discrepancy raises questions on the transparency of the bidding process.

The matter was reported to the management in November, 2024. The management replied that the Engineer's Estimate was prepared based on prevailing market rates. It further explained that the contractor's bid, being 29% below the Engineer's Estimate, was favourable for the Employer as it resulted in saving money.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide detailed justification to substantiate the contention of audit.

The management produced the Bid Evaluation Report and Comparative Statement. However, the reply of the management is not tenable as the successful bid was found to be 29% below the estimated cost, and the management failed to provide the estimate, Bill of Quantities (BoQ), and market rates.

Audit seeks justification in the matter.

[Para No. 07]

4.5.130 Irregular payment to the consultant on account of Engineer's facilities-Rs. 139.22 million

According to the BoQ items MP.18, MP.19, and MP.20 under 'engineer's requirement, "The selection of fully serviced temporary office and domestic accommodations shall be at the discretion of the engineer. The supply of vehicles will be measured based on the number provided, as specified in the BOQ. Further, licensing, insurance, provision of drivers, fuel, maintenance, repairs, and servicing of vehicles will be measured on a vehicle-month basis."

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi for the financial year 2023-2024, it was observed that Rs. 139.22 million was paid to the consultant M/s Mott Macdonald for the Engineer's facility over two works at Guddu Barrage instead of limiting the facility to a single work. Details are at **Annex-18 of Chapter-4**

Audit is of the view that weak internal controls caused dual payment which resulted undue financial benefit to the consultant.

The matter was reported to the management in November, 2024. The management replied that (i) River Training Works at Guddu Barrage, Kashmore-G3: Payments for BoQ items were made to the Contractor, not the Consultant, for vehicles and accommodation for the Engineer and technicians. (ii) Building Works at Guddu Barrage-G2: The same applies as above. These payments do not constitute dual payment since they pertain to two different contracts supervised by the PIC.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide detailed justification along-with documentary evidence.

The management produced the BoQ of the G-2 contractor, the Bid Evaluation Reports for G-2 and G-3, and the approval from the World Bank. However, the reply of the management is not tenable as the payment for the engineer's facility was made without fulfilling codal formalities. Additionally, the management failed to provide the Statement of Expenditure (SOE) along with vouchers, supporting evidence, and Interim Payment Certificates (IPCs).

Audit recommends recovery of the amount besides strengthening of internal controls.

[Para No. 02]

4.5.131 Award of new work to same contractor -Rs. 250.832 million

According to Financial Management Manual of SBIP, Chapter 6.1 (procurement), "All new works must be awarded through a transparent and competitive procurement process. The issuance of variation orders or non-competitive awards requires detailed justification, formal documentation, and prior approval from the competent authority to ensure compliance with procurement regulations and safeguard public funds."

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi for the financial year 2023-2024, it was observed that a new work amounting to Rs. 250.832 million was awarded to the same contractor without conducting a competitive procurement process. The details are as follows:

(Rs. in Million)

Original Contract	Contract Cost	Contractor	Work Completed (Total Amount)	Left over Savings	New Work (Variation Order)	Amount
De-silting in head reach of rice canal RD 0 to 82.4 (S4)	2,097.344	M/s KGL-MNCC	1,823.725	273.619	De-silting of rice canal down stream of ruk complex (RD 82.4 to 92.4)	184.536
					De-silting warrah branch down stream of ruk complex (RD 0 to 3.4)	26.958
					Miscellaneous/Unforeseen works on rice canal	27.394
					SST @ 5%	11.944
Total						250.832

Audit is of the view that above irregularity reflected weak contract management.

The matter was reported to the management in November, 2024. The management replied that M/s KGL-MNCC JV was awarded the Rice Canal desilting contract (RD 0+00 to 82+400) under International Competitive Bidding from December 11, 2023, to September 9, 2024. Additional work downstream (RD 82+400 to RD 92+400) and in Warah Canal (RD 0+00 to RD 3+400) was approved through a variation order to enhance the Rice Canal's discharge capacity, benefiting tail-enders, addressing funding constraints by utilizing

savings from the S4 contract, avoiding delays from fresh bidding, and reducing costs as the S4 contractor was already mobilized, with the variation below 15% (11.95%).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide letter of Chief Engineer, variation order and IPCs for verification.

The management produced Variation Order-01 of the S-4 contractor. However, the reply of the management is not tenable since the work in question falls under the jurisdiction of the Executive Engineer Rice Canal, and the management failed to provide the NOC, M&R budget, utilization report of the Executive Engineer Rice Canal, and the World Bank guidelines for awarding new work through a variation order.

Audit recommends compliance with the DAC directives.

[Para No. 03]

4.5.132 Irregular expenditure on hiring of Experts - Rs. 57.612 million

According to the Project Appraisal Document (PAD), Annex 3: implementation arrangements, “The hiring of experts must strictly adhere to the approved project roles and responsibilities to ensure transparency and cost efficiency. Measures should be in place to prevent duplication of roles and delays in appointments, thereby safeguarding public resources.”

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi, for the financial year 2023-24, it was observed that expenditure of Rs. 57.612 million was incurred on hiring of experts by contractors. Following irregularities were noticed:

- i. Environmental coordinator was hired by the contractor despite Environmental Specialist already being employed by the consultant.
- ii. A significant amount was paid to six experts.
- iii. Delays in the appointment of experts were noted.

The details are as follows:

(Rs. in Million)

Sr. #	Package Name	Contractor	Contract Cost	Work Order No & Date	Item in BOQ	Amount
1	Building works at Guddu Barrage, Kashmore and Sukkur Barrage, Sukkur & Barrage Rehabilitation works at Guddu Barrage, Kashmore (G2)	M/s Descon Engineering Ltd	9,585.161	603 & 22.02.2017	Provision of the experts	55.293
2	De-silting in head reach of rice canal RD 0 to 82.4 (S4)	M/s KGL-MNCC	2,097.344	4314 & 30.10.2023	Provision of the experts	2.318
Total						57.612

Audit is of the view that lack of due diligence in hiring experts is unnecessary burden on the public exchequer.

The matter was reported to the management in November, 2024. The management replied that that under SBIP/G2, provisions exist in the contract for hiring an Environmental Coordinator by the contractor and an Environment Specialist by the consultant, both deployed as needed and paid per respective BoQ items. Similarly, under SBIP/S4, de-silting was carried out in the head reach of the Rice Canal (RD 0 to 82.4).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide clarification that since there is consultant in the project and it ostensibly seems that work is not of complex nature then on what ground there was need for hiring of expert by PMU and contractor or otherwise.

The management produced the NOC for the issuance of bidding documents. The reply of the management is not tenable as it failed to clarify the need for and the profile of the experts.

Audit recommends a detailed justification for irregular expenditure.

[Para No. 11]

4.5.133 Irregular award of work – Rs. 2,098.204 million

According to Rule-56 of CPWA Code, “A properly detailed estimate must be prepared for the sanction of competent authority; this sanction is known as the technical sanction to the estimate and must be obtained before the construction of the work is commenced. Such sanction will be accorded by the officer of the Public Works Department authorized to do so. If, subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.”

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi, for the financial year 2023-2024, it was observed that work “De-silting in Head Reach of Rice Canal RD 0 to 82.4 (S4)” amounting to Rs. 2098.204 million was awarded to contractor M/s KGL. Following irregularities were noted:

- i. Doubtful payments were made for de-silting with executed quantities matching estimates.
- ii. Contractor charged exorbitant rates compared to the Engineer's Estimate.
- iii. Work awarded to the highest bidder instead of the lowest.
- iv. Overpaid 30% overhead & profit on day works items, unlike other contractors.

Further, details are at **Annex-19 of Chapter-4**.

Audit is of the view that non-compliance with procurement rules caused improper contract award and potential loss to the exchequer.

The matter was reported to the management in November, 2024. The management replied that quantities of executed de-silting works under Bill-03 were based on as-built drawings and included in the variation order. The contract SBIP/S4 was awarded to M/s KGL-MNCC JV as the lowest responsive bidder under World Bank ICB procedures, while M/s Thadani Enterprises was excluded for incomplete documentation. Day work rates were quoted at bidders' discretion, with M/s KGL-MNCC JV submitting the lowest bid. Payments included profit and overheads as per World Bank guidelines.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide the record in juxta position along with documentary evidence of each point raised in audit para.

The management produced the BER and Variation Order-01 of S-04. The reply of the management was not tenable, as it failed to provide the IPCs for desilting work, the approved Running Account of daywork, and justification for the 30% overhead and exorbitant rates.

Audit recommends justification and strict compliance with procurement rules in future.

[Para No. 01]

4.5.134 Execution of work beyond jurisdiction– Rs. 25.219 million

As per Guidelines for project management of planning commission, “Project implementation agencies/departments should seek the approval of the competent authority as soon as they consider change in scope of work or revision in cost.”

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi, for the financial year 2023-2024, it was observed that works worth Rs. 25.219 million were executed beyond jurisdiction. The details are as follows:

(Rs. in Million)

Package Name/Contractor	Contract Cost	W. O # & Dt:	Items beyond Jurisdiction	Amount
Building works at Guddu Barrage, Kashmore and Sukkur Barrage, Sukkur & Barrage Rehabilitation works at Guddu Barrage, Kashmore (G2). M/s Descon Engineering Ltd	9,585.16	603 & 22.02.2017	Primary School	13.181
			Gymnasium	8.642
			Dispensary	3.395
Total				25.219

Audit is of the view that weak internal controls led to incurring expenditures without approval from the competent authority, encroaching on other departments' responsibilities.

The matter was reported to the management in November, 2024. The management replied that under SBIP/G2, Building Works at Guddu Barrage, Kashmore, Sukkur Barrage, Sukkur, and Barrage Rehabilitation Works at Guddu Barrage, Kashmore, the layout plan of the Guddu Colony was prepared by the Consultants and approved by the Employer. The plan included essential facilities such as a gymnasium, school, and dispensary for the welfare of the colony's inhabitants. Management emphasized that omitting these facilities would have been a gross oversight.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to provide detailed justification to substantiate the contention of audit.

The management produced the Bid Evaluation Report and the approval from the World Bank. The reply of the management was not tenable as the construction work of the school, gymnasium, and dispensary was executed beyond the jurisdiction.

Audit recommends streamlining the approval process to ensure all works align with departmental jurisdiction in the future.

[Para No. 06]

4.5.135 Non-recovery of Stamp duty– Rs. 1.700 million

According to Para-22-A of Stamp Act, 1899, “It is duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost.”

During the audit of following offices of Irrigation Department, for the financial years 2021-22 to 2023-2024, it was observed that an amount of Rs. 1.700 million of stamp duty was not recovered on the additional amounts of variation orders for different schemes.

(Rs. in Million)

Sr. No.	Name of Office	FY	PDP#	AIR#	Amount
01	Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi	2023-24	-	13	1.201
02	XEN, Saifullah Magsi Branch Division Shahdadkot	2021-22 & 2022-23	168	1	0.499
Total					1.700

Audit is of the view that the non-recovery of stamp duty resulted in short realization of government revenue.

The matter was reported to the management in November, 2024. The management replied that under SBIP/G3: Guddu Barrage, the Contractor provided performance security and paid stamp duty as per contract. Security extensions and additional stamp duty was based on adjusted contract value, but stamp duty recovery due to variations was not allowed. For SBIP/S0: Sukkur Barrage Gates, stamp duty paid at signing remains unaffected by variations (Sr. 1). Stamp duty for the year 2021-22 has already been deducted from the bills of contractors (Sr. 2).

DAC in its meetings held on 24th to 30th December, 2024 directed the management to actualize the recovery and get the stated position verified from Audit.

The reply of the management was not tenable as the pointed-out amount of stamp duty was recoverable.

Audit recommends the prompt recovery of the stamp duty.

4.5.136 Non/less deduction of Sindh Sales Tax on services -Rs. 94 million

As per SRB letter dated 29-08-2019, “Sindh sales tax on service providers contractors/vendors deducted/withhold and deposit on payment bills of for all civil works including Civil work/construction works & repair of all government building works and similar other works @5% of the value of the bill and deduct all other taxable services at the applicable rate of tax prescribed in 2nd schedule to the Act 2011.”

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi, for the financial year 2023-2024, it was observed that an amount of Rs.94 million against Sindh Sales Tax was not/less deducted while making payments to various contractors. Details are at **Annex-20 of Chapter-4**

Audit is of the view that the non/less recovery of SST resulted in the short realization of government revenue.

The matter was reported to the management in November, 2024. The management replied that Contract SBIP/G2 with M/s Descon Engineering

Limited (2017) and SBIP/S0 with Karachi Shipyard and Engineering Works (2019) did not include provisions for SRB as it was not implemented at the time. The variation in the contract is considered a continuation of the same agreement. Since the SRB was imposed after contract signing, it cannot be recovered from the contractor's invoice.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to refer the matter to SRB for clarification whether the deduction is applicable or not.

Audit recommends implementation of DAC directives.

[Para No. 14]

4.5.137 Irregular payment without mandatory evidence - Rs. 179.536 million

As per Section-5.4 of Financial Management Manual, “All payments, including those for salaries, rent, and related expenses, must be substantiated with verifiable documentation such as contracts, invoices, proof of service delivery, and detailed cost breakdowns. Payments lacking proper supporting evidence are considered irregular and should be strictly avoided.”

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi, for the financial year 2023-2024, it was observed that payment of Rs. 179.53 million was made for salaries and rent related to engineers’ facilities without obtaining the required supporting documents from the contractor. The details are as follows:

(Rs. in Million)

Package Name/Contractor	Contract Cost	W.O# & Date	Item	Amount
Building works at Guddu Barrage, Kashmore and Sukkur Barrage, Sukkur & Barrage Rehabilitation works at Guddu Barrage, Kashmore (G2), M/s Descon Engineering Ltd	9,585.161	603 22.02.2017	Rent of Building at Sukkur (VO-2)	3.666
			Supporting Staff Salaries (VO-2)	3.932
			Rent of Building at Sukkur (VO-4)	2.016
			Supporting Staff Salaries (VO-4)	1.565
			Provision of 24-hour security to the satisfaction of engineer	142.571
			Provision of English-speaking laboratory technicians	25.786
			Total	179.536

Audit is of the view that the absence of necessary documentation indicates lax enforcement of financial procedures, increasing the risk of unauthorized or improper payments.

The matter was reported to the management in November, 2024. The management replied that requisite evidence regarding the rent of the building at Sukkur, the provision of 24-hour security, and laboratory technicians is enclosed as Annexure-A for reference.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to get the stance verified from Audit.

The reply of the management was not tenable as it failed to produce statement of expenditure (SOE) along-with supporting documents.

Audit recommends implementation of the rules to maintain transparency.

[Para No. 19]

4.5.138 Irregular payment on import of item - Rs. 4.858 million

According to Section I, instruction to bidders (ITB), schedule no. 04, “The estimated cost for fabrication/installation and associated services was \$3,530,766, as these items were intended for import. Further, as stated in the Project Appraisal Document (PAD), Annex-3, implementation arrangements, “the procurement process must strictly comply with the terms and specifications outlined in the bidding documents and contracts. Any deviations, such as substitutions or changes in sourcing, must be justified with detailed documentation and receive prior approval to ensure transparency and accountability.”

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi, for the financial year 2023-24, it was observed that Rs. 4.858 million was paid for a generator locally procured by M/s Karachi Shipyard and Engineering Works from Innoviv Pak Ltd. contrary to the contract requirement under Section I-instruction to bidders (ITB), Schedule No. 04, which specified that generator was to be imported. The details are as follows:

(Rs. in Million)

Name of Work	Contractor	Local Supplier	IPC	Item	Amount in \$	Rate	Total
Replacement of Six Number Gates of Sukkar Barrage_S0	Karachi Shipyard & Eng Works	Innoviv Pakistan Pvt Ltd	25 dt:9.05 .24	Installation of New Generator on Pantoon Caisson Gate	17,000	286	4.858
Total							4.858

Audit is of the view that irregular payment was made due to weak enforcement of contractual terms.

The matter was reported to the management in November, 2024. The management replied that the audit observation on importing generators is unsubstantiated, as the contract does not mandate import. Section 13.3 requires replacing two generators with new ones. In IPC-25, the contractor provided evidence of procuring new generators from M/s Innoviv Pakistan (Pvt) Ltd. and the payment was certified.

DAC in its meetings held on 24th to 30th December, 2024 was not convinced with the reply of management as generator was required to be imported as per contract specification whereas office procured the same from local supplier and made payment in dollars.

The management produced the contract documents of S-0. The reply of the management was not tenable as the stated item was intended to be imported but was procured from the local market and the payment was made in foreign currency.

Audit recommends fixing of responsibility on the person(s) at fault.

[Para No. 21]

4.5.139 Doubtful payment on account of care of water- Rs. 2.034 million

According to Financial Management Manual (FMM) SBIP, chapter 5.3 (categorization of expenditures), "Payments must be supported by verifiable documentation, including accurate recording of quantities and work completed

in relevant Interim Payment Certificates (IPCs). Any omission or irregularity in accounting for previously executed works must be justified to ensure compliance with financial control standards."

During the Financial Attest Audit of (Sindh Barrages Improvement Project), Karachi for the financial year 2023-24, it was observed that Rs. 2.034 million was paid in IPC-21 for care of water work already executed in 2021-22, but the quantities were not recorded in the corresponding IPCs, raising doubts about the payment's validity. Details are at **Annex-21 of Chapter-4**.

Audit is of the view that above irregularity revealed prevalence of weak internal controls.

The matter was reported to the management in November, 2024. The management replied that BoQ item No. 1: Care of Water (Lump Sum) required a detailed breakup for IPC submissions. In FY 2021-22, payments for IPC-08, IPC-11, IPC-13, and IPC-14 were not certified due to missing details. After the contractor provided the required information in FY 2022-23, payments of Rs. 716,000 for IPC-17 and Rs. 2,034,000 for IPC-21 were certified. Payments were withheld until the necessary details were submitted.

DAC in its meeting held on 24th to 30th December, 2024 directed the management to provide IPCs and BoQ for verification.

The reply of the management was not tenable as it failed to provide the Interim Payment Certificates (IPCs), estimate, detailed cost breakdown of the item, and up-to-date payment details along with supporting evidence.

Audit recommends compliance with DAC directives.

[Para No. 10]

4.5.140 Unjustified payment on borrow pit - Rs. 25.642 million

According to Rule-11 of General Financial Rules, Volume-I, "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers."

During the audit of the Executive Engineer, Begari Sindh Feeder Division, Kashmore for the financial year 2023-24, it was observed that an

expenditure Rs. 25.642 million was incurred on borrow pit excavation undressed lead up to 100 ft in ordinary soil for filling the minor to execute cement concrete lining. However, the same was unjustified since the quantity of Earth work excavation in irrigation channels drains was 1146500 cft which does not commensurate with the quantity of borrow pit i.e. 8519033.

Name of work	Bill No.	Name of Item	Qty Exe.	Rate	Unit
Lining of adio Distry and khoski Minor	4th	Borrow pit excavation undress lead upto 100 ft in ordinary soil	8519033	3010	0% cft
		Earth work excavation in irrigation channels drains etc.	1146500	3700	0% cft

Audit is of the view that undue favor was extended to the contractor at the cost of public exchequer which reflected poor project oversight.

The matter was reported to the management in September 2024, the management replied that estimated quantity of earth filling was 6,026,371 Cft whereas, the quantity of cutting in the estimate was 1,146,500 Cft according to the design of channel.

DAC in its meetings held on 24th to 30th December, 2024 directed the management to submit revised reply for verification.

The management in support of reply produced copy of estimate, BOQ and 4th R.A bill against the scheme namely 'Lining of Adio Distry and Khoski Minor'. However, management failed to justify the excess quantity of borrow pit.

Audit recommends enquiry in the matter besides fixing responsibility on the person(s) at fault.

(PDP#538, AIR No.03)

Chapter-5. PUBLIC HEALTH ENGINEERING & RURAL DEVELOPMENT DEPARTMENT

5.1 Introduction

Public Health Engineering & Rural Development Department (PHE&RDD) is responsible to develop, maintain, and upgrade water supply systems to provide clean and safe drinking water to urban and rural communities across Sindh with the exception of areas under KW&SB in Karachi and WASA Hyderabad. Rural Development Department is responsible for improved road infrastructure and solarization of buildings in rural areas for community development.

Over the years, operation and maintenance (O&M) function of rural based schemes kept on shifting from one agency to another and finally after promulgation of SLGO 2001, O&M of all schemes was made mandate of PHE&RDD. Presently, urban based schemes are operated and maintained by concerned Local Councils. Whereas, rural water supply and draining schemes are being looked-after by this department.

Secretary, PHED&RDD is the Principal Accounting Officer of the department. There are two divisions in each district i.e. Development and Operation & Maintenance (O&M). Development divisions are mandated to construct RO plants, water supply and drainage schemes whereas, O&M divisions are responsible for maintenance of RO plants and water supply and drainage schemes. Rural Development Department is responsible for roads and buildings for community development. It has been given additional responsibility of establishment of water hubs involving 2000 water filtration plants in all districts, subsequent to the abolishment of Special Initiative Department in February, 2018.

(Rs. in Million)

Description	Total Nos	Audited	Expenditure audited FY 2023-24
Formations	42	21	15,594.445

5.2 Comments on Budget and Expenditure (Variance analysis)

(Rs. in Million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess / (Savings)
35,826.829	28,551.710	26,529.393	24,304.678	(2,224.715)

5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 3,763.918 million were raised in this report during the current audit. This amount also includes recovery of Rs. 28.562 million as pointed out by the Audit. The issues highlighted includes irregular/excess payments without execution of civil works, non-adherence to SPPRA rules, inordinate delays in completion of projects, non-recovery of due taxes/duties, poor project planning & oversight, lack of monitoring during execution of physical works etc. Summary of the audit observations classified by nature is as under:

(Rs. in Million)

Sr.#	Classification	Amount
1	Reported cases of fraud, embezzlement and misappropriation	633.726
2	HR/Employees related irregularities	2.805
3	Procurement related irregularities	2,970.196
4	Value for money and service delivery issues	8.576
5	Recovery	28.562
6	Others	120.053
	Total	3,763.918

5.4 Comments on the Status of Compliance with PAC directives

The status of Audit Reports requiring compliance of the PAC directives by the department is tabulated as follows:

Sr#	Audit Report	Total Audit Paras	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	2016-17	47	-	-	-	-	0%	
2	2017-18	28	-	-	-	-	0%	
3	2018-19	41	-	-	-	-	0%	
4	2019-20	104	36	36	6	30	17%	Minutes of meeting still awaited
5	2020-21	13	-	-	-	-	-	
6	2021-22	36	-	-	-	-	-	
7	2022-23	-	-	-	-	-	-	
8	2023-24	-	-	-	-	-	-	

5.5 Audit Paras

5.5.1 Fake / Doubtful payment on construction of water treatment plant– Rs. 633.726 million

As per Rule-23 of General Financial Rules Volume-I, “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the audit of the Executive Engineer, Public Health Engineering Division, Sukkur for the financial year 2023-24, management incurred an expenditure of Rs.633.726 million on “Construction of 03 MGD Water Treatment Plant including distribution network for water supply of Rohri city of District Sukkur”. Audit observed following irregularities;

- i. Expenditure of Rs.308.679 million was incurred against supply of steel, however, part rate was allowed in the last R.A bill which reflected that payment of steel was made without its execution at site. Further during site visit, steel was not available which indicated that funds were drawn through fake measurement. **(PDP#183)**
- ii. Expenditure of Rs.227.188 million was incurred on supply and installation of Bridges and Electrically Operated Crane (05 tons capacity and 35 meters length) however, same were not executed despite lapse of one year. **(PDP#184)**
- iii. Amount of Rs.31.208 million was paid against execution for providing jointing and fixing of MS Pipes 6” dia (30 mm), however, part rate was allowed which was in excess to the rate as per CSR. Payment was also allowed without excavation of earth that raised questions on the genuineness of the expenditure. Further, there was no provision in the PC-I and estimate for laying of pipes. **(PDP#186)**
- iv. Amount of Rs.6.528 million was paid against execution of RCC & Steel, but the same was executed in excess than the admissible quantity of items. **(PDP#189&264)**

- v. Part rate payment of Rs.45.239 million was made against P.E pipes without its laying despite the completion of scheme. Further, these un-laid pipes were also not available at site. **(PDP#191&192)**
- vi. Expenditure of Rs.6.900 million was incurred on construction of two steel bridges which were neither supplied nor installed during site visit. **(PDP#196)**
- vii. Payment of Rs.70.824 million was made against electric and mechanical items which were also not available at the site. **(PDP#197 & 198)**
- viii. Expenditure of Rs. 1.525 million on various tests was incurred without justification and availability of the reports in the record. **(PDP#263 & 265)**
- ix. No documentary evidence regarding hiring of consultant was available in the record. **(PDP#261)**
- x. Security deposit of Rs.19.00 million was returned despite non-completion of the work at site. **(PDP#185)**

Pictorial evidence of the scheme and further details are given in **Annex-01 of Chapter-05**.

Audit is of the view that payment without execution of works is very serious issue which reflected poor project oversight.

The matter was reported to the management in November, 2024. However, no reply was received.

In DAC meeting dated 17.12.2024, management informed that subject matter is already under inquiry which was initiated on the basis of DO letter No. 349 dated 07.11.24 of DG Audit Works (Prov.) Sindh Karachi. DAC directed that inquiry and unfinished work may be completed at the earliest.

Audit recommends early completion of inquiry and scheme under intimation to audit besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

5.5.2 Abnormal delay in completion of public importance schemes

As per Rule-88 of Sindh Financial Rules, Volume-I, "Every public officer is expected to exercise the same vigilance in respect of the expenditure

incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During the audit of the following offices of Public Health Engineering & Rural Development Department for the financial years 2021-24, it was observed that various schemes were initiated, however, the same remained incomplete despite lapse of 04 to 12 years showing lack of proper planning. Details are as under:

(Rs. in Million)

Sr #	Name of Office	F.Y	Schemes Approved	Date of Start	Delay Period	Cost	Exp:	PDP#
1	XEN, PHE Division Jamshoro	2022-23	04 Nos of W/S schemes approved in 2014 with 03 years completion	2014-15	07 Years	72.762	49.845	9
2	XEN, PHE Division Ghotki	2022-23	06 Nos of drainage schemes Approved in 2013-14 with completion period 06 months to 01 year	2013-14	08 Years	84.117	71.270	
3	XEN, PHE Division Umerkot	2021-23	08 Nos of Rehabilitation of R/W/S schemes awarded in 2019 to 21 with completion period 06-08 months	Nov 2018 to March 2021	3 to 5 Years	150.00	147.571	137
4	Secretary PHE&R DD, Karachi	2023-24	40 Nos of WS & D schemes 01 Est: of PMU for drinking water hub	2013 to 19	05 to 15 Years	18705.692	12570.105	160

Further details are given in **Annex-02 of Chapter-05**.

Audit is of the view that failure of the management to complete the public importance schemes on time reflected poor project management, caused non-provision of intended benefits to the public and undue burden on public exchequer due to cost escalation.

The matter was reported to the management during May to November, 2024. The management replied that the major reasons for non-completion of these schemes on time were non-release of funds, revision of schemes, litigations etc.

DAC in its meeting held on 03.10.24, 12&17.12.24, directed that priority may be assigned to old schemes and reasons of delay be provided in three categories; less funding, land acquisition matter and community conflict. Moreover, Finance Department may also be approached for early release of funds.

The management provided the progress report of June, 2024. However, the replies of the management were not tenable as the works of all the 04 offices are still in progress and no office provided list of such schemes as per DAC directives.

Audit recommends completion of the public importance development schemes on priority basis under intimation to audit.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 & 2023-24 vide para numbers 5.5.9&5.5.28. Recurrence of same irregularity is a matter of serious concern.

5.5.3 Non-functional water supply / drainage and RO plants schemes

As per Rule-23 of GFR, “Every Government officer should realize fully and clearly that he will be personally responsible for any loss sustain by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contribute to the losses by his own action or negligence.”

During the audit of the various offices of Public Health Engineering & Rural Development Department for the financial years 2021-22 to 2023-24, it

was observed that 294 schemes of rural water supply & drainage schemes out of 621 and 1261 RO/UF plants out of 2610 were non-functional. Thus about 48% of basic schemes are non-functional. Details are given in **Annex-03 of Chapter 05**.

Audit is of the view that due to non-functioning of huge number of the schemes, citizens were deprived of basic facilities which depicted poor service delivery.

The matter was reported to the management during May to November, 2024. The management replied that despite various constraints, efforts are being taken to functionalize the schemes and plants.

DAC in its meetings held on 03.10.24 & 17.12.24, directed the management to take serious efforts for functioning of various water/drainage schemes and RO/UF plants.

Audit recommends to strengthen project management mechanism to avoid wastage of resources and prioritize the schemes as per public importance.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 5.5.29. Recurrence of same irregularity is a matter of serious concern.

5.5.4 Irregular payment on part rate – Rs. 930.670 million

According to Clause-8 of Standard Binding Documents, “Reduced rates allowed for the works provides that in cases where the items of work are not accepted as so completed, the Engineer-in-charge may make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final or on running account bills with reasons recorded in writing.”

During the audit of the various offices of Public Health Engineering and Rural Development Department for the financial years 2022-23 & 2023-24, it was observed that payment worth Rs.930.670 million was made on procurement of various items at part/reduced rate without their execution. Details are given in **Annex-04 of Chapter 05**.

Audit is of the view that the management was required to carry out the work as composite items but payment made at part/reduced rate implies that

either the payment was made in advance without provision in the contract or amount was released on supplies of items without execution which constituted undue favor to the contractor.

The matter was reported to the management during May to November, 2024. The management replied that the contractor purchased and supplied the machinery at site due to fluctuation in dollar rates. Therefore, the machinery was provided during the construction phase to ensure timely procurement. (PDP #22). The items were supplied by the contractor for smooth execution of work on the schemes. The majority of these items have already been installed. (PDP#109). Reduced rate was allowed due to non-completion of items as per specification. Payment was allowed at reduced rate under clause of 08 of contract agreement and after approval of the competent authority. The full rates against the items will be paid on completion of schemes as per approved specification. (PDP# 180, 243,10 & 13). Payments were made on part rate to avoid lapse of funds.(PDP#182). Measurement and verification was confirmed by AEN and payment made was justified. (PDP# 241). The management did not reply. (PDP# 193 & 194).

DAC in its meeting held on 03.10.24, 12 &17.12.2024 showed serious concerns on payment to the contractors at part rate without execution of composite items of work at site. DAC directed that the department shall issue directives to stop this practice.

Documentary evidence establish that advance payment was made against the items. In one case, payment was made to the contractors prior to the recording of measurements. Offices at Sr.10,12&13 of annexure did not provide documentary evidence in support of their replies.

Audit recommends fixing of responsibility on the person(s) at fault and measures be taken to discontinue such practice in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23& 2023-24 vide para number 5.5.3 & 5.5.7 having financial impact of Rs. 357.242 million& Rs. 1422.810 million. Recurrence of same irregularity is a matter of serious concern.

5.5.5 Defective completion of works – Rs.231.684 million

As per 11.1.3 (i) of SPPRA, Procurement Regulation (Works), “PC-I of the scheme/work is required to be revised when the original scope is

modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate.”

During the audit of the following offices of Public Health Engineering & Rural Development Department for the financial years 2022-23 & 2023-24, it was observed that various works were executed worth Rs. 231.684 million at different locations but the same were not completed as per specifications. Details are given below:

1. XEN PHE, Division Kashmore @ Kandhkot
Expenditure of Rs.29.651 million was incurred on construction of water tank, however, cement was shown used only 48% of the estimated quantity and excavation was 25% less than the estimated quantity.
2. XEN PHE, Division Sanghar
Amount of Rs. 5.687 million was paid to the contractor on execution of work “Rising Main.” However, work on surface drain was rehabilitated wherein excavation in foundation work was not executed. Further, finishing item was executed without providing chambers which shows that rising main was not functional.
3. XEN PHE, Division Sukkur
 - a. Expenditure of Rs.149.402 million was incurred against paver block, however, the same were un-laid despite completion of the schemes.
 - b. Amount of Rs.8.256 million was paid against 8” dia P.E pipe however, no ancillary items i.e. elbow, M.S flange, C.I Flanged pipe and C.I Sluice valves were executed. Further, no special fitting was done for 8” dia and full payment was made to the contractor.
4. XEN PHE, Division N/Feroze
Amount of Rs. 35.212 million was paid for work however, the same was not completed by the contractor as reported by the Chief Engineer vide letter dated 27.6.24, which shows negligence on the part of management to monitor the progress of work.
5. XEN PHE, Division Shikarpur
Expenditure of Rs.1.232 million was incurred for fixing of 2800 ft P.E pipe against provision of 4000 ft pipe as per estimate. However, scheme was shown completed.

6. XEN PHE, Division Shaheed Benazirabad

Amount of Rs.2.244 million was paid to contractor, but various items of the work were not in conformity with the prescribed proportionate quantity.

Further details are given in **Annex-05 of Chapter-05**.

Audit is of the view that due to non-execution of works as per the specifications and beyond the actual scope, chances of defective execution of work cannot be ruled out which reflected poor project oversight.

The matter was reported to the management in May, 2024. The management replied that difference in the quantity of cement bags was due to sequence of payment in the current and previous R.A bill on account of differential cost of cement (Sr.1). No excavation work was carried out on the location due to low ground level. Therefore, concrete slab was prepared to maintain level of drain for smooth flow (Sr.2). The office did not submit reply (Sr.3). Rectification work had been completed by the contractor in compliance of the instructions by higher authority. Further, quantity of excavated earthwork for Nala is remaining for refilling the sides of the Nala (Sr.4). Approved quantity of P.E pipe in the estimate was 4,000 feet however, land of oxidation pond was 2,800 feet away from the disposal work. Therefore, P.E Pipe was used as per site condition (Sr.5). Detailed estimate was prepared before the execution of works and the actual works was executed according to site requirement. There was extreme urgency for the curtailment of certain items of works due to public demand and notable persons of the area (Sr.6).

DAC in its meeting held on 03.10.24, 12 & 17.12.2024, directed to provide detailed justification with documentary evidence for verification.

Justification and relevant documentary evidence was not in-line with audit observations (Sr.1,2 & 4). However, the offices at Sr.3,5 & 6 did not provide documentary evidence in support of their contention.

Audit seeks fixing of responsibility on the person(s) at fault besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 & 2023-24 vide para number 5.5.7 & 5.5.20 having financial impact of

Rs. 57.616 million & Rs.61.980 million. Recurrence of same irregularity is a matter of serious concern.

5.5.6 Irregular inviting of tender prior to technical sanction-Rs.40.000 million

As per Para-11.2.3 of SPPRA Works Guidelines, “No work can be started until and unless technical sanction is accorded by the competent authority. However, in case of emergencies when it is not possible to get the technical sanction in time, the adopted specifications / manuscript copy may be got approved from the competent authority in advance before the work is started.”

During the audit of the Executive Engineer, Public Health Engineering (O&M) Division, Hyderabad for the financial year 2022-2023, it was observed that tender worth Rs.40.000 million was invited prior to approval of technical sanction contrary to above rules. Details are as under:

Name of Scheme	M/s	T.S Date	N.I.T# & Date
O & M of drinking water plants based on reverse osmosis (RO) & ultra-filtration (UF) technology installed at various location of District Hyderabad, Annual Maintenance Plan (AMP) 2020-21	B.M Jaffrani	No.DB/CE/ O&M 1803/2022 16.09.2022	No.TC/612 02.09.2022

Audit is of the view that management violated the SPPRA rules, rendering the entire tendering process doubtful which reflected poor contract management.

The matter was reported to the management in May, 2024. The management replied that due to emergent conditions, tender process was initiated and estimate was sent to the Chief Engineer for approval.

DAC in its meeting held on 17.12.2024 directed to provide relevant record for verification.

The record confirms the audit contention since Chief Engineer approved the technical sanction after the publication of NIT. Further, the bid of the successful bidder was approved on 04-10-2022 however, work order was issued on 28-11-2022 after lapse of 55 days from the date of approval which is in

contravention to the contention of the management of emergent condition.

Audit recommends that responsibility may be fixed on the person(s) at fault besides strengthening its contract management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 5.5.6 having financial impact of Rs. 274.924 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#138)

5.5.7 Doubtful procurement of scientific material– Rs. 9.808 million

As per Clause-32 (10) of Sindh Rules of Business 1986, “Production and distribution of Scientific material is the mandate of School Education & Literacy Department.”

During the audit of the Executive Engineer, Public Health Engineering Division, Sujawal for the financial years 2021-23, it was observed that scientific materials i.e. microscopes, surgical cutters, mitosis, and meiosis worth Rs. 9.808 million were procured and supplied to high schools by Executive Engineer PHE which is beyond its operational jurisdiction. Details are as under:

(Rs. in Million)

Scheme	M/s	T.S Date	Amount
Provision of Full Equipment for science Hall/ Laboratories for Govt. Boys and Girls High Schools of Jati Mirpur Bathoro, Chuhar Jamali	Hamas Enterprises	25/02/23	9.808

Audit is of the view that such procurement falls within the purview of School Education & Literacy Department, therefore the chances of double payments and misappropriation of funds cannot be ruled out.

The matter was reported to the management in May, 2024. The management replied that scheme pertained to the district ADP and administrative approval was obtained from DC, Sujawal.

DAC in its meeting held on 03.10.24 decided that Deputy Commissioner, Sujawal to justify the procurement of scientific materials through XEN PHE without its mandate.

However, no justification was received from Deputy Commissioner, Sujawal till the finalization of the audit report.

Audit recommends implementation of DAC directives besides implementation of the Rules of Business of Government of Sindh.

(PDP#15)

5.5.8 Doubtful recording of measurement in single day - Rs.3.330 million

According to Para-17 of C.P.W.A code, “Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the Executive Engineer, Public Health Engineering Division, Ghotki for the financial year 2022-2023, it was observed that work of Rs.3.330 million was awarded for construction for drains. However, measurement of work was recorded on a very next day which implies that physical work was completed in a single day which was otherwise not possible. Details are as under:

(Rs. in Million)

CV # Date	W/o# Date	Name Of Work	Name of contractor	Date of Start of work	Date of MB	Amount
H-5/ 31-01-23	150/ 30-1-23	Const: of S/Drains C.C paver & oxidation ponds for drainage scheme Adilpur	Ali Hassan Kalwar	30-1-23	31-1-23	3.330
Total						3.330

Audit is of the view that execution and measurement of work on same day reflected poor project oversight.

The matter was reported to the management in May, 2024. The management replied that contractor booked paving blocks from factory after issuance of work order on 30-01-2023. The paver blocks were supplied from factory on next day of the supply order dated 31-01-2023 which is reasonable.

DAC in its meeting held on 03.10.2024, directed to provide reply along with relevant documents for verification.

The management did not provide relevant record i.e. work order, M.B, R.A bills, estimate and BOQ along with invoices. Further, management in its reply admitted that payment was made on supply without fixing of paver block which is irregular.

Audit recommends inquiry into the matter besides ensuring to implement a system physical monitoring of the execution of the works before making payments to the contractors.

(PDP#04)

5.5.9 Irregular execution of work beyond 15% of the original contract – Rs. 444.436 million

According to Rule-16 (1) (e) of the Sindh Public Procurement Rules 2010, “Repeat orders means procurement of additional quantities of the item (s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding, and such additional quantities of the same item (s) of goods or works are needed to meet the requirements of the project or scheme; provided that: (i) the cost of additional quantities of item (s) shall not exceed 15% of the original contract amount.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial years 2022-23 & 2023-24, it was observed that various works worth Rs.408.701 million were awarded to different contractors. Later on, the cost and scope of the works were enhanced to Rs. 853.137 million beyond the permissible limit of 15% of the original work.

(Rs. in Million)

Sr #	Name of Office	PDP#	Bid cost	Expenditure	Excess	Above %
1	XEN, PHE Division, Badin	05	13.053	24.645	11.592	88.81
2	XEN, PHE Division, Sukkur	200	391.822	816.388	424.566	108.35
3	XEN, PHE Division, Ghotki	231	3.826	12.104	8.278	216.38
Total			408.701	853.137	444.436	

Further details are given in **Annex -06 of Chapter-05**.

Audit is of the view that the execution of works beyond the prescribed limit and without calling fresh tender is violation of SPPRA rules.

The matter was reported to the management during May to November, 2024. The management replied that expenditure was incurred within the provision in PC-I (Sr.1). Expenditure was incurred due to variations in the quantities of work done. However, the revised estimated was sanctioned from the competent authority which included the additional executed quantities (Sr.3). The office at Sr.2 did not submit reply.

DAC in its meeting held on 03.10.24 & 17.12.24 directed that the PAO may get report from XEN along with justification and same be provided to audit for verification.

Record at office at Sr.1 record shows that scope of work was revised upto 88.81% of the original contract which required re-tendering process as per SPPRA Rules. Thus, the reply of the management was not found satisfactory since other offices also extend the contract beyond 15%. However, remaining offices did not provide any documentary evidence in support of their contention.

Audit recommends enquiry in to the matter besides strengthening its planning and procurement regulations to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 & 2023-24 vide para numbers 5.5.4, 5.5.8 & 5.5.8 having financial impact of Rs. 1054.886 million & Rs. 352.450 million. Recurrence of same irregularity is a matter of serious concern.

5.5.10 Doubtful payments on account of execution of work– Rs.94.597 million

Para-17 of C.P.W.A code states that, “The Divisional Officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial years 2022-23 & 2023-24, it was observed that payment of Rs.94.597 million was made under the water supply schemes within 06 to 12 days after award of works. This indicates that advance payment was made to contractors since such nature of work cannot be completed in short span of time. Details are as under:

(Rs. in Million)

1. XEN, PHE-Division, Kashmore @ Kandhkot						PDP#
Name of work	Contractor	W/o# & Date	Bill#/RA	Date	Amount	25
Water Supply Scheme Kandhkot	Aftab Ahmed Vighio	322 2/6/2023	H-15 1 st RA	8/6/2023	15.876	
			H-50 2 nd RA	14/6/2023	32.093	
	M/S Amjad Javed	323 2/6/2023	H-16 1 st RA	8/6/2023	1.187	
			H-51 2 nd RA		32.528	
			Sub-total		81.684	
2. XEN, PHE Division, Sanghar						
Construction of drainage System Ghulam Muhammad Laghari and Ad joining village Taluka Shahdadpur	M/S Amjad Javed	354/ 17.5.24	66/1 st R.A	23/5/24	12.597	170
Total					94.597	

Audit is of the view that payment made within one week of execution of work creates doubt about the genuineness of execution of work.

The matter was reported to the management during May to November, 2024. The management replied that most of the items included in the scheme pertain to the supply nature and work on these items was expedited by the contractor to avoid lapse of funds. However, no advance payment was made without execution of work at site (Sr.1). Payment against the items of pumping machinery, pipes and solar system was made on request of the contractor due to the closure of the financial year (Sr.2).

DAC in its meeting held on 03.10.24 & 12.12.24, directed to office at Sr.1 to provide documentary evidence in respect of completion of scheme and

MEC report for verification and for office at Sr.2 DAC directed to Chief Engineer concerned shall visit and submit report along with photographs.

Replies / evidence of the management were not satisfactory on account of following reasons:

- i. Evidence reflected that advance payments were made to the contractor without execution of work at site since physical work cannot be executed in short span of time.
- ii. Status of completion and MEC report along with photograph evidence as required by DAC directives were also not provided.
- iii. The original work order was issued for Rs. 1.938 million dated 04-06-2023. Later on, revised estimate of the work was approved for Rs. 47.969 million on 07-06-2023. Thus, an increase of 2,375.18% was made in violation of SPPRA rules.
- iv. Work was awarded for Rs.1.915 million and revised to Rs. 33.714 million on 04-06-2023 i.e. upto 1660.52% in violation of SPPRA rules, 2010 (Repeat Orders).
- v. Report from the Chief Engineer for the office at Sr# 02 is awaited in compliance of DAC directives.

Audit recommends inquiry into the matter besides ensuring a system of physical monitoring of the execution of works before payments to the contractors.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2023-24 vide para numbers 5.5.19 having financial impact of Rs.39.016 million. Recurrence of same irregularity is a matter of serious concern.

5.5.11 Excess payment on carriage of material– Rs. 6.956 million

As per Rule-23 of GFR, “Every Government officer should realize fully and clearly that he will be personally responsible for any loss sustain by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contribute to the losses by his own action or negligence.”

During the audit of the Executive Engineer, Public Health Engineering Division, Shikarpur for the year 2023-24, it was observed that amount of Rs6.546 million was provided in the estimate for carriage of paver blocks, however, the same was not admissible as per CSR 2012. Further, source of hill sand was proposed from Sui Balochistan (102 miles) instead from a nearest source i.e. Arore, Sindh (37 miles) due to which extra expenditure of Rs 0.409 million was incurred. Details are as under:

(Rs. in Million)

Sr. No.	Provision of Paver Blocks in various streets of various wards No. 16-30 Shikarpur city						PDP #
	Item	Quantity	Rate	Excess Amount Paid			
01	Carriage on Paver	3765	1738.7	6.546			287
02	Carriage on Hill sand	Quantity	Rate allowed	Due Rate	Excess Rate	Excess Amount Paid	
		19336	3,897.72	1,781.32	2,116.4	0.409	

Audit is of the view that undue favour was extended to contractors by inclusion of carriage in estimate which resulted in excess payment at the cost of public exchequer.

The matter was reported to the management in November, 2024. The management replied that no carriage is incorporated in CSR 2012 against the items of cement, bajri, stone, steel, pipes, bricks & paving block etc. Further, approved hill sand site for upper Sindh is Sui. Arore site is not approved due to mixture of earth in the hill sand and is not suitable for any work.

DAC in its meeting held on 17.12.2024 directed to provide relevant record to audit for verification. No documentary evidence in support of contention of management was produced till finalization of this report.

Audit recommends recovery of the excess amount besides strengthening internal controls to avoid such lapses in future.

5.5.12 Splitting of expenditure to avoid open tender - Rs. 222.381 million

According to Rule-12 (1) of SPPRA 2010, "All proposed procurements for each financial year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan. Further, Rule 17(1) ibid provides that procurements over

three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in the rules.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial years 2021-23 & 2023-24, it was observed that an amount of Rs. 222.381 million was paid by splitting up the work orders to avoid open tenders. Details are as under:

(Rs. in Million)

Sr#	Name of Office	Particulars	PDP #	Amount
1	XEN, PHE (O&M) Division, Dadu	Rectification of leakage, replacement of pipes for water supply schemes of various villages of Dadu.	33	11.103
2	XEN, PHE (O&M) Division, Mithi	Various M&R works for water supply schemes Mithi town and RO plants civil hospital etc.		4.667
3	Executive Engineer, PHED, Badin	Dewatering & earth filling for drainage scheme Gulab Laghari		1.568
4	XEN, PHE (O&M) Division, Qamber	Repair of transformer, electric motor, diesel engine, KSB pumps, earthworks, desilting etc.		77.437
5	XEN, PHE (O&M) Division, Badin	Payment was made to 06 contractors on 16.08.22, 06.09.22 & 05.05.23 for various repair works		13.698
6	XEN, PHE (O&M) Division, TMK	Payment was made to 07 contractors on 21.12.21, 14.02.21 & 02, 15 & 17 June 2022 & for various repair works	46	30.214
7	XEN, PHE (O&M) Division, Larkana	PE Pipe 6” dia for SP office to Chandka bridge Larkana on 21.09.22, De silting work from various disposal on 05 to 29.08.2022	72	7.999
		Repair of generator, KSB pumps and electric motors at various disposals	76	9.733
8	Director General, RDD, Hyderabad	Cleaning of solar light panels at Dist Hyd, MPkhas, N.shah, Sukkur, Larkana and Karachi	229	65.962
Total				222.381

Audit is of the view that due to splitting up the works, management was deprived of the competitive rates.

The matter was reported to the management during May to November, 2024. The management replied that M&R works executed on emergency basis

on different locations and this office is competent to carry out these works on need basis (Sr.1,2,4 & 7). The schemes were awarded to the different contractors through NIT and carried out on different locations. (Sr.3). The work of drainage and water supply could only be done through quotations after fulfilling of all the prescribed codal formalities. (Sr.5 & 6). The works were executed on different locations and in different times. The works of smaller nature was carried out due to short release of funds on M&R and were executed in the best interest of public. (Sr.8)

DAC in its meeting held on 03.10.2024 and 17.12.2024 directed to provide relevant record for verification.

In compliance to DAC directives, documentary evidence supports the contention of the audit (Sr. 5&6). M&R work on ADP scheme was observed at Sr.3. However, no record was submitted by remaining offices.

Audit recommends fixing of responsibility on the person(s) at fault besides strengthening its contract management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 & 2023-24 vide para numbers 5.5.21, 5.5.6 & 2.5.24 having financial impact of Rs. 371.817 million & Rs. 183.650 million. Recurrence of same irregularity is a matter of serious concern.

5.5.13 In-efficient execution of scheme – Rs. 535.186 million

According to Appendix 18-A of the Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of the Executive Engineer, Public Health Engineering Division, Dadu for the financial year 2023-24, it was observed that expenditure of Rs. 535.186 million was incurred till last financial year against approved cost of Rs.589.966 million. However, the contractor did not execute the remaining work of Rs.54.780 million despite release of Rs. 27.077 million in FY 2023-24 without any justification. Details are as follows:

(Rs. in Million)

Particulars	Year	PDP#	AA Cost	Exp. upto June, 2023	Work to be done	Releases
Improvement & Extension of Drainage Scheme Dadu	2023-24	277	589.966	535.186	54.780	27.077

Audit is of the view that scheme could not be completed due to inefficiency on the part of management.

The matter was reported to the management in November, 2024. The management replied that due to some technical problems in SAP system, bills were not punched at the DAO, Dadu due to which funds were lapsed.

DAC in its meeting held on 17.12.2023 directed to provide relevant record and reconciliation of funds for verification.

The management did not produce relevant documents in compliance of DAC directives till the finalization of this report.

Audit recommends fact-finding enquiry so that exact reason for lapse of funds be ascertained besides ensuring financial discipline in an organization to ensure effective control mechanism.

(PDP#277)

5.5.14 Unjustified payment against uninstalled machinery - Rs.1.620 million

According to Para-145 of the General Financial Rules Volume-I, "Purchases must be made in the most economical manner in accordance with the definite requirements of the public service. Stores should not be purchased in small quantities. Periodical indents should be prepared and as many articles as possible obtained by means of such indents at the same time care should be taken not to purchase stores much in advance of actual requirements, if such purchase is likely to prove unprofitable to Government."

During the audit of the Executive Engineer, Public Health Engineering Division, Badin for the financial year 2022-2023, it was observed that an amount of Rs.1.620 million was paid to the contractor on account of pumping machinery

in February 2021, however, the same remained uninstalled even after lapse of two and half years. Details are as under:

(Rs. in Million)

Name of work & contractor	Item	Qty.	Rate	Amount
Construction/Rehabilitation of Urban Water Supply Scheme Nindo city, District Badin (Work No.01) (M/s. Jawad Construction Co.) W. O# 312 Dated 09-06-2022	Pumping machinery with AC electric motor of 30 BHP	02	<u>825,000</u> 810,000	1.620

Audit is of the view that due to negligent oversight on the part of the management, the items procured were subjected to deterioration and loss to public exchequer.

The matter was reported to the management in May, 2024. The management replied that reduced rate was allowed against the item of pumping machinery under provision of clause-9 of contract agreement.

DAC in its meeting held on 17.12.2024 directed to provide relevant record for verification.

The management failed to justify the payment without installation and commissioning of the machinery.

Audit seeks inquiry into the matter besides ensuring to implement a system of physical monitoring of the execution works before payments to the contractors.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 5.5.16 having financial impact of Rs. 5.296 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#104)

5.5.15 Completion of scheme in deviation of approved estimate – Rs.99.132 million

According to Para-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Executive Engineer, Public Health Engineering Division, Kashmore @ Kandhkot for the financial year 2022-23, it was observed that work on construction of drains was carried out in which quantities of items of work excavation, CC plain, R.C.C and steel were executed 15% to 40% below the estimate, whereas cost of the scheme was fully utilized. Details are as under:

Name of Scheme: Drainage scheme for Ward No. 01 to 16 Kandhkot M/s Saqib Rasheed & Company WO No. 395 dated 16.05.22 CV#71/14.06.2023 Exp Rs.99.132 million						
Items	Est: Qty	Rate	Amount	Executed Qty	Variation in Qty	Percentage
Excavation	47720	3.176	151,570	28337	(19,383)	(40.62)
CC Plain 1:4:8	11180	112.887	1,262,082	6890	(4,290)	(38.37)
Brick in foundation	28500	119.483	3,405,282	30814	2,314	8.12
Plaster	52280	22.839	1,194,038	34701	(17,579)	(33.62)
RCC	2926.5	337	986,230	2472	(455)	(15.53)
Steel	104.5	5001.7	522,677	73	(32)	(30.14)

Audit is of the view that completion of the scheme without execution of work as per estimate reflected that either quality was compromised or scheme was over-estimated.

The matter was reported to the management in May, 2024. The management replied that brick work in foundation of the drains was executed as per site requirement due to additional depth whereas, the other items were within the estimate limit and no excess payment was made.

DAC in its meeting held on 03.10.24, directed to provide revised PC-I and MEC report for verification.

Revised PC-I and MEC report on this scheme were not produced to audit till finalization of Audit report.

Audit seeks implementation of DAC directives besides strengthening its planning and estimation skills to avoid such increase of quantities in future.

(PDP#01)

5.5.16 Irregular payment on account of un-laid pipes – Rs. 97.960 million

As per Items description mentioned in CSR 2012, “Providing, laying R.C.C pipes of ASTM C-76/62 T/C 76-70 of class-II wall B and fixing in

trenches including cutting, fitting and jointing in rubber ring including testing with water to specified pressure and for item providing, laying and fixing in trenches including fitting, jointing and testing etc. complete in all respect the high-density polythene pipe (HDPE-100) for water supply confirming ISO 4427/DIN 8074/8074 BS 3580 and psi 3051.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial years 2021-23 & 2023-24, it was observed that an amount of Rs.97.960 million was paid to the contractors against the un-laid pipes, however, the same works were not carried out as per above specification. Details are as under:

(Rs. in Million)

Sr #	Name of Office	Financial Year	Particulars	PDP#	Amount
1	XEN, PHE Division, Jamshoro	2021-23	Un-laid pipe under 06 Nos schemes	14	78.878
2	XEN, PHE Division, Sujawal	2021-23	Un-laid pipe under 03 Nos schemes		4.583
3	XEN, PHE Division, N. Feroze	2023-24	Un-laid pipe under 04 Nos schemes	213	14.499
Total					97.960

Audit is of the view that payment made against pipes without laying reflected that undue benefit was extended to the contractors.

The matter was reported to the management during May to November, 2024. The management replied that the item of pipe is a separate item in the schedule of rates of material, while the composite rate of P.E pipes in CSR, 2012 includes laying, jointing, and testing. Hence, payment against supply of pipes was paid separately. Further, majority of the un-laid pipes are laid on site (Sr.1). Payment against the item pipes was after deducting approximate charges for laying, jointing & fixing charges whereas, works have now been completed (Sr.2). The partial rates have been granted for the unfinished portions of the work. Once the scheme is completed in all respects, full rates will be approved accordingly (Sr.3).

DAC in its meeting held on 03.10.24 & 12.12.24 directed to stop payment on supplies without its execution and provide relevant documents including PC-I, MEC report, M.Bs, work order etc. along with justification to audit for verification.

The management failed to provide relevant record along with justification to audit till finalization of this report.

Audit recommends compliance with DAC directives besides ensuring physical monitoring of the execution of works before payments to the contractors.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 & 2023-24 vide para numbers 5.5.15, 5.5.5 & 5.5.14 having financial impact of Rs. 280.864 million & Rs. 55.669 million. Recurrence of same irregularity is a matter of serious concern.

5.5.17 Doubtful expenditure on replacement of RO plants parts – Rs.33.915 million

As per Rule-4 of SPPRA Rules 2010, “While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial years 2020-23, it was observed that expenditure of Rs.33.915 million was incurred on replacement of membranes of RO plants. However, no evidence regarding proper installation, fixation of necessary parts in units/plants along with satisfactory work completion report was available on record. Further, the whereabouts of replaced parts of R.O plants such as, membranes were also not available on record. Details are as under:

(Rs. in Million)

Sr#	Name of office	Particulars	Financial Year	PDP #	Amount
1	XEN, PHE (O & M) Division, T.M Khan	One time replacement & non-routine maintenance	2020-23	61	12.158
2	XEN, PHE (O&M) Division, Sukkur	Replacement of existing RO / UF membrane	2022-23	85	14.56
3	XEN, PHE (O&M) Division, Matiari			87	7.197
Total					33.915

Audit is of the view that due to non-availability of requisite record and replaced parts reflected weak internal controls.

The matter was reported to the management during May to November, 2024. The management replied that expenditure was incurred on replacement of membranes and other parts of the R.O plants (Sr.1 & 3). The membrane on the RO plants were provided by the contractor as per agreement. The installed items are of international standard and only one membrane was replaced since installation of the RO/UF plants (Sr.2).

DAC in its meeting held on 03.10.24 & 17.12.24 directed to provide detailed justification along with documentary evidence including stock register, M.Bs etc.

Management failed to provide relevant record which also include specification, warranty cards and whereabouts of replaced parts.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

5.5.18 Unjustified payment made on account of paving block - Rs.83.804 million

According to Para-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the following offices of Public Health Engineering & Rural Development Department for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs.83.804 million was paid against the supply of paving blocks without execution of preliminary items of drainage works such as earthwork, compaction, brick/stone etc. Details are as under:

(Rs. in Million)

Sr#	Name of Office	Year	PDP#	Amount
1	XEN, PHE Division, Kamber-Shahdadkot	2022-23	02	57.007
2	XEN, PHE Division, Sujawal	2022-23	19	3.945
3	XEN, PHE Division, Jamshoro	2023-24	253	7.131
4	XEN, PHE Division, Shikarpur	2023-24	285	15.721
Total				83.804

Audit is of the view that payment made for paving blocks before execution of main drains resulted in violation of prescribed procedures.

The matter was reported to the management during May to November, 2024. The management replied that payment was made to the contractors against the item of paver blocks on drainage schemes. The remaining works on drains and paver blocks will be executed jointly (Sr.1). The schemes were executed as per the estimate and fixing charges were deducted and payment of supply item was paid only (Sr.2). Due to oversight and rush of work, the items were not measured at the time of payment. However, measurement against the same was recorded later on (Sr.3). Topographic conditions of the proposed streets were leveled and hard hence only Hard Murrum was provided with Paver Blocks and C.C 1:2:4 for their sides (Sr.4).

DAC in its meeting held on 03.10.24 & 17.12.24 directed to provide relevant record for verification.

Replies/evidence was not tenable since payments were made before execution of allied items (Sr.1 & 2). Even office at Sr.3 made payments without recording measurement of work at site. The work of paving blocks was executed only with hard murrum and C.C plain on sides. However, items of earth work, compaction and stone ballast kept in estimates were not executed. This reflect work was not executed as per specification provided in the estimates (Sr.4).

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para numbers 5.5.15 having financial impact of Rs. 34.870 million. Recurrence of same irregularity is a matter of serious concern.

5.5.19 Unjustified drawl of 2% contingency funds against M& R works - Rs. 24.558 million

According to Rule-11 of General Financial Rules, volume-I, "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers."

During the audit of the Executive Engineer, Public Health Engineering Division, Sukkur for the financial year 2023-24, it was observed that expenditure of Rs. 24.558 million was incurred on M&R works from various ongoing development schemes against 2% contingency provision. However, 2% contingency provision is meant for preparation of estimates and PC-I to PC-V, stationery & printing work and invitation of tenders etc. for development schemes. Further, expenditure worth Rs 13.890 million was incurred in excess of specified limit of 2% contingency provision given in the PC-I. The details are given in **Annex-07 of Chapter-05**.

(Rs. in Million)

Sr#	ADP Schemes	Development Exp	M&R Exp:	Percentage	Due Exp: 2%	Excess
1	3487	28.025	2.884	10.29	0.56	2.32
2	3488	36.346	2.19	6.03	0.73	1.46
3	3615	104.496	5.959	5.70	2.09	3.87
4	3617	110.109	4.377	3.98	2.20	2.17
5	3618	68.436	2.091	3.06	1.37	0.72
6	3619	82.13	2.579	3.14	1.64	0.94
7	3684	74.998	2.087	2.78	1.50	0.59
8	3877	28.796	2.391	8.30	0.58	1.82
Total		533.336	24.558		10.67	13.89

Audit is of the view that expenditure on M&R works from 2% contingency during execution of development works reflected poor financial management.

The matter was reported to the management in November, 2024, but no reply was received.

DAC in its meeting dated 17.12.2024 directed to provide relevant record that was incurred on physical contingency to audit for verification. No record was produced till the finalization of this audit report.

Audit recommends fixing of responsibility on the person(s) at fault.

(PDP#188)

5.5.20 Advance payment on P.E pipes and machinery- Rs. 118.735 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally

responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial year 2023-24, it was observed that:

1. XEN, PHE Division, Sanghar

Expenditure worth Rs.112.037 million was incurred on purchase of P.E Pipe and machinery at reduced rate without excavation in trenches and installation of pumping machinery. Further, amount of Rs.7.923 million was paid but pipes were still un-laid. (PDP# 167&176)

2. XEN, PHE Division, Kashmore

Excavation for P.E pipe (24" dia) was made 74% of the estimated quantity, whereas pipes laid were shown 100%. Thus, 26% pipe were shown more laid without excavation in trenches, which reflected excess amount of Rs. 6.698 million (PDP# 152)

Details are given in **Annex-8 of Chapter-05**.

Audit is of the view that advance/excess payment reflected weak financial management.

The matter was reported to the management in May, 2024. The management replied that estimates against these works were approved under umbrella scheme from the competent authority (PDP167). It is not feasible to lay all pipes at once by the contractor. Hence, pipes are procured in advance before initiation of excavation at site (PDP#176). No reply was furnished by office at Sr.2.

DAC in its meeting held on 12&17.12.2024, directed to provide justification with documentary evidence for verification.

The replies/evidence of the management were not tenable as the evidence revealed that advance payment was made against the item of pipes and machinery prior to the excavation.

Audit seeks enquiry into the matter besides ensuring to implement a system of physical monitoring of the execution of works before payments to the contractors.

5.5.21 Non/less-recovery of various taxes - Rs. 17.800 million

According to Section-153 (1)(c) of Income Tax Ordinance 2001, “Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a nonresident person, shall deduct income tax at source on the execution of a contract, in case of a company, 7% of the gross amount payable, if the company is a filer and 10% if the company is a non-filer; and in any other case, 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer.”

As per Sr.(iii) of SRB notification dated 29-08-2019, “SST shall be charge at the rate 5% on the construction services in relation to Govt. civil works, construction of buildings related to all government departments, bridges, highways, roads, M&R, repair and maintenance etc. Likewise, SST will be charges, deducted, withheld and deposited on services related to Road works, from ADP Schemes July 2019-20 onwards at the rate 5% of the value.”

According to Rule-2(2) of S.R.O. 660(I)/2007 dated 30th June, 2007 issued by FBR, “A withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the registered suppliers and make payment of the balance amount to him.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial years 2021-23 & 2023-24 it was observed that an amount of Rs.17.800 million against Income Tax, Sindh Sales Tax & General Sales Tax were either not or less deducted while making payments to various contractors. Details are as under:

(Rs. in Million)

Sr #	Name of Office	Nature	Due	Ded	F.Y	PDP #	Amount
1	XEN, PHE O&M Division, Sukkur	Income Tax	7.5%	7%	2022-23	27	1.072
2	XEN, PHE Division, Badin	SST	5%	0%	2022-23	27	1.558
3	XEN, PHE Division, Ghotki at Mirpur Mathelo	SST	5%	0%	2022-23	27	2.327
4	XEN, PHE, O&M, Division, Larkana	SST	added 13% on non-salary & 5%, on salary	5%	2022-23	66	1.908
5	XEN, PHE, O&M, Division Hyderabad	GST	17%	0%	2022-23	144	0.841
6	XEN, PHE O&M Division, Karachi	GST	17%	0%	2023-24	313	10.094
Total							17.800

Audit is of the view that due to non /less recovery of various taxes, due revenue could not be realized.

The matter was reported to the management during May to November, 2024. The management replied that due taxes were deducted in line with government rules.

DAC in its meeting held on 03.10.24, 12 & 17.12.24, directed to provide record to audit and, if there is discrepancy, Chief Engineer concerned shall ensure compliance in case of non / less deduction of Income Tax, SST & GST.

Replies/evidence of the management established non-deduction of due taxes at applicable rates.

Audit recommends expeditious recovery of government taxes.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 & 2023-24 vide para number 5.5.30, 5.5.38&5.5.39 having financial impact of Rs. 45.072 million & Rs. 36.780 million. Recurrence of same irregularity is a matter of serious concern.

5.5.22 Non-recovery of stamp duty - Rs. 3.545 million

According to Para 22-A of Stamp Act, 1899, “It is duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of Agreement @ 0.35 paise per hundred rupees of the value of the Agreement or against tender cost”.

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial years 2022-23 & 2023-24, it was observed that works were awarded to contractors, but the stamp duty of Rs.3.545 million @ 0.35% was neither affixed on the agreements nor deducted from the bills. Details are as under:

(Rs. in Million)

Sr#	Name of Office	Financial Year	PDP#	Amount
1	XEN, PHE Division, Kamber- Shahdaddock	2022-23	34	0.959
2	XEN, PHE (O&M) Division, Qamber	2022-23	34	0.271
3	XEN, PHE Division, Sukkur	2023-24	199	1.486
4	Director General RDD, Hyderabad	2023-24	221	0.615
5	XEN, PHE Division Dadu	2023-24	276	0.214
			Total	3.545

Audit is of the view that non-recovery of stamp duty resulted in non-realization of government revenue.

The matter was reported to the management during May & November 2024. The management replied that the amount of stamp duty has been recovered (Sr.1,2&5). The offices did not submit replies (Sr.3 & 4).

DAC in its meeting held on 03.10.24, 12&17.12.24, directed that stamp duty may be recovered from the contractors and copy of cheque/challan be provided to audit for verification.

Replies/evidence were not tenable as the amount of Rs. 0.959 million was outstanding against office at (Sr.1) and Rs.0.214 million remained unrecovered in the office at (Sr.5). Remaining offices did not submit record for verification.

Audit recommends expeditious recovery of stamp duty.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 & 2023-24 vide para numbers 5.5.31, 5.5.30 & 5.5.40 having financial impact of Rs. 14.958 million & Rs. 9.422 million. Recurrence of same irregularity is a matter of serious concern.

5.5.23 Unjustified expenditure due to change of source of water –Rs.26.408 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Executive Engineer, Public Health Engineering Division, Umerkot for the financial years 2021-23, it was observed that an expenditure Rs.26.408 million was incurred on rising main of two rehabilitation schemes. However, the source of water was changed from previous source which increased the distance from 2186 to 32190 Rft (9.15km). The details are given in **Annex-9 of Chapter-05**.

(Rs. in Million)

Sr#	Name of scheme	Original site	New site	PDP#	Exp.
1	Rehabilitation of Rural Water Supply Scheme Ghulam Nabi Shah	270	27720	130	13.876
2	Rehabilitation of Rural Water Supply Scheme Akheraj	1916	4470	131	12.532
	Total	2186	32190		26.408

Audit is of the view that due to change of source of water caused unnecessary burden on public exchequer.

The matter was reported to the management in May, 2024. The management replied that previous source of water was tail point of the canal (Sr.1) and private water source with acute shortage of water and remained under disputes of local farmers (Sr.2).

DAC in its meeting held on 17.12.2024, directed to provide approved PC-I and documentary evidence for verification. The reply of management was not tenable as no detail justification along with documentary evidence was provided in support of the contention of management.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the internal controls.

5.5.24 Unjustified increase in cost of land in revised PC-I - Rs.69.775 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During the audit of the following offices of Public Health Engineering Division for the financial year 2022-23, it was observed that the cost of land acquisition was increased to Rs.69.775 million by increasing per acre rate from Rs.2.587 to Rs.5.500 million and Rs.0.900 to Rs.2.400 million respectively in below mentioned schemes without proper justification. Details are as under:

(Rs. in Million)

Sr. No.	Name of office	Name of Scheme: Improvement and extension of urban drainage scheme Kotri City Taluka Kotri, District Jamshoro				PDP#
01	XEN PHE Division, Jamshoro		No of acres	Rate per acre	Amount	114
		Original	14	2,587,500	36.225	
		Revised	19	5,500,000	104.500	
		Excess than Original		2,912,500	68.275	
02	XEN PHE Division, Badin	Name of Scheme: Rehabilitation of urban water supply scheme Nindo City, Taluka Badin (M/s. Vijay & Sons) W/o#711 Dated 12-02-2021				103
		Original	01	900,000	0.900	
		Current cost	01	2,400,000	2.400	
		Excess than Original		1,500,000	1.500	

Audit is of the view that due to ill planning on the part of the management, public money was wasted which reflected poor project management.

The matter was reported to the management in May, 2024. The management replied that the schemes were delayed due to non-availability of funds. Further, cost of the land was low and after acquisition of suitable land, the rates of the area were also increased in these schemes.

DAC in its meeting held on 17.12.2023, directed to provide relevant record to audit for verification. The management provided copy of letter of Mukhtiarkar, Taluka Kotri (Sr.1) and modified rough cost of the scheme (Sr.2).

The replies/evidence of the management were not tenable since the land for oxidation pond was proposed in the agriculture land with high rates instead of originally approved location in the PC-I. Further, acquired land was not suitable for oxidation pond due to existence in the population as evident from the report of Mukhtiarkar (Sr.1). The management did not provide relevant documentary evidence (Sr.2).

Audit seeks further clarification/justification in the matter.

5.5.25 Non-crediting of call deposits into treasury –Rs. 16.289 million

According to Para-63 of CPWA Code, “When money is received by Government officers on behalf of the Government it should be at once brought to account. Furthermore, as per Rule-75 and Rule-76 of CPWA code, the officer in-charge of call deposit should keep a book in Form-4 in which all remittances to the treasury should be entered upon and account of call deposit transactions should be maintained in form-I of call deposit as regular arrangement.”

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the year 2023-24, it was observed that call deposits of Rs.16.289 million were retained by the management, but same was not deposited in government treasury contrary to the above rules. Details are as under:

(Rs. in Million)					
Sr #	Name of Office	Call Deposit #	Name of Contractor	Amount	PDP#
1	XEN, PHE (O & M) Division Thatta	17941797 31-11-22	M/s A.A Memon	4.000	159
		00009660 15-04-24	M/s W.M associates	6.758	
Total				10.758	
2	XEN, PHE Division, Jamshoro	20/04/2023	Amanullah & Co.	0.357	257
		11/05/2023	Mumtaz Brothers & Co.	1.929	
		03/05/2023	Mumtaz Brothers & Co.	1.685	
		12/05/2023	Riaz Hussain Khoso	1.560	
Total				5.531	

Audit is of the view that failure to credit call deposits on time reflected weak financial management.

The matter was reported to the management in November, 2024. The management replied that call deposits were retained in custody & returned on completion of work (Sr.1) and amount of retention money (5%) was deducted from the bills on the request of contractors (Sr.2).

DAC in its meeting held on 17.12.24, directed to provide satisfactory completion report and warning may be issued to Executive Engineers for non-depositing of call deposit amount on time in Government treasury.

Replies/evidence showed that call deposits were retained in custody without depositing the same in the bank accounts (Sr.1). However, management did not provide any documentary evidence (Sr.2).

Audit requires implementation of rules besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2022-23 & 2023-24 vide para number 5.5.28 & 5.5.34 having financial impact of Rs. 126.418 million & Rs. 20.777 million. Recurrence of same irregularity is a matter of serious concern.

5.5.26 Irregular refund of security deposit – Rs. 5.037 million

As per clause 7.12.3(i) of SPPRA, Procurement Regulation (Works), It can be released in either of following ways, but the same shall be mentioned in the contract data /special conditions of the contract:-(a) On completion of the works; half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction;(b) full amount be released after completion of defect liability period.

According to Para-399 (iii) of Central Public Works Account Code “the unclaimed balances of public works deposit for more than three complete account years should be credited to government as lapsed deposit”.

During the audit of the following offices of Public Health Engineering & Rural Development Department, for the financial year 2023-24, it was observed that security deposit amounting to Rs.5.037 million was refunded without observing the codal formalities. Details are as under:

(Rs. in Million)

Sr#	Name of Office	Particulars	Refunded	Date of comp.	Amount	PDP#
1	XEN, PHE Division, Sanghar	Refunded during execution	April-24	July-24	1.197	168
2	Director General, RDD, Hyderabad	Security deposit	Fab to May 2024	June-19	3.702	228
3	XEN, PHE Division, Kamber-Shahdadkot	refunded after 03 years	Fab-23	June-18	0.138	11
Total					5.037	

Audit is of the view that refund of security deposit before completion of work indicated undue favour to the contractors.

The matter was reported to the management during November, 2024. The management replied that the security deposit is refunded after completion of three months defect liability period. (Sr.1).The security deposit was not released on time due to various reasons. (Sr.2). The scheme was submitted for revision to the competent forum. However, on non-approval of the same, the deducted security deposit was refunded to the contractor. (Sr.3)

DAC in its meetings held on 03.10.24, 12&17.12.24, directed that to get the stance verified from audit. Reply was not tenable as the management did not provide evidence regarding claim of security deposit by the contractor. Further reasons for delay payment of security deposit to the contractor were not disclosed.

Audit recommends implementation of DAC directives besides strengthening its financial management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 & 2023-24 vide para number 5.5.29, 5.5.36 & 5.5.35 having financial impact of Rs. 6.487 million & Rs. 2.538 million. Recurrence of same irregularity is a matter of serious concern.

5.5.27 Excess payment due to calculation error – Rs. 7.217 million

As per Para-6.2.2 (2) of SPPRA Works Guidelines, “Procuring agency shall prepare Bill of Quantities appropriate to the works. The quantities given in the Bill of Quantities are estimated and provisional and provide a common basis for tendering. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the contractor and verified by the Engineer and valued at the rates and prices tendered in the bill of the quantities.”

During the audit of the Executive Engineer, Public Health Engineering Division, Jamshoro for the financial year 2022-23, it was observed that excess payment of Rs.7.217 million was made to the contractor against the executed works due to calculation errors in the R.A bills.

(Rs. in Million)

Description	Particulars	Qty	Rate	Amount Paid	Due Amount	Excess Amount Paid
Diff: cost of material on CC paver and surface drains at various villages	Cement	398	310	0.259	0.123	0.135
	Cement	13215.7	310	8.590	4.097	4.493
	Cement	8138	650	7.364	5.290	2.074
	Hill Sand	38979	736	0.381	0.287	0.095
	Bajri	16595	1093	0.231	0.181	0.049
	Stone ballast	30661	1960	0.972	0.601	0.371
Total				17.797	10.579	7.217

Further details are given in **Annex-10 of Chapter 05**.

Audit is of the view that the excess payment against the works resulted in loss to the public exchequer.

The matter was reported to the management in May, 2024. The management replied that the typing error pointed out by the audit has been corrected in the measurement book.

DAC in its meeting held on 17.12.2024 directed the management to provide relevant record to audit for verification.

The contention of the management was not tenable as the provided M.Bs reflected that there was over-writing and correction in the figures without signatures of the concerned D.A.O and Executive Engineer. Any changes in

measurement book after payments is not legally acceptable.

Audit recommends recovery and fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2022-23 & 2023-24 vide para numbers 5.5.32, 5.5.29& 5.5.41 having financial impact of Rs. 5.189 million & Rs.3.921 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#110)

5.5.28 Unjustified drawl of funds against non-functional schemes – Rs. 2.544 million

According to Rule-11 of General Financial Rules, volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Executive Engineer, Operation & Maintenance Division, Qamber Shahdatkot, for the financial year 2022-23, it was observed that expenditure of Rs. 2.544 million was incurred on repair and maintenance of non-functional water supply and drainage schemes. The details are as under:

(Rs. in Million)

Sr. No.	Status of Scheme	Reasons for Non-Functional of Schemes	Exp.
1	Non-Functional	Scheme damage due to heavy rain.	0.099
2	Abandoned	Non availability of H.R and damaged due to heavy rains.	0.199
3	Abandoned	Non availability of H.R and damaged due to heavy rains.	0.183
4	Abandoned	Sweet zone	0.095
5	Abandoned	Sweet zone	0.252
6	Abandoned	Damaged due to supper flood in 2022.	0.099
7	Non-Functional	Damaged due to supper flood in 2022.	0.297
8	Abandoned	Transformer burnt, Rising Main & Pumping Machinery are damaged	0.082
9	Abandoned	Damaged of raising main, Nala & burnt of pumping machinery & Transformer	0.083
10	Non-Functional	Rising Main damaged, transformer stolen, main drains collapsed.	0.082
11	Abandoned	Civil Structure fully damaged.	0.083
12	Abandoned	Transformer & machinery stolen and major repairs of civil structures required.	0.165
13	Abandoned	Machinery and civil structure due to heavy rains and flood.	0.165
14	Abandoned	2 Nos: Disposal works, major repair of civil structures & main drains required.	0.248

(Rs. in Million)

Sr. No.	Status of Scheme	Reasons for Non-Functional of Schemes	Exp.
15	Non-Functional	1 No. H.T phase and its conductor is missing. C.C Drains & rising main damaged.	0.082
16	Non-Functional	Pumping machinery & civil structure fully damaged.	0.165
17	Abandoned	Pumping machinery & civil structure fully damaged.	0.083
18	Abandoned	Pumping machinery & civil structure fully damaged.	0.082
Total			2.544

Audit is of the view that the expenditure against non-functional water supply and drainage schemes reflected wastage of the public exchequer.

The matter was reported to the management in May, 2024. The management replied that list of functional and non-functional schemes is available.

DAC in its meeting held on 17.12.24 directed to provide relevant record to audit for verification.

Reply/evidence of the management was not tenable as out of 18 non-functional/abandoned water supply and drainages schemes against which expenditure was incurred, only one abandoned drainage scheme namely 'Gul Muhammad Chacho was made operational in Taluka Sijawal Junejo against which expenditure of Rs. 0.165 million was incurred. Thus, the contention of the audit is validated.

Audit recommends enquiry and fixing of responsibility on the person(s) at fault besides strengthening the financial management.

(PDP#91)

5.5.29 Excess payment of management charges – Rs. 2.805 million

According to Para-11 of General Financial Rules, Volume-I, "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers."

During the audit of the Executive Engineer, Public Health Engineering (O&M) Division, Dadu for the financial year 2022-23, it was observed that excess payment of Rs. 2.805 million was made to M/s Abbas & Co. against salary of operator under the head of account establishment charges for operation & maintenance of RO plants. Details are as under:

(Rs. in Million)

Ro Plant (15000 gallons) 32 Nos (on Solar Energy System, Part-B Establishment charges (routine maintenance))						
Item	Quantity as per Bill	Qty As per Estimate	Excess	Rate	Month	Amount
Operators' salary	42	32	10	16,500	17	2.805

Audit is of the view that excess payment was made to contractor on account of salary resulted in undue benefit to the contractor and loss to public exchequer.

The matter was reported to the management in May, 2024. The management replied that the estimate was sanctioned by the competent authority. The payment was made against salaries of 68 operators against 67 RO/UF Plants. The management in support of reply produced 14th R.A bill dated 19-10-2022 and few pages of the estimate.

DAC in its meeting held on 03.10.2024 directed to submit revised reply with documentary evidence.

Reply/evidence was not found satisfactory on following basis:

- i. Excess salaries amounting to Rs. 2.805 million on account of 10 employees were allowed for 17 months.
- ii. Excess salary amounting to Rs. 0.215 million on account of 01 employee was made upto 13 months on U.F plant.
- iii. Salary amounting to Rs. 0.482 million on account of two Chowkidars were drawn beyond admissibility upto 18 months despite existence of Operator cum Chowkidar.

Audit recommends recovery of overpayment besides fixing of responsibility on the person(s) at fault and strengthening internal controls to avoid excess payment in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 5.5.41 having financial impact of Rs. 2.720 million. Recurrence of same irregularity is a matter of serious concern.

(PDP#20)

Chapter-6. WORKS & SERVICES DEPARTMENT

6.1 Introduction

After promulgation of SLGO 2001, Communication and Works Department was renamed as Works & Services Department, which is responsible for providing services in the form of road network and building facilities to various departments of Government of Sindh. Its main activities are planning, designing, construction and maintenance of Roads/Highways and Buildings.

The following key functions are undertaken by the department:

- a) Implementation of Annual Development Program (ADP) in terms of construction and improvement of new and existing infrastructure. It also includes all domestic and Foreign Aided Projects.
- b) Implementation of the Annual Maintenance and Repair Programme.
- c) Preparation of feasibility reports of roads / projects.
- d) Designing of roads and buildings and preparing detailed estimates.
- e) Quality Assurance of projects.
- f) Providing technical/execution assistance to other departments and agencies.

(Rs. in Million)

Sr. #	Description	Total Nos	Audited	Expenditure audited FY 2023-24
1	Formations	58	37	97,497.304
2	Foreign Aided Projects (FAP)	1	1	3,955.669

6.2 Comments on Budget and Expenditure (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess / (Savings)
112,848.932	102,943.861	98,186.543	94,345.654	(3,840.889)

6.3 Classified Summary of Audit Observations

Observations amounting to Rs. 59,544.906 million were raised as a result of this audit. This amount also includes recoveries of Rs. 209.391 million as pointed out by the Audit. The issues highlighted includes irregular/excess payments, non-adherence to SPPRA rules, inordinate delays in completion of civil works, non-recovery of due taxes/duties, poor project planning & oversight, non-crediting of revenue in treasury, no/less deduction of security deposit, lack of monitoring during execution of physical works etc. Classification of the audit observations is as under:

(Rs. in Million)

Sr.#	Classification	Amount
1	Non production of record	-
2	Inordinate delay in execution of schemes	9,687.280
3	Jurisdiction issues in execution	1,389.408
4	Planning & Execution issues	23,637.201
5	Procurement related irregularities	17,427.440
6	Management of Accounts with Commercial Banks	254.838
7	Core activities, value for money and service delivery issues	1,994.276
8	Recovery	209.391
9	Others	4,945.072
	Total	59,544.906

6.4 Comments on the Status of Compliance with PAC Directives

The status of Audit Reports requiring compliance of the PAC directives by the department is tabulated as follows:

Sr.#	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	25	4	-	4	-	
	1998-99	19	10	-	10	-	
3	1999-2000	25	1	-	1	-	
4	2001-02	25	5	-	5	-	
5	2004-05	28	22	2	20	9.1	
6	2005-06	13	8	-	8	-	
7	2006-07	5	2	-	2	-	
8	2007-08	18	5	-	5	-	
9	2008-09	15	4	-	4	-	
10	2009-10	21	1	-	1		
11	2010-11	25	12	-	12		
12	2014-15	-	-	-	-	-	Report not yet discussed
13	2016-17	-	-	-	-	-	
14	2019-20	10	10	-	-		
15	2020-21	20	20	6	14	30	
16	2021-22	-	-	-	-	-	
17	2022-23	-	-	-	-	-	
18	2023-24	-	-	-	-	-	
Total		259	104	8	86		

6.5 Audit Paras

6.5.1 Non-production of record

As per Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001:

- (2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, auditable record pertaining to expenditure of Rs. 243.383 million was not provided despite requisitions. The details are given in **Annex-1 of Chapter-6**.

Audit is of the view that non-production of record is violation of AGP ordinance and reflected negligence on the part of the management. Due to non-production of specified record, the authenticity of expenditure could not be ascertained.

The matter was reported to the management during January to November, 2024. The management (at Sr. No. 04 of annexure) replied that the record pointed out is already laying in the custody of NAB and Anticorruption for investigation purpose. Remaining offices did not submit replies.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to produce relevant record to audit.

Audit recommends the production of record, besides initiating disciplinary proceedings against the person(s) at fault in accordance with provisions stipulated in Section 14 of AGP ordinance.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2023-24 vide para numbers 6.5.1 & 6.5.1 having financial impact

of Rs. 13,109.812 million and Rs. 1,910.643 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.2 Unjustified escalation in the cost of M&R works due to renovation of government offices at exorbitant rates -Rs. 139.093 million

As per Rule-17(1A) of SPPRA, “All procurement opportunities over two million rupees shall be advertised on the Authority’s website as well as in the newspapers as prescribed.” Further, according to Para-23 of General Financial Rules Volume – I, “Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the audit of Executive Engineer, Provincial Building Division-II, Karachi for the financial year 2023-24, an expenditure of Rs.139.093 million was incurred on renovation of two office rooms of Sindh Secretariat and renovation of DC (Central) office, Karachi. Audit observed following irregularities:

- i. Initially these works were kept within two million limits (Rs. 1.9 million) to avoid tender in newspapers.
- ii. Works were enhanced upto Rs.139.093 million which is more than 15% of approved estimated cost but no fresh tenders were invited.
- iii. Expenditure of Rs.13.300 million on renovation of only two office rooms of Sindh Secretariat indicates extravagant expenditure and unnecessary burden on public exchequer.
- iv. Rs. 38.693 million expenditure on renovation of DC (Central) Karachi office was also unjustified. Even 2 tons split AC was procured at Rs. 0.350 million which was easily available around Rs. 0.221 million in the market.
- v. Rs. 17.441 million expenditure on M&R was incurred on two generators which was also unjustified.

Audit is of the view that execution of work at exorbitant rates reflected wastage of public funds and poor financial management.

The matter was reported to the management during July to November, 2024. The management replied that the works were revised as per site requirement duly sanctioned by the Competent Authority. The reply of the management was not tenable since estimates of the works were on higher side and unjustified. Moreover, initially expenditure was kept below Rs. 2.00 million to avoid publication of press tenders.

DAC in its meetings held on 18th & 19th December, 2024 directed that PAO to fix the responsibility against the concerned officials.

Audit recommends implementation of DAC directives besides strengthening its financial and monitoring controls to avoid such exorbitant expenditure in future.

(AIR#10,12,16 PDP#431,432,434)

6.5.3 Unauthorized invitation of tenders - Rs. 476.064 million

As per SPPRA, Procurement Regulations (Works) 6.1, “The Procuring Agency shall initiate the procurement process only after following codal formalities are (i) Administrative Approval (A.A) of the scheme is received. In case of urgency, in tender to avoid delay in the bidding process the Anticipated Administrative Approval is issued by the Administrative Department on the orders of the competent forum (ii) Technical Sanction (TS) of detailed estimate is obtained from competent authority (iii) Funds are released or anticipated to be released before award of contract.”

During audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that tenders of Rs. 476.064 million for the schemes were called prior to Administrative Approvals (A.A) and Technical Sanctions, as per details given below:

(Rs. in Million)

Sr.#	Name of Office	PDP No.	Name of Work	A.A Date	Estimated Cost
01	XEN, Machinery Maintenance Division Khairpur at Shikarpur 2022-23	323	Reconditioning of Road from Jahangir Asad Solangi residence Bado city up to Ratodero Jacobabad Road at police picket at Pour (7.0 kms)	07/4/2023	112.277
02	XEN, Provincial Highways Division Badin 2023-24	474	Constt; of road from Deewani Faqeer to Natho jat, i/c link to mole Dino Jat mile 0/0-3/6 =6.0 Kms	21.04.2023	111.805
			Constt: of road starting point from village Rahuki to village Abdul Majeed Nohani via Nim Rahujo Haji Rustam Maheri , Mangria and other UC Rahuki ,Taluka Shaheed Fazal Rahu	06.08.2023	251.982
Total					476.064

- i. Tenders were invited one month prior to issuance of Administrative Approval and Technical Sanction. A.A and T.S were issued on 07.04.2023 while the tenders were called on 07.03.2023 (Sr. 1).
- ii. A.A was issued on 21.04.2023 and 06.08.2023 and T.S was accorded on 24.04.2023 and 06.08.2023 respectively while the tenders were called on 31.03.2023 and 07.04.2023 respectively (Sr 2).

Audit is of the view that inviting tenders prior to approval of A.A and T.S is unauthorized.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 01 replied that the procurement process only initiated prior to administrative approval but the work was got started after receipt of Administrative approval from the competent authority. The management at Sr. No. 02 replied that the tender for both the works were invited after their approval from P.D.W.P & D.D.W.P whereas the contracts were awarded after receipt of A.A and technical sanction from the competent authority. The reply of the management was not tenable since calculation of the estimated cost prior to technical sanctions made the whole tendering process non-transparent & un-authorized.

DAC in its meetings dated 16th October, 18th & 19th December, 2024 directed that PAO to fix the responsibility against the concerned officials (Sr.2). To produce record to audit for verification (Sr.1).

No record was produced by the management in the light of DAC directives till the finalisation of the audit report.

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

6.5.4 Execution of new works from Maintenance & Repair (M&R) budget – Rs. 20.864 million

As per Appendix 18-A of Sindh Financial Rules Vol-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of the Executive Engineer, Provincial Coastal Highway Division, Hyderabad for the financial year 2023-24, it was observed that new work was executed under the M&R budget. In the subject cases, sign-boards worth Rs. 20.864 million were installed which is unjustified and irregular as the same were not in approved M&R plan. The details are as under:

(Rs. in Million)

Name of Scheme	Contractor	WO # & Date	Estimate cost	R.A	Amount
M & R of road installation of village/sign-board on various road of district Thatta	M/S New Bhatti Enterprises	1890/ 15.09.23	19.913	3rd	20.864

Audit is of the view that mis-allocation of funds for new work raised concerns about non-compliance to budgetary guidelines and proper adherence to the management of financial resources.

The matter was reported to the management in November, 2024. The management replied that after expiry of 03 years since completion of the road,

its maintenance work becomes due as and when required. Therefore, maintenance work including village sign-boards on various roads of district Thatta was included in M&R programme. The reply of the management was not tenable since huge expenditure around Rs. 20.864 million was incurred on procurement & installation of the new sign-boards without justification and its rationale.

DAC in its meeting dated 18th & 19th December, 2024 directed that PAO to fix the responsibility against the concerned officials.

Audit recommends implementation of DAC directive besides strengthening its budgetary controls to avoid such lapses in future.

(AIR#09, PDP#357)

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 6.5.40 having financial impact of Rs. 1,020.491 million. Recurrence of same irregularity is a matter of serious concern.

6.5.5 Unjustified payment on part rate without actual execution of work – Rs. 23.214 million

According to Clause-8 of the Standard Bidding Document for the works, “In cases where the items of work are not accepted as so completed, the Engineer-in-charge may make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final or on running account bills with reasons recorded in writing.”

During the audit of the Executive Engineer, Provincial Highways Division, Sukkur for the financial year 2023-24, it was observed that the work ‘Construction of military road @ Dolphin Bakery to Sukkur bypass N-5 including various links mile 0/0-3/1’ the initial items of the work of paving blocks were executed, however, the paving blocks were executed at part rate/reduced rate, which means that either the work of paving blocks was not completed or the work was substandard. Further, pictorial evidence (**Annex-1A of Chapter-6**) dated 16.08.2024 showed that paver blocks were not executed along the whole road while payment was made to the contractor, which is irregular.

(Rs. in Million)

Name of work	Voucher# & Date	Bill#	Item	Quantity	Rate Allowed	Amount
Construction of road from Military Road to Sukkur by-pass	64& 31-7-23	9 th & Final	Paving Block	124740	199.77/186.1	23.214

Audit is of the view that allowing part rate in final bill despite non-completion of work reflected unjustified payment to the contractor.

The matter was reported to the management in November, 2024. The management replied that the item of paving block was executed on reduced/part rate in 9th & Final Bill as per para but it was not 9th & final RA Bill and full rate was allowed in 10th R.A Bill as per P.W.D specifications. The reply was not tenable since June, 2024 progress report showed that the scheme was completed. Preparation of the 10th R.A bill with 'Nil' amount raised questions on its authenticity.

DAC in its meeting held on 18th & 19th December, 2024 directed that PAO to fix the responsibility against the concerned officials.

Audit recommends implementation of DAC directives besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(AIR #1, PDP#363)

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 6.5.53 having financial impact of Rs. 60.060 million and in the Audit Report for Audit Year 2023-24 vide para number 6.5.27 having financial impact of Rs. 982.257 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.6 Non-transparent bidding process –Rs. 85.672 million

As per SPPRA Rule 42 and works guidelines 7.6, three important stages of bid evaluation are: (i) eliminate tenders who fail to comply with the basic requirements of the Bidding Document and bidders who do not meet mandatory eligibility requirements; (ii) to determine whether tenders are substantially responsive to the commercial and technical requirements stated in the bidding

document and to eliminate tenders which are not responsive; and (iii) to compare the costs of responsive tenders and determine which is the lowest priced tender, but in case of Single Stage One Envelope Procedure, Post qualification procedure is used to determine eligible and responsive bidder.

During the audit of Executive Engineer, Provincial Building Division-II, Karachi for the financial year 2023-24, it was observed that work of Rs. 85.672 million was awarded, but tender was invited on single stage one envelope basis without pre-qualification procedure to determine eligible and responsive bidder. Following observations are noted:

- i. Difference in cost of work was found in between BER and amount offered by the bidders in BOQ.
- ii. M/s Pride Construction Company offered Rs. 77.019 million and was rejected on the basis of bid security and other documents, whereas the contractor provided Rs.4.00 million as bid security. Vague term was used as “no detail of other documents was provided without specifying the documents.” Details are as under:

(Rs. in Million)

Sr #	Name of Firm or bidder	As per estimate	As per BER	As per BOQ	Difference
1	M/s Jiya Enterprises	85.672	44.815	60.056	(15.241)
2	M/s Hamlet Builders		64.683	79.920	(15.237)
3	M/s Pride Const & Engineering		61.778	77.019	(15.241)
4	M/s Maffh Enterprises		85.672	85.672	0

Audit is of the view that the management did not conduct fair and transparent procurement process and work was awarded to the contractor who exactly matching the amount of bidding estimates which reflected collusive practices in the tendering process.

The matter was reported to the management in November, 2024. The matter was also reported to the PAO/ Chief Secretary as critical issue. The management replied that M/s. MAFHH Enterprises was qualified for the said contract by the Procurement Committee after a thorough review of all relevant documents. The reply of the management was not tenable since rejecting the first four bidders without any cogent reasons raised questions on the transparency of the tendering process.

DAC in its meeting held on 18th & 19th December, 2024 directed the PAO to fix the responsibility against the concerned officials.

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

(AIR#01, PDP#422)

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 6.5.13 having financial impact of Rs. 387.589 million. Recurrence of same irregularity is a matter of serious concern.

6.5.7 Irregular payment of secured advance to the contractor - Rs. 39.349 million

As per Standard Form of Bidding Documents issued by SPPRA, the contractor shall be entitled to receive Secured Advance from the procuring agency against an Indenture Bond in P. W Account Form 31 (Fin R. Form No.2) in respect of non-perishable materials brought at site but not yet incorporated in the permanent works and sum payable for such materials on site shall not exceed 75% of the landed cost of imported materials, of ex-factory/ex-warehouse price of locally manufactured or produced materials, or market price of standard materials. Detail account of advance must be kept in part-II of running account bill. The Secured Advance may be permitted only against materials quantities anticipated to be consumed / utilized on the work within a period of 3 months from the date of issue of secured advance.

During the audit of Executive Engineer, Provincial Building Division-II, Karachi for the financial year 2023-24, it was observed that 1st secured advance of Rs. 36.474 million (138.95 tons of Steel) was allowed in June 2023 out of which steel of 21.05 tons was utilized upto June 2024. Further, 2nd secured advance of Rs. 8.400 million was again allowed in 5th RA without recovery of outstanding amount of Rs. 30.949 million. Thus, quantity of steel (117.9 tons of steel) remained un-utilized at site even after a lapse of over a year therefore deterioration of materials strength cannot be ruled out. Details are as under:

(Rs. in Million)

Construction of new covered Godowns and allied facilities at Karachi Division M/s Chase Construction Company vide work order#2094 dated 06.06.2023								
Cheq#/ Dated	Secured Advance	Qty	Rate	Rate allowed	Amount	Used Steel	Rem. steel	Amount
5415834	1st	138.95	0.35	0.2625	36.474		117.9	30.949
/	2nd in 5 th							
11.06.24	RA	32	0.35	0.2625	8.400	21.05		8.400
5 th RA								
Total								39.349

Audit is of the view that giving second advance without non-recovery of the 1st secured advance is violation of the SPPRA rules which reflected undue favor was extended to the contractor against the Government interests.

The matter was reported to the management in November, 2024. The management replied that the 1st and 2nd Secured Advances were allowed to the contractor with the approval of the competent authority. Furthermore, it is stated that the 2nd Secured Advance of Rs. 8.400 million was again approved in the 5th R.A bill without recovering the outstanding amount of Rs. 30.949 million. To avoid delays caused by inflationary pressures, the 2nd advance was allowed.

DAC in its meeting held on 18th & 19th December, 2024 directed to recover the secured advance from the contractor.

The management did not recover & deposit the amount till the finalization of the audit report in the light of DAC directives.

Audit seeks recovery/ adjustment and fixing of responsibility on the persons at fault, besides strict adherence to government instructions to avoid such lapses in future.

(AIR#08, PDP#429)

6.5.8 Doubtful payments to the contractor without commencement of work at site - Rs. 13.885 million

As per Standard Form of Bidding Documents issued by SPPRA, the contractor shall be entitled to receive Secured Advance from the procuring agency against an Indenture Bond in P.W. Account Form 31 (Fin R. Form No.2) in respect of non-perishable materials brought at site but not yet incorporated in the permanent works and sum payable for such materials on site shall not exceed

75% of the landed cost of imported materials, of ex-factory / ex-warehouse price of locally manufactured or produced materials, or market price of standard materials. Detail account of advance must be kept in part-II of running account bill. The Secured Advance may be permitted only against materials / quantities anticipated to be consumed / utilized on the work within a period of 3 months from the date of issue of secured advance.

During the audit of the Executive Engineer, Provincial Building Division Shaheed Benazirabad, for the financial year 2023-24, it was observed that the tender was awarded to the contractor during June, 2023 however, the work was started after one year i.e. 21/6/2024. After a lapse of one year, the contractor was paid secured advance in 1st RA bill against steel without any preliminary work at site. Further, indenture bond against security advance was also not available on record. The details are as under:

(Rs. in Million)

Name of work	W.O/dt	Particulars	R.A	Amount
Rehabilitation Centre for Senior Citizen in Sindh at Dist. Naushahro Feroze M/S Modern Builders Cheq#5440892/ 21.6.24	1871/ 9.6.23	Execution of items	1 st	2.185
		50.50 tons @ 300,000/225000		11.700
Total				13.885

Audit is of the view that instead of cancelling the tender, an undue favour was extended to the contractors by allowing secured advance after one year at the cost of public exchequer which reflected weak financial controls in the organization.

The matter was reported to the management in November, 2024. The management replied that there is not any irregularity in the subject matter.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the relevant record for verification.

The management produced MB and first Running Account bill which showed measurement was recorded after lapse of one year. Further, secured advance was also not recovered and penalty not imposed on contractor for delaying the work.

Audit recommends inquiry into the matter besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(AIR#14, PDP#596)

6.5.9 Mis-procurement in award of tenders without adoption of technical evaluation criteria -Rs. 2,315.285 million

According to Section-42 of SPPRA, “All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents”.

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial year 2023-24, it was observed that works of Rs. 2,315.285 million were awarded on single stage two envelope basis without adoption of sound/ effective evaluation criteria as evident from the bidding documents wherein no technical aspects was covered. The details are as under:

(Rs. in Million)

Sr.#	Name of office	AIR #	PDP #	Particulars	Amount
1	XEN, Provincial Building Division Shaheed Benazirabad	3	585	03 Years experience of works, BER, Bio data of technical staff, annual turnover, list of machinery, audit reports of Chartered firms, bank statements of contractors and technical evaluation criteria/ratings were not available.	121.138
2	XEN, Buildings Division, Hyderabad	9	670		17.270
3	XEN, Provincial Highways Division, Naushero Feroze @ Khairpur	3	441		2,113.251
4	XEN, Highways Division, Tharparkar @ Mithi	9	550		63.626
Total					2,315.285

Audit is of the view that the works were awarded without adopting procedure of technical evaluation in the tendering process which reflected non-transparency in contracts of civil works.

The matter was reported to the management in November, 2024. The management at Sr. 1 & 3 replied that the tenders were awarded after adoption of technical evaluation criteria.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the relevant record for verification. (Sr.1 & 3).

The remaining offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2 & 4).

The offices at Sr.1 & 3 produced record for verification. The replies /record were not tenable on account of reasons that management produced BERs, comparative statements and list of bidder's eligibility criteria marked with yes/no by procurement committee but did not produce documents showing details of works executed by the contractors, list of machinery, audit reports, bank statement etc.

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

6.5.10 Substandard execution of the work –Rs. 206.870 million

According to Section-(I) of Appendix 18-A of Sindh Financial Rules Volume I & II, "Every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence".

During the audit of the Executive Engineer Provincial Building Division, Sukkur, for the financial year 2022-23, it was observed that amount of Rs. 206.87 million was paid on execution of works. However, despite un-satisfactory reports by Planning & Development Department, no action was initiated against the contractors. Details are as under:

(Rs. in Million)					
S#	Name of Scheme	Year	Cost	Exp.	%age
1	Construction of office building for (OFWM) staff at Shikarpur	2016	8.497	3.999	47.064
	At Ghotki ADP#1655		8.497	3.753	44.169
2	Strengthening of poultry hatcheries in Sindh and backyard farming in Sindh, ADP#1655	2010	23.612	22.998	97.400
3	Construction of sport stadium Ghotki @ Ubauro ADP#3180	2009	59.539	59.15	99.347
4	Establishment of fish hatcheries at Shikarpur	2018	158.111	116.97	73.980
Total			258.256	206.870	

Audit is of view that sub-standard execution of the work reflected poor project oversight by executing authorities.

The matter was reported to the management in May, 2024. The management replied that the funds from the Finance Department were released and utilized accordingly. The reply of the management was not tenable since the executive agency did not take remedial measures to rectify the defects raised in the monitoring reports of P&D Department.

DAC in its meeting held on 16th October, 2024 directed to produce the relevant record for verification, but no record was produced.

Audit recommends fixing of responsibility on the persons at fault besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(AIR#5, PDP#67)

6.5.11 Hasty payments to the contractors without execution of work - Rs. 154.305 million

According to Rule 11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the Executive Engineer, Building Division, Umerkot for the financial years 2021-2023, it was observed that various works of Rs. 154.305 million were awarded to the contractors on 14.06.22. However, first running bills were passed on very next day i.e. 15.06.22. Further, detail of measurement was not recorded in the R.A. bills which confirms non-execution of the works.

Audit is of the view that payment made without execution of works reflected weak financial controls.

The matter was reported to the management in May, 2024. The matter was also reported to the PAO/ Chief Secretary as critical issue (PDP # 70). The remaining offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department

Audit recommends inquiry into the matter besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(PDP#70,72 & 73)

6.5.12 Irregular expenditure without revised PC-I and modified A.A - Rs. 1,401.386 million

As per Rule-2.22 (2) of the West Pakistan Building & Roads Department Code, “Before any detailed plan and estimates are prepared the administrative approval of government or the head of the department concerned or other officers competent to accord such approval should be obtained. As soon as administrative approval has been received from the competent authority, the Divisional Officer will take up the preparation of the detailed estimate, Technical Sanction to which will be accorded by the authority competent in order as that the work may be started as soon as funds are allotted.”

During the audit of the office of the Executive Engineer, Provincial Highway Division Khairpur, for the financial year 2023-24, it was observed that expenditure of Rs.1,401.386 million was incurred on work over and above approved estimate of Rs. 985.506 million without obtaining revised administrative approval, PC-I and technical sanction. Detail is as under:

(Rs. in Million)

Name of Work	W.O. No. & Date	Approved estimate	Expenditure	% age
Const./ Rehab. of road (i/c Overhead bridge at Railway Crossing) from New N-5 Near Khairpur Special Economic Zone (10.00 Kms) ADP -4843	659/ 07.05.21 M/s Fazal & Bros.	985.506	1401.386	42.21

Audit is of the view that execution of works prior to modified A.A / PC-I is irregular and requires re-tendering as per SPPRA rules.

The matter was reported to the management in November, 2024. The management replied that the administrative approval of scheme is available. The reply of the management was not tenable since no revised A.A/ PC-I was produced.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the relevant record for verification but relevant record was not produced.

Audit recommends recovery of excess amount and fixing of responsibility on the person(s) at fault besides strict adherence to government regulations to avoid such lapses in future.

(AIR#01, PDP#673)

6.5.13 Non / less recovery of Income Tax/ SST - Rs. 146.567 million

As per SRB letter dated 29-08-2019, “Sindh sales tax on service providers contractors/vendors shall be deducted/withheld and deposited on payment bills for all works including Civil work/construction works & repair of all government building works and similar other works @5% of the value of the bill and deduct all other taxable services at the applicable rate of tax prescribed in 2nd schedule to the Act 2011.”

According to Section 153 (1) of Income Tax Ordinance 2001, “Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source on supplies of goods and in case of rendering services at the rate of 4.5% and 10% respectively.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 146.567 million against taxes was either not or less deducted while making payments to contractors. The details are given in **Annex-2 of Chapter-6**.

Audit is of the view that the non/less recovery of taxes resulted in short realization of government revenue.

The matter was reported to the management during May to November, 2024. Eleven offices replied that the amount is recovered from the bills of contractors. Remaining offices did not submit replies.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed that:

- i) To submit revised reply and constitute fact-finding Committee to probe into the matter and submit report within fifteen days (Sr.10 of annexure).

- ii) To produce running bills to verify the recovery of taxes (Sr. 1, 3, 5,7,9,11,12,14,17 of annexure).
- iii) To recover the Taxes from the contractors and to take up the matter with Tax Authorities for necessary clarification regarding non-inclusion of SST in the revised PC-I (Sr.13 of annexure).
- iv) The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr. 2,4,6,8,15&16 of annexure).

After verification of record an amount of Rs. 21.096 million was recovered. However, the record of offices at Sr. 10,11,12,13,14,17&18 was not tenable since leviable taxes were not recovered as per rules.

Audit seeks recovery of the remaining amount taxes in the light of DAC directives.

6.5.14 Non-recovery of Stamp Duty – Rs. 58.476 million

According to Section 22-A of Stamp Act, 1899, “It is the duty of the competent authority to recover the Stamp Duty and affix the same, while execution of agreement @ 0.35 paise per hundred rupees of the value of the agreement or against tender cost.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that various works were awarded, but stamp duty @ 0.35% amounting to Rs. 58.476 million was neither affixed on the agreements nor deducted from the Running Account bills. The details are given in **Annex-3 of Chapter-6**.

Audit is of the view that the non-recovery of stamp duty resulted in loss of government revenue.

The matter was reported to the management during May to November, 2024. Ten offices replied that the stamp duty of the work has been obtained from the contractors and affixed on agreements. Remaining offices did not submit replies.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed that recovery of Stamp Duty may be verified from audit (Sr. 2,3,9,11,17

to 20,22,28 of annexure). The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr. 1,4 to 8,10,12 to 16,21,23 to 27,29 to 31 of annexure)

In compliance with DAC directives, after verification of record an amount of Rs. 28.497 million was recovered and verified by audit.

Audit seeks expeditious recovery of amount in the light of DAC directives.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para numbers 6.5.20 having financial impact of Rs.25.103 million and 2023-24 vide para number 6.5.12 having financial impact of Rs. 35.230 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.15 Un-justified reduction in executed quantities in the succeeding bill – Rs. 4.855 million

According to Para-209 (d) of C.P.W.A Code, “All payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately. He will also work out and enter in the measurement book the figures for the ‘Contents or Area’ column.”

During audit of the following offices of Works & Services Department, Government of Sindh for the financial year 2023-24, it was observed that an amount of Rs. 4.855 million was paid to the contractors on execution of various items, which were measured in the MBs as per entries in the running account bills upon actual execution. However, the same items’ payments were deleted subsequently in the next bills, which shows that the previously paid items were never executed and fictitious measurements were recorded and thus financial benefit was given to the contractors in way of advance payment. The details are as under:

(Rs. in Million)

Sr.#	Name of office	AIR#	PDP#	Amount
1	XEN, Provincial Building Division Shaheed Benazirabad	9	591	3.515
2	XEN, District Highways Division Shaheed Benizarabad	10	562	1.340
Total				4.855

Audit is of the view that allowing over-measured quantities reflected weak monitoring controls and undue favor to the contractors.

The matter was reported to the management in November, 2024. The management at Sr. No. 01 replied that the payment was released to contractor according to overall measurements recorded wherein some items were added then subtracted. The management at Sr.2 replied that the payment made for the items was based on actual execution as per the measurement recorded during the progress of work. The reply of the management was not tenable since payment was made to the contractors on the basis of over-measured quantities without actual execution of work which was proved with subtraction of quantities in the subsequent R.A bills.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the relevant record for verification. However, No relevant record was produced to audit for verification. (Sr.1). The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2).

Audit seeks strict adherence to government regulations to avoid such lapses in future besides fixing of responsibility of person(s) at fault.

6.5.16 Unjustified payments of secured advances to the contractors in violations of rules- Rs. 373.039 million

As per Standard Form of Bidding Documents issued by SPPRA, “The contractor shall be entitled to receive Secured Advance from the procuring agency against an Indenture Bond in P.W. Account Form 31 (Fin R. Form No.2) in respect of non-perishable materials brought at site but not yet incorporated in the permanent works and sum payable for such materials on site shall not exceed 75% of the landed cost of imported materials, of ex-factory / ex-warehouse price of locally manufactured or produced materials, or market price of standard materials. Detail account of advance must be kept in part-II of running account bill. The Secured Advance may be permitted only against materials / quantities anticipated to be consumed / utilized on the work within a period of 3 months from the date of issue of secured advance”.

During audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed

that an amount of Rs. 373.039 million was paid to various contractors as secured advance. Following irregularities were noticed:

- i. More than one time the secured advance was allowed on the same work without recovery of the previous ones. Further, the BOQ items were also not adjusted against which the materials utilized.
- ii. Advance was allowed without completion of necessary documentation i.e. invoices of purchase of steel / material, report of consumption account of materials and approval from the competent authority.
- iii. The quantities permitted through secured advance were required to be consumed / utilized within 90 days but the same were not got adjusted /utilized even at the end of financial year.

Further details are given in **Annex-4 of Chapter-6**.

Audit is of the view that payment of secured advance without recovery within the stipulated time period and without fulfilment of other codal formalities reflected that undue favor was extended to the contractors at the cost of public exchequer.

The matter was reported to the management during May to November, 2024. Seven offices replied that the secured advance was allowed after completion of all codal formalities i.e., indenture Bond, Progress report of secured advance certificate stating material is in good condition and the contractor had brought that at site. Remaining office did not submit reply.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to make recovery of secured advance (Sr. 1,2,3,4,5,6,7 of annexure) and fix the responsibility against the concerned officials (Sr. 8 of annexure).

The office at Sr. 4 made recovery of Rs.3.998 million out of Rs.10.910 million. The offices at Sr.3,5,6 produced record for verification. The replies /records were not tenable on account of following reasons:

- i) Rs.47.549 million (Sr.3), Rs.17.927 million (Sr.5) and Rs.7.500 million was not recovered (Sr.6)
- ii) The offices at Sr.1&2 did not recover secured advance in the light of DAC directives.

- iii) Office neither produced record for verification nor recovery was made (Sr.7)

Audit recommends recovery/adjustment of the secured advance besides strict adherence to government regulations to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-23 vide para number 6.5.32 having financial impact of Rs. 67.500 million and 2023-24 vide para number 6.5.15 having financial impact of Rs. 13.127 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.17 Irregular refund of security deposit – Rs. 46.237 million

According to Para-399 (iii) of the Central Public Works Account Code, “The unclaimed balances of Public Works Deposits for more than three complete account years should be credited to government as lapsed deposit”.

During the audit of the following offices of the Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that the security deposit amounting to Rs. 46.237 million lying unclaimed for more than 3 years was released to the contractors instead of crediting the same into the government account. Details are as under:

(Rs. in Million)

S.No	Name of Office	F.Y	AIR Para #	PDP #	Amount
1	XEN, District Highways Mithi	2022-23	8	55	1.004
2	XEN, District Highways Dadu	2022-23	8		0.559
			15		1.000
3	XEN, District Highways Hyderabad	2022-23	3		0.843
4	XEN, Provincial buildings Division Sukkur	2022-23	8		10.00
5	XEN, District Buildings Division Naushaharo Feroze	2022-23	13		2.102
6	XEN, Provincial Coastal Highway Division, Hyderabad	2023-24	6	354	13.497
7	XEN, Provincial Buildings Division, Hyderabad	2023-24	3	397	7.518
8	XEN, Provincial Buildings Division-II, Karachi	2023-24	18	436	2.300
9	XEN, Provincial Highway Division, Naushero Feroze	2023-24	10	447	0.253

(Rs. in Million)

S.No	Name of Office	F.Y	AIR Para #	PDP #	Amount
10	XEN, Provincial Buildings Division, Health Works (Lower Sindh), Hyderabad	2023-24	8	659	6.642
11	XEN, District Buildings Division Umerkot	2023-24	4	627	0.519
Total					46.237

Audit is of the view that the refund of the lapsed security deposit without approval of the Finance Department is negligence on the part of management and violation of above rule.

The matter was reported to the management during May to November, 2024. The management at Sr. No 1,4,6,7,8,9&10 replied that the amount of security deposit was released on requests submitted by the contractors against completion of the schemes. Remaining offices did not submit replies.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed that PAO to conduct inquiry into the matter for offices (Sr. No. 6&7). Chief Engineer Buildings, Hyderabad to examine on case-to-case basis and fix the responsibility (Sr.10). To fix responsibility and submit report within 15 days (Sr.8,9). To produce record to audit for verification (Sr.4).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 3, 5,11).

Audit recommends implementation of DAC directives besides strengthening its financial management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para number 6.5.10 having financial impact of Rs. 232.203 million and 2023-24 vide para number 6.5.24 having financial impact of Rs. 405.004 million respectively. Recurrence of same irregularity is a matter of serious concern

**6.5.18 Excess payments to the contractors due to wrong calculation–
Rs. 29.504 million**

As per Para-17 of C.P.W.A code, “The Divisional Officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the following offices of the Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that excess payment of Rs.29.504 million was made to the contractors due to wrong calculation. Details are as under:

(Rs. in Million)

Sr. #	Name of Office	Particulars	Financial Year	PDP #	Amount
1	XEN District Highways Division Khairpur	Excess in totaling	2022-23	57	2.421
2	XEN Highways Division Ghotki	Excess in totaling	2022-23		7.220
		Difference calculation as per bill of base course			7.617
3	XEN, District Buildings Division Umerkot	Calculation error excess payment difference cost of material	2022-23		2.638
4	XEN, Highways Division, Kashmore at Kandhkot	Excess booking of expenditure	2022-23	58	0.587
5	XEN, Provincial Highways Division, Khairpur	Calculation error excess payment of Part work of overhead bridge & Paver	2023-24	412	8.918
6	XEN, Highways Division, Khairpur	Calculation error excess payment of work	2023-24	536	0.103
				Total	29.504

Audit is of the view that the excess payment against the works resulted in loss to the public exchequer.

The matter was reported to the management during May to November, 2024. The management at Sr.5 replied that there were some typing mistakes in the bills. The corrected copies of bills are available. The reply of the management was not tenable as after recording of MB and payment, no changes are allowed in the same MB/R.A Bills. Remaining offices did not submit replies.

DAC in its meeting dated 18th & 19th December, 2024 directed to recover the excess amount from the contractor (Sr. No. 5).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 4 & 6).

Audit recommends recovery of the excess amount besides fixing of responsibility on the person(s) at fault besides strengthening of internal controls.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-23 vide para number 6.5.7 having financial impact of Rs. 11.193 million and 2023-24 vide para number 6.5.20 having financial impact of Rs. 18.312 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.19 Non-utilization of funds despite releases – Rs. 1,072.796 million

According to Rule-12 of the General Financial Rules Volume-I, “A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the fund allotted to spending units are expended in the public interest and upon objects for which the money was provided.”

During the audit of the following offices of the Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that Rs. 15,716.056 million were released against the schemes out of which Rs. 14,643.259 million were utilized. This resulted in failure to utilize balance amount of Rs. 1,072.796 million despite the availability of funds. Details are as under:

(Rs. in Million)

Sr#	Name of Office	F.Y	PDP #	Released	Exp.	Unutilized Amount
1	XEN, District Buildings Naushaharo Feroze	2022-23	54	3.745	00	3.745
2	XEN, District Highways Hyderabad	2022-23		292.835	210.786	82.048

(Rs. in Million)

Sr#	Name of Office	F.Y	PDP #	Released	Exp.	Unutilized Amount
3	Superintendent Engineer, Karachi	2012-13 to 2022-23	161	6.533	00	6.533
4	XEN District Building Division-1, Karachi	2021-22 to 2022-23	171	83.931	00	83.931
5	XEN, Highways Division, Sujawal	2022-23	210	284.973	219.159	65.814
6	XEN, Highways Division, Matiari	2022-23	282	13.497	00	13.497
7	XEN, Highways Division, Tharparkar at Mithi	2023-24	546	568.101	551.968	16.133
8	XEN, Provincial Coastal Highways Division, Hyderabad	2023-24	688	14,365.06	13,659.88	705.18
9	XEN, Provincial Buildings Division-II, Karachi	2023-24	645	97.381	1.466	95.915
Total				15,716.056	14,643.259	1072.796

Audit is of the view that failure in the utilization of funds despite releases reflected inefficient financial management as there were various schemes pending for long due to non-release of finances. This resulted into deprivation of the intended benefits to the public.

The matter was reported to the management during May to November, 2024. The management at Sr. 8, replied that funds would have been fully utilized but Accountant General Sindh, Karachi, suddenly fixed cutoff date 12/06/2024 for submission of the claims with the result funds remained un-utilized. The management at Sr.9, replied that the scheme was declared un-satisfactory by Monitory & Evaluation Cell due to illegal occupants residing in Govt. flats. Remaining offices did not submit replies.

DAC in its meeting dated 18th & 19th December, 2024 directed that PAO to submit report in the matter (Sr.8), to produce MEC report and take action against illegal occupants residing in Govt. flats (Sr. 9).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 7).

Audit seeks implementation of DAC directives besides strengthening its financial management to avoid such lapses in future.

6.5.20 Abnormal delay in execution of development schemes - Rs. 9,687.280 million

According to Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

During audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that works of Rs. 9,687.280 million were awarded to the contractor(s) but the same were not completed despite lapse of 04 to 18 years. The details are given in **Annex-5 of Chapter-6**.

Audit is of the view that non-completion of the schemes within the stipulated time deprived the general population of the benefits of the schemes and consequently increased the cost of these schemes due to escalation and depletion of works so far executed. This also reflected poor project oversight and faulty financial planning.

The matter was reported to the management during May to November, 2024. The management at Sr.1,6,12,15,25,26,27,28,29 of annexure replied that delays are due to non-release of funds from the Finance Department and some of the schemes are under revision due to escalation. Remaining offices did not submit replies.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to provide record to audit relating to financial releases (Sr.1,6,12,17). Take up matter with Finance and P&D Department to ensure the release of sufficient funds for the completion of public importance schemes (Sr.15). Fix the responsibility against the concerned officials (Sr.25). Expressed serious

concerns due to non-release of meagre amount of Rs. 1.2 million and take up the matter with P&D Department (Sr.26).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2 to 5, 7 to 11,13,14,16,18 to 24,30, 31). Further, the offices at Sr.1,6,12,15,17&26 did not produce the relevant record in compliance of DAC directives.

Audit seeks completion of the public importance schemes on priority and implementation of DAC directives.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 6.5.28 having financial impact of Rs. 3,459.858 million. Recurrence of same irregularity is a matter of serious concern.

6.5.21 Non-imposition of liquidity damages on delayed works – Rs. 486.701 million

As per Para-10.3(c) of SPPRA Procurement Regulations (Works), “Liquidated damages shall be deducted from the contract amount for every day or part of a day, which will elapse between the dates on which the prescribed time expired and the date the work is completed at the rate specified in the contract agreement. The amount of the liquidated damages for each day of delay in completion of the whole of the works, or if applicable for any section thereof, shall be a sum equal to 5 to 10% (it is to be mentioned in the agreement) of the estimated cost of the works divided by one fourth of the number of days specified as completion time.”

During the audit of the various offices of the Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that penalty of Rs. 486.701 million was not imposed on the contractors against the schemes which were not completed on the stipulated dates. The details are given in **Annex-6 of Chapter-6**.

Audit is of the view that the non-imposition of penalty against delayed works was undue favor extended to the contractors.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 03, 12,13,16,19,22,24 of annexure, replied that the main reason for non-completion of works within the stipulated time period was non-release of funds by the Government of Sindh and hence penalty on the contractors could not be feasible as they were not at fault. Further, the management at Sr.15, replied that the work is nearly on completion in the time span of 03 years. Being the umbrella scheme, all the 45 Nos. units of grain storage platform are nearly on completion.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to produce financial phasing, releases and expenditure for verification (Sr.3,12 to 14,17,21, 22) and to fix the responsibility against the concerned officials (Sr.15).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1,2,4 to 11,16, 18 to 20,23&24). Further, the offices at Sr.3,12 to 14,17,21, 22 did not produce the relevant record in compliance of DAC directives.

Audit recommends recovery and strict implementation of procurement regulation to avoid such irregularities in future.

6.5.22 Unjustified execution of work within short duration - Rs. 1,155.450 million

As per Para-17 of C.P.W.A code, “The Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that expenditure of Rs. 1,155.450 million was incurred and works were executed within days of the award of works. The details are given in **Annex-7 of Chapter-6**.

Audit is of the view that the execution of works in very short period of time after issuance of work orders implied that advance payment was made to the contractors without execution of works at site which is contrary to the contract agreement.

The matter was reported to the management during May to November, 2024. The matter was also reported to the PAO/ Chief Secretary as critical issue (Sr. 4&13). The management at Sr. No. 9,10,11,12,13,15 of annexure, replied that the works were awarded to most experienced and well-equipped contractors who utilized all their efforts day & night to execute schemes and measured the progress at site of works recorded in the MBs.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to conduct inquiry into the matter and submit the report. (Sr. 12,13&15). To produce record to audit (Sr. 9, 10,11).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr. 1 to 8,14&16). Further, the offices at Sr. 9, 10,11 did not produce the relevant record in the light of DAC directives.

Audit recommends fixing of responsibility on the person(s) at fault besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 6.5.43 having financial impact of Rs. 202.202 million. Recurrence of same irregularity is a matter of serious concern.

6.5.23 Retention of original call deposit – Rs. 66.877 million

According to Para-63 of CPWA Code, “When money is received by Government officers on behalf of the Government it should be at once brought to account. Furthermore, as per Rule-75 and Rule-76 of CPWA code, the officer in charge of call deposit should keep a book in Form-4 in which all remittances to the treasury should be entered upon and the account of call deposit transactions should be maintained in form-I of call deposit as regular arrangement.”

During the audit of the following offices of Works & Services department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 66.877 million was received as bid security/call deposit from the contractors in the shape of pay orders, however the same were retained rather than depositing into the Treasury. Details are as under:

(Rs. in Million)

Sr#	Name of office	Financial year	AIR #	PDP #	Particular	Amount
1	XEN, District Highways Division Dadu	2022-23	13	60	CD retained instead of credit to government	24.940
			05			30.120
2	XEN, Provincial Highways Division Khairpur	2023-24	12	677		11.817
Total						66.877

Audit is of the view that retention of the government money instead of depositing in the treasury reflected financial negligence on the part of the management.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 02, replied that the call deposit was obtained from the contractor as Bid Security. The said call deposit was available with this office as another CD was deposited.

DAC in its meeting dated 18th & 19th December, 2024 directed that PAO to conduct inquiry into the matter and submit the report (Sr.2).

The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1).

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-23 vide para number 6.5.31 having financial impact of Rs. 22.050 million and 2023-24 vide para number 6.5.49 having financial impact of Rs. 519.006 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.24 Award of works without eligibility criteria – Rs. 900.124 million

As per Rule-42(1) Sindh Public Procurement Rules, 2010 read with Rule 2 (x), “All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents.” and “Mis-procurement means public procurement in contravention of any provision of

Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement.”

During audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that various works of Rs. 900.124 million were awarded to the contractors, but mandatory bidding documents as required in Notice Inviting Tenders were not available to verify the eligibility of the contractors. The details are as under:

(Rs. in Million)

Sr. #	Name of office	AIR #	PDP #	F.Y	Particulars	Amount
1	XEN, Provincial Building Division-II, Karachi	6	427	2023-24	Registration with Pakistan Engineering Council (PEC),	288.375
2	XEN, Highways Division, Matiari	2	462	2023-24	Sindh Revenue Board (SRB), Turn over, list of machinery & Engineering staff and 5% call deposits	591.873
3	XEN, Highways Division, Tharparkar @ Mithi	6	547	2023-24	Bank statements of last three years & Audited reports from (ICAP) registered firms of thirty-three development/non-development schemes	19.876
4	XEN, Machinery Maintenance Division, Khairpur @ Shikarpur	7,8	304, 305	2022-23		-
Total						900.124

Audit is of the view that the award of works without relevant bidding documents is a serious negligence on the part of the management.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 1&4 replied that the necessary documents including PEC, SRB, turn over, list of machinery and Engineering staff were available. The reply of the management was not tenable since relevant record was not produced.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification. However, no record was produced (Sr.1&4).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2&3).

Audit recommends fixing of responsibility on the persons at fault besides strict adherence to procurement regulations to avoid such lapses in future.

6.5.25 Irregular payment without recording date of measurement – Rs. 263.077 million

According to Para-17 of C.P.W.A code, “The Divisional officer as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-2023 & 2023-24, it was observed that expenditure of Rs. 263.077 million was incurred on various civil works, but measurement of the works was neither recorded in Running Account bills nor the MBs were produced to Audit. The details are as under:

(Rs. in Million)

Sr#	Name of office	AIR #	PDP #	Year	Amount
1	XEN, District Buildings Division-III, Karachi	16	143	2022-23	6.787
2	XEN, Provincial Highway Shaheed Benazirabad	10	378	2023-24	110.010
3	XEN, District Buildings Division, Umerkot	7	630	2023-24	16.267
4	XEN, District Highway Division, Umerkot	6	638	2023-24	130.013
Total					263.077

Audit is of the view that non-recording of expenditure reflected negligence on part of the management and chances of excess payment to the

contractors or less execution of work against the identified scope could not be ruled out.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 2 replied that the detailed measurement of each work was recorded by the Assistant Engineer concerned and also mentioned in the MBs.

DAC in its meeting dated 18th & 19th December, 2024 directed the PAO to fix the responsibility against the concerned officials (Sr. 2).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1,3&4).

Audit recommends fixing of responsibility on the person(s) at fault besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

6.5.26 Award of work without obtaining due amount of earnest money – Rs. 5.425 million

As per Terms & Condition of the contract, “Bid Security / Earnest Money not less than 5% of offered bid in the shape of call deposit /pay order/demand draft must be accompanied with technical bid”.

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that the earnest money @5% of Rs. 5.425 million was not obtained from the successful bidders at the time of tender process, as the successful bidders were required to furnish Earnest Money within a period of fourteen days after the receipt of Letter of Acceptance. Details are as under;

(Rs. in Million)

S.No	Name of office	AIR #	PDP #	F.Y	Amount
1	XEN, Provincial Building Division Shaheed Benazir abad	5	587	2023-24	3.722
2	XEN, District Building Division Naushahro feroze	10	10	2022-23	1.703
Total					5.425

Audit is of the view that non-obtaining of bid security reflected extending undue benefit to the contractor and raised doubts about the transparency of the tendering process.

The matter was reported to the management during May to November, 2024. The management replied at Sr.1 that the earnest money for the prescribed amount has been obtained from the concerned contractors.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the record for verification.

The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2).

The management at Sr.1 produced copy of call deposits/pay orders but did not produce NIT, bidding documents to verify the CDs and challans in the light of works as per NIT schemes.

Audit recommends strict compliance with procurement regulations besides fixing of responsibility on the person(s) at fault.

6.5.27 Un-justified execution of schemes without monitoring/inspections – Rs. 5,584.248 million

As per Sindh Delegation of Financial Powers & Financial Controls Rules 2019, “Powers common to civil works, 1- sanction of expenditure for civil works on roads, highways & bridges & drainage works, building and other works, prior to making payments to contractors for original or repair and maintenance works, the Competent Authority sanctioning the expenditure for Civil Works both development and non-development, shall personally verify execution or completion of original works or repair and maintenance works carried out under their administrative and financial control and they shall also verify quality of works”.

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial year 2023-2024, it was observed that as per Form-64 of monthly account, expenditure of Rs. 5,584.248 million was incurred on various schemes, but no monitoring / inspection were

conducted by head of the offices & controlling officers to assess physical progress at sites against payments. The details are as under:

(Rs. in Million)

Sr#	Name of office	AIR #	PDP #	Amount
1	XEN, Provincial Highways Division Sanghar	11	406	5,296.264
2	XEN, Provincial Building Division Shaheed Benazirabad	21	603	287.984
Total				5,584.248

Audit is of the view that the payment to the contractors made without physical inspection reports of the schemes reflected poor project management.

The matter was reported to the management in November, 2024. The management replied that as per prevailing procedure the development works have duly been inspected by the higher offices, Monitoring and Evaluation Cell under P&D Department and the Chief Minister Inspection Team to ascertain the quality of works.

DAC in its meeting held on 18th & 19th December, 2024 directed the management to produce the relevant record for verification.

In compliance to DAC directives, the management at Sr.1 produced only two monitoring reports. Due to non-production of complete record, verification could not be concluded. The management at Sr.2 produced only 04 monitoring reports issued by MEC P&D department, out of which only 01 report was found satisfactory. Further, the department did not produce reports of remaining works.

Audit recommends inquiry in three schemes which were found unsatisfactory by the Monitoring Committee. Reports of other schemes may be shared with audit besides strengthening of internal controls.

6.5.28 Irregular execution of work beyond 15% of contract amount – Rs. 2,538.799 million

According to SPPRA, 2013, “Repeat Orders means, procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the

project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that various works involving Rs. 11,649.734 million were awarded to the contractors. However, while reviewing the Running Account bills, it was noticed that the works were executed to the extent of Rs. 14,188.117 million which is beyond the permissible limit of 15% of the original work orders. The details are given in **Annex-8 of Chapter-6**.

Audit is of the view that execution of works beyond the permissible limit of 15% of the original contract value is irregular and violation of SPPRA rules.

The matter was reported to the management during May to November, 2024. The management (at Sr. No. 2,6,7,9,10,11,12,14&15 of annexure) replied that the revised technical sanctions were obtained and in some cases the works executed were over and above original cost within the allowed limit of 15%.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to constitute fact-finding Committee to probe in the matter and submit report since the original cost was Rs. 1.998 million which was increased to Rs. 12.102 million i.e. above by 600% (Sr.9). To produce record to audit for verification (Sr.2,7,10,11,14&15).

The offices at Sr.2,7,10,11,14,15 did not produce the relevant record which includes i.e. escalation chart, details of scope changed, revised estimates etc.

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1,3 to 6,8,12&13).

Audit recommends implementation of DAC directives besides strengthening its project planning to adhere to procurement regulations.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para number 6.5.30 having financial impact of Rs. 1,211.637 million and 2023-24 vide para number 6.5.39 having financial impact of Rs. 959.892 million. Recurrence of same irregularity is a matter of serious concern.

6.5.29 Irregular payments at reduced rates – Rs. 729.800 million

According to Clause-8 of the Standard Bidding Document of SPPRA, “In cases where the items of work are not accepted as so completed, the Engineer-in-charge may make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final or on running account bills with reasons recorded in writing.”

During the audit of the various offices of the Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that the payment for various items of works involving Rs. 729.800 million was allowed on reduced rates to the contractor(s) without recording any reasons. The details are given in **Annex-9 of Chapter-6**.

Audit is of the view that the management was required to carry out the work as composite item but payment made at part rate which implies that either the payment was made in advance without provision in the contract only to avoid lapse of budget or partial /defective execution of work was carried out.

The matter was reported to the management during May to November, 2024. The management (at Sr.1,6,10,11,12&13 of annexure) replied that the executive engineer is fully competent to make payment at reduced rate till completion of items as per approved specifications and thus payment was made to the contractor at full rate as per R.A. Bills. Remaining offices did not submit replies.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed that PAO to fix the responsibility against the concerned officials (Sr.11)

The management at Sr.6,10,12&13 did not produce relevant record which included final bills, M.Bs, Rate Analysis etc.

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 5,7 to 9,14,15&16).

Audit recommends fixing of responsibility on the person(s) at fault besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-23 vide para number 6.5.53 having financial impact of Rs. 60.060 million and 2023-24 vide para number 6.5.27 having financial impact of Rs. 982.257 million. Recurrence of same irregularity is a matter of serious concern.

6.5.30 Irregular payment on sub-base course without layer-wise compaction test report– Rs. 458.085 million

According to ASTM (American Society for Testing and Materials) D1557 - 12 Standard Test Methods for Laboratory Compaction Characteristics of Soil Using Modified Effort, the earth work made with the loose earth ought to be compacted and test should be conducted for such a compaction to measure the degree of compaction required for the work.

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that expenditure of Rs. 458.085 million was incurred on preparing sub-base course but layer-wise compaction test report was not carried out. In absence of essential test report, the quality of the work could not be ascertained. Details are as under:

(Rs. in Million)

Sr.#	Name of office	AIR#	PDP#	Financial Year	Amount
1	XEN, District Highways Division, Dadu	9	264	2022-23	60.916
		17	265		35.808
2	XEN, District Highways Division, Jacobabad	5	290	2022-23	54.068
3	XEN, Machinery Maintenance Division Khairpur @ Shikarpur	20	317	2022-23	276.981
4	XEN, Machinery Maintenance Division Umerkot	08	337	2023-24	30.312
Total					458.085

Audit is of the view that preparing sub-base course in the absence of layer-wise compaction test resulted in compromised quality of work.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 3&4, replied that the item of sub-base course was carried out according to approved specifications. The reply of the management was not tenable since in road sector quality soil compaction is core

function to achieve the quality of the work. Remaining offices did not submit replies.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed the PAO to fix the responsibility against the concerned officials and submit the record for verification (Sr.3&4).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 & 2).

Audit recommends fixing of responsibility on the persons at fault.

6.5.31 Irregular award of work without renewal of PEC licenses - Rs. 1,159.713 million

According to Rule-11 of General Financial Rules, Volume-I, “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.”

During the audit of the office of the Executive Engineer, Provincial Highways Division, Sukkur for the financial year 2023-24, it was observed that three works amounting to Rs. 1,159.713 million were awarded with the last date of bidding on 31-07-23, however, the PEC registration of the concerned contractor M/s ZMH Construction Co. expired on 30-06-23. Further, the contractor had the limit of Rs. 500 million in engineering works but cost of the awarded work was above his entitled limit for which contractor was not eligible. The details are as under:

(Rs. in Million)

Name of Work	Name of Contractor	Amount
W/R of road from Kath Pull to Jarwar via Hayat Pitafi (with approaches) 0/0-7/4	M/s ZMH Constr.	482.762
W/R of road from Khanpur Mahar to sardar garh (Taken up length up to malik sahib) Mile 5/0-8/3 asphalt i/c bypass from Lund Bazar Road along sardar garh road mile 0/0-1/2 asphalt UC Kandlo taluka khan Garh Distt. Ghotki (Widening 24' ft & Dual carriage road		188.217

Name of Work	Name of Contractor	Amount
W/R of road from Khanpur Mahar to Sardar Garh phase-II-mile 0/0-8/5 asphalt (widening 24 ft and dual carriage road) UC Kandlo Taluka khan Garh Distt Ghotki		488.734
Total		1159.713

Audit is of the view that award of works beyond the limit of business strength allowed by Pakistan Engineering Council and without having renewal of PEC registration is irregular & unjustified.

The matter was reported to the management in November, 2024. The management replied that the contractor M/s ZMH Construction Co. had already applied with PEC for renewal of Registration.

DAC in its meeting held on 18th & 19th December, 2024 directed the PAO to take up the matter with PEC for clarification.

Audit recommends implementation of DAC directives.

(AIR No. 10, PDP#370)

6.5.32 Deterioration / Dilapidation of road due to non-observance of quality checks

According to Para-23 of General Financial Rules Volume – I, “Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the audit of the Executive Engineer, Provincial Highways Division, Thar @ Mithi for the financial year 2023-24, it was observed that the scheme for the "Widening and Improvement of the Road from Wango Mor to Thar Coalfield Area Mithi, Islamkot (134 KM)" was completed by the Sindh Thar Coal Authority in 2016 and handed over to the Provincial Highway Division Mithi on July 6, 2018. Pictorial evidence showed that road was neither built as per required standards considering the soil condition nor properly maintained which resulted in deterioration (developed holes) at various places of the road, particularly from Mithi to Islamkot.

Audit is of the view that due to non-observance of quality checks & regular maintenance, huge expenditure was wasted due to non-conducting of soil tests and layer-wise compaction report.

The matter was reported to the management in November, 2024. The management replied that the scheme was taken by Sindh Coal Authority and the scheme was completed in 2016, thereby after lapse of two years the same was handed over to Provincial Highway Division Thar @ Mithi. The concerned authorities were requested to approve the special M&R for the road and considerable time had passed but no maintenance work on the subject road was carried out.

DAC in its meeting held on 18th & 19th December, 2024 directed to conduct road survey, soil testing and reasons for not construction of retaining wall alongside PAO to take up the matter with Finance department for release of funds.

Audit recommends implementation of DAC directives besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(AIR#01, PDP#390)

6.5.33 Irregular acceptance of single bid without market analysis – Rs. 3,767.505 million

As per Rule-48 of Sindh Public Procurement Rules, 2010, “If a single bidder participates for the bidding process, the rates will be compared with market rates or last awarded contract.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that contracts of various schemes involving Rs. 3,767.505 million were awarded on single bid basis without comparison of market rates. Further, the market rate analysis and rates of previous contracts of similar nature of works were also not available in record. The details are given in **Annex-10 of Chapter-6**.

Audit is of the view that awarding of contracts to single bidder without conducting market rate analysis raised questions on transparency in the tendering process.

The matter was reported to the management during May to November, 2024. The management (at Sr.1,7,8,12&15 of annexure) replied that the contracts were awarded to the single bidders after proper evaluation by the procurement committee and comparison of rates with the last awarded contracts of similar nature. The reply of the management was not tenable since no supporting documents were provided.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to produce NIT and BERs for verification (Sr.1,7,8&15).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2 to 6,9 to 14).

The offices at Sr.1,7,8&15 did not produce the relevant record which includes details of NITs, estimates of previous works awarded to contractors etc.

Audit recommends fixing of responsibility on the persons at fault besides strict adherence to procurement regulations to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Years 2022-23 vide para number 6.5.28 having financial impact of Rs. 64.968 million. Recurrence of same irregularity is a matter of serious concern.

6.5.34 Irregular execution of work in deviation of specifications – Rs. 1,780.081 million

According to Para-528 of Public Works Departmental Manual states that, “No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that expenditure of Rs. 1,780.081 million was incurred on various works in deviation of approved specifications. The details are given in **Annex-11 of Chapter-6**.

Audit is of the view that execution of works in deviation of approved cost of work without any alteration in design reflected deviation from the approved estimate stands irregular and unauthorized.

The matter was reported to the management during May to November, 2024. The management (at Sr.7,12,16,23,24,28,30,31,36&38 of annexure) replied that the work was executed as per detailed working estimate duly sanctioned by the competent authority and as per site requirements. The reply of the management was not tenable since no documentary evidence was provided.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification (Sr.12,16,28,30,31,36).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 11,13,14,15,17 to 27,29,32,33,34,35,37). Offices at Sr.30,31,36 did not produce the relevant record which includes revised estimates and provision of work in the PC-I etc.

Audit recommends implementation of DAC directives besides strengthening its project planning to adhere to procurement regulations.

6.5.35 Irregular refund of Security Deposit – Rs. 198.095 million

As per 7.12.3(i) of SPPRA, Procurement Regulation (Works), “Security Deposit can be released in either of following ways: (a) On completion of the works; half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction; (b) Full amount be released after completion of defect liability period.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that security deposit of Rs. 198.095 million was refunded during the execution of work and prior to completion of defect liability period. The details are given in **Annex-12 of Chapter-6.**

Audit is of the view that release of security deposit before completion of work/ defect liability period is violation of SPPRA rules which reflected weak financial management.

The matter was reported to the management during May to November, 2024. The management (at Sr. No. 1,3,10,11,12,13&18 of annexure) replied that the security deposits were refunded to the contractors after completion of defect liability period. The reply of the management was not tenable since no documentary evidence was provided.

DAC in its meeting dated 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification (Sr.1,3,11,12,13,18).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2,4 to 10,14 to 17).

In compliance with DAC directives, the offices at Sr.12,13&18 did not produce the relevant record which include MBs, proof of deduction of security deposit, PC-IV etc.

Audit recommends implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para number 6.5.10 having financial impact of Rs. 232.203 million and 2023-24 vide para number 6.5.24 having financial impact of Rs. 405.004 million. Recurrence of same irregularity is a matter of serious concern.

6.5.36 Doubtful payment on account of duplication of work – Rs. 20.646 million

As per Appendix 18-A of Sindh Financial Rules, Volume-I, “Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial year 2022-2023, it was observed that similar / identical works of Rs. 20.646 million were awarded to the contractors within the same location during the same financial year raising doubts over dual payments. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	AIR #	PDP #	Financial Year	Particulars	Exp:
1	XEN, District Highways Division, Nausharo Feroze	06	14	2022-23	Same nature of 02 works - Const./ Rehab. of various roads in village UC Kot Satbo Taluka Moro	14.361
2	XEN, Provincial Buildings Division, Larkana	11	25	2022-23	Same nature of 02 works - M&R Public facilities essential work around Mausoleum at Garhi Khuda bux bhutto dist Larkana (Front of Stage & Stage Bathrooms & Gate No.10 Lavatory blocks entry gates) Electrification work	2.445
3	XEN, District Building Division Thatta	16	118	2022-23	Same nature of 02 works- Renovation & fixing Solar Plant 10/11.KV in Administration block of deputy commissioner office Thatta & Makli in the same office premises to single vendor	3.840
Total						20.646

Audit is of the view that execution of similar / identical works at same locations indicated wastage, overlapping and misuse of public money.

The matter was reported to the management in May, 2024. The management at Sr.2 replied that both schemes were different and awarded to different contractors but due to slight typographical error in the work order therefore, created confusion regarding duplication of the scheme. The reply of the management was not tenable since payments are made on same works and locations which were also reflected in their bills.

DAC in its meeting held on 16th October, 2024 directed to produce the relevant record for verification. However, no record was produced (Sr.2).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1,3).

Audit recommends fixing of responsibility on the persons at fault besides placing a sound/effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

6.5.37 Award of work below approved estimated cost -Rs. 4.00 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During the audit of the Executive Engineer, Provincial Building Division Shaheed Benazirabad, for the financial year 2023-24, it was observed that against an estimated cost of Rs. 4.00 million, the work was awarded / executed at Rs. 2.868 million which was 28% below the estimated cost. The details are as under:

(Rs. in Million)				
Name of work	Cheq/dt	W.O/dt	Executed Amount	Estimated Cost
M/R Veterinary Hospital including Compound wall and gate village Bhelaro Tehsil Gambat Hospital finishing work court yard wall	5440847 /21.6.24	3688/ 31.5.24	2.868	4.00

Audit is of the view that the execution of work was not carried out in the light of estimated cost.

The matter was reported to the management in November, 2024. The management replied that the estimate is prepared on thumb rule. However, there were acute site problems and most of the items of work were curtailed. The reply of the management is not tenable since the bidding data submitted by the contractor shows cost of work of Rs. 4.00 million which was accepted by the Executive Engineer without showing any document of amendment /revision in the cost of work duly sanctioned.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the record for verification.

In compliance with DAC directives, the management did not produce the relevant record which included approval of revised estimates with the reasons of curtailment in the items.

Audit recommends implementation of DAC directives besides strengthening its project planning to adhere to procurement regulations.

(AIR#06, PDP#588)

6.5.38 Splitting of expenditure to avoid competitive bidding - Rs. 258.195 million

Rule-12 (1) of SPPRA 2010, “All proposed procurements for each financial year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan. Rule 17 (1) ibid provides that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in the rules.”

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that various works amounting to Rs. 258.195 million were awarded by splitting to avoid competitive bidding. Details are as under:

(Rs.in Million)

Sr.#	Name of Office	Year	AIR #	PDP #	Amount
1	XEN, District Highways Division Kashmore	2022-23	19	61	0.676
2	XEN, District Buildings Umerkot	2022-23	16		1.358
3	XEN, District Highways Division Mithi		7		1.199
4	XEN, Provincial Buildings Hyderabad	2022-23	6		9.175
5	XEN, District Buildings Division-III, Karachi	2022-23	26	152	8.660
6	Superintending Engineer (Works & Services), Karachi	2012-13 to 2022-23	3	154	0.723
7	XEN, Provincial Buildings Division, Hyderabad	2022-23	2	86	177.121
8	XEN, Provincial Buildings Division-II, Karachi	2023-24	9	430	8.096
9	XEN, Highways Division Khairpur	2023-24	1	528	34.944

Sr.#	Name of Office	Year	AIR #	PDP #	Amount
10	XEN, Provincial Buildings Division, Shaheed Benazirabad	2023-24	12	594	11.241
11	XEN, District Buildings Division-III, Karachi	2022-23	25	151	5.002
Total					258.195

Audit is of the view that the splitting up the work orders to avoid open tender is violation of SPPRA rules.

The matter was reported to the management during May to November, 2024. The management replied that the quotations were invited as per SPPRA rules and splitting was out of question. (Sr.3). The amount pertains to M&R of different nature of works carried out at different locations. (Sr. No. 04&10). The schemes were approved by the competent forum and carried out as per approved scope & procurement plan. (Sr. No. 07). The expenditure pertains to petty work of day-to-day basis. (Sr. No. 08).

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification for offices at Sr.4,7,8&10.

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr. 1,2,3,5,6,9,11).

The offices at Sr.8&10 did not produce the relevant record which includes technical sanction of estimates, R.A. bills, MBs etc. Further, no relevant record was produced in the light of DAC directives by offices at Sr.4&7.

Audit recommends fixing of responsibility on the persons at fault besides strict adherence to procurement regulations to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para number 6.5.16 having financial impact of Rs. 4,506.857 million and 2023-24 vide para number 6.5.37 having financial impact of Rs. 33.675 million respectively. Recurrence of same irregularity is a matter of serious concern.

**6.5.39 Irregular payment of difference cost of material on lump sum basis
– Rs. 53.227 million**

As per SPPRA guidelines 6.2.2 (2), “Procuring agency shall prepare the Bill of Quantities appropriate to the works. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the contractor and verified by the Engineer and valued at the rates and prices tendered in the bill of the quantities.”

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that payment of Rs. 53.227 million was made to the contractors on account of difference cost of material on lump sum basis without any details of materials in the bills. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	F.Y	Particulars	AIR #	PDP #	Amount
1	XEN, District highways Naushaharo Feroze	2022-23	Difference of cost of material cement, bricks, steel, stone metal, crush bajri, pit sand and bricks	10	64	2.403
2	XEN, District Buildings Division Naushaharo Feroze	2022-23		07		1.680
3	XEN, District Highways Division Mithi	2022-23		02		9.966
4	XEN, Machinery & Maintenance Umerkot	2023-24		03	334	11.366
5	XEN, Highways Division Dadu	2023-24		06	520	20.972
6	XEN, District Highways Division, Khairpur	2022-23		10	26	6.840
					Total	53.227

Audit is of the view that allowing payments without ascertaining the quantities and rates reflected poor financial management.

The matter was reported to the management during May to November, 2024. The management at Sr.3,4 replied that the difference of cost of material was allowed by the Standing Rates Committee, being a competent forum as per rules and date-wise measurements on account of work done were documented. The reply of the management was not tenable since no documentary evidence was produced in support of their contention. Remaining offices did not submit replies.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the relevant record for verification. However, no record was produced (Sr.No.4).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1,2,3,5,6).

Audit recommends production of record in the light of DAC directives besides strengthening its system for payment of differential cost to avoid such lapses in future.

6.5.40 Non-crediting of government revenue in treasury – Rs. 235.545 million

According to Para-63 of CPWA Code, “When money is received by Government officers on behalf of the Government it should be at once brought to account. Further, as per Rule-75 and 76 of CPWA code, the officer in-charge of call deposit should keep a book in Form-4 in which all remittances to the treasury should be entered upon and account of call deposit transactions should be maintained in form-I of call deposit as regular arrangement.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that call deposits amounting to Rs. 235.545 million were retained by the management instead of depositing the same in the government treasury. The details are given in **Annex-13 of Chapter-6**.

Audit is of the view that non-depositing of call deposits in treasury reflected weak financial management.

The matter was reported to the management during May to November, 2024. The management (at Sr. No. 2,16&19 of annexure) replied that the Call Deposits were deposited in the treasury and same were also reflected in Form-78 in the Monthly Account. The reply of the management was not tenable since no documentary evidence was produced in support of their contention.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification. However, no record was produced (Sr.2,17,19,20).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1,3 to 11,12,13,14,15,16&18).

Audit requires crediting of government revenue in treasury without further delay besides strengthening financial controls to avoid such lapses in future.

6.5.41 Non/Less deduction of security deposit - Rs. 89.511 million

As per Performance Security (SPPRA Rule 39), “A Procuring Agency shall, in all procurement of works, carried out through open competitive bidding, require security in an amount sufficient to protect the procuring agency in case of breach of contract by the contractor, provided that the amount shall not be more than 10% of the contract price. Normally in contracts of works, five percent of total bid cost is obtained as performance security and remaining part is deducted from running bills as security deposit and same must be mentioned in the Data Sheet of Bidding Document. The successful bidder shall furnish to the Procuring Agency a performance security in the form and the amount stipulated in the conditions of contract within a period of fourteen (14) days after the receipt of letter of acceptance.” Further, as per Para-89 of CPWA Code “Security, for the fulfilment of the contract, should invariably be taken from the contractors. The security may be taken in form of cash deposit, deposit of interest-bearing securities, deduction of 10% from the payment to be made on the work done or personal bond of two persons of known probity and wealth.”

During the audit of the various offices of the Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that different works were awarded to contractors, but security deposit of Rs. 89.511 million was not / less deducted from the bills. The details are given in **Annex-14 of Chapter-6**.

Audit is of the view that the management failed to deduct security deposit amount on works from contractors in violation of above rules.

The matter was reported to the management during May to November, 2024. The management (at Sr.3,5,7,8,9,12,13,16,17 of annexure) replied that as per Rule 39 of SPPRA, performance security shall not be more than 10% and thus it is not mandatory to deduct security deposit @ 10% from each bill as per bidding data, percentage of Bid Security was mentioned @ 5% received in the shape of call deposit and balance 3% was deducted from each bill. The reply of the management was not tenable as offices were required to deduct security deposit at 10%.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification (Sr.3,7,8,9,12,16,17).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1,2,4,5,6,10,11,13,14,15).

The offices at Sr.No.9,12,16,17 did not produce the relevant record which included evidence of newspapers, copies of CDs and corrigendum's etc. Further, the remaining offices at Sr.3,7&8 did not produce the relevant record in the light of DAC directives.

Audit recommends expeditious recovery besides strengthening its internal controls to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para number 6.5.18 having financial impact of Rs. 207.228 million and 2023-24 vide para number 6.5.25 having financial impact of Rs. 1,721.73 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.42 Irregular award of work to second lowest bidder– Rs. 293.218 million

As per SPPRA Rule-46 (2) (J), bid found to be the lowest evaluated or best evaluated bid shall be accepted.

During the audit of the Executive Engineer, District Highways Division, Khairpur for the financial year 2022-23, it was observed that works amounting to Rs. 293.218 million were awarded to the second lowest bidder since the lowest

bidder was rejected on the ground of producing duplicate CD as mentioned in Bid Evaluation Report. On the other hand, reasons of the rejections as per bidding documents was non-availability of CD. Thus, contradictory stance in bidding process was observed. The details are as under:

(Rs. in Million)

Sr.#	Name of work	Work order # /date	Work awarded to Contractor	Lowest bid quoted	Higher bid accepted	Tender amount
1	Rehab./recond. of road from Khairpur Machiyyon road NIT#290 Sr.#108, 9 th R.A Bill, CV#H-56, 9-6-23 T00672-21-0005	392/22 01-06-2022	Z.A Associate Construction Co.	88.937 Bhambro Const. Co.	98.097 Z.A Associate Construction Co.	98.097
2	Recond./ Rehab. of road from old National Highway over towards from Khairpur Sr.#109, 9 th R.A Bill CV#H-20, 15-5-23	391/22, 01-06-2022	Tauheed Construction Co.	90.821 Adeel Const. Co	97.826 Tauheed Construction Co.	97.826
3	Rehabilitation of Internal Road of city 0/0-3/1 (5.0 kms) Sr.#106, 4 th R.A Bill, CV#H-115, 13-6-2023	468, 2022 30-05-2022	Basheer Ahmed Mahar	83.731 Adeel Ahmed Const. Co	97.295 Basheer Ahmed Mahar	97.295
Total						293.218

Audit is of the view that the award of works to the second lowest bidders not only resulted into violation of SPPRA rules leading to mis-procurement, but also spirit of competitive bidding was also compromised.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends inquiry into the matter besides fixing of responsibility on the person(s) at fault.

(AIR #1, PDP#02)

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para number 6.5.37 having financial impact of Rs. 548.151 million. Recurrence of same irregularity is a matter of serious concern.

6.5.43 Excess payment on account of bitumen – Rs. 352.409 million

According to the Notified Rates of National Refinery Limited dated 19-05-2023, “The approved rate of the Asphalt Grade 80/100 packed was Rs. 171,752.27 P. ton. (Rs. 145,552.77 + 18% GST of Rs. 26,199 P. ton). The CSR, 2012 rate of the same item was Rs. 86,213 P. ton. Hence, the admissible differential cost of the item was Rs. 85,539.27 P. ton.”

During the audit of various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 352.409 million was paid to the contractors against excess rates of bitumen contrary to admissible rates. The details are given in **Annex-15 of Chapter-6**.

Audit is of the view that excess payment indicated undue benefit was extended to the contractor(s) at the cost of public exchequer.

The matter was reported to the management during May to November, 2024. The matter was also reported to the PAO/ Chief Secretary as critical issue (Sr. 4 of annexure). The management at Sr. No. 07 replied that the bitumen was purchased by the contractors from authorized dealers of National Refinery whereas consumption of bitumen is made according to formula mentioned in the description of the relevant item. Moreover, rate of difference was allowed in the light of rates circulated by the refinery. The reply of the management was not tenable since payment other than approved rate is inadmissible.

DAC in its meeting held on 16th October, 2024, directed to produce the relevant record for verification. However, no record was produced (Sr.7).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 6,8,9).

Audit seeks recovery and fixing of responsibility on the person(s) at fault besides strengthening internal controls to avoid such lapses in future.

6.5.44 Irregular payment at higher rates than approved CSR rates – Rs. 326.189 million

According to Para-8(4) of Schedule of Rates - 2012, “The schedule of rate may be found inadequate to carry out certain item of works. In such cases, the only competent body to review the position is the standing rate committee. All such cases should therefore, be referred to the Secretary, Standing Rate Committee, for decision of the committee.”

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs. 326.189 million was paid in excess on various items of works due to payments on higher rates than the approved Composite Schedule Rates 2012. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	F.Y	Particulars	AIR #	PDP #	Excess amount
1	XEN, Highways Division, Ghotki	2022-23	Excess rate on paving blocks	6	38	1.003
			Excess rate on base course, sub-base and surface dressing	10		7.301
2	XEN, Provincial Building Division, Thatta	2022-23	Excess rates of steel paid in bills against BOQ	10		13.744
				14		43.935
3	XEN, Highways Division, Sukkur	2022-23	Excess rates paid on paving blocks	1		0.508
4	XEN, Highways Division, Khairpur	2022-23	Excess rates paid of sub base course	5	0.375	
5	XEN, Highways Division, Jacobabad	2022-23	60 mm paver block (natural color)	6	291	3.664
6	XEN, District Building Division Thatta	2022-23	Paving block 60 mm & Fabrication mild steel	6,22	109	0.377
7	XEN, Provincial Building Division-I, Karachi	2023-24	Excess rates paid on steel	01	414	163.791
8	XEN, Highways Division, Dadu	2023-24	Excess rate on base course and sub-base course	05	519	6.726
9	XEN, Building Division-II, Karachi	2022-23	RCC rate over CSR	3	185	15.555
10	XEN, Building Division-II, Karachi	2022-23	Excess rates paid on paving blocks	7	189	1.191
11	XEN, Provincial Building Division II, Karachi	2023-24	Excess rates paid on steel and RCC	11	643	13.952
12	XEN, Highways Division, Matiari	2023-24	Excess rates paid on paving blocks	06	466	54.067
					Total	326.189

Audit is of the view that execution of items at higher rates than CSR rates resulted in undue benefit to the contractors.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 02,7&11 replied that the extra rates were approved by the Chief Engineer Building Department Government of Sindh. The reply of the management was not tenable since payment on higher rates was made against approved CSR rates.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification. However, no record was produced (Sr .2).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr. 1,3 to 6,8,9,10&12).

The office at Sr.11 produced a field monitoring visit report issued by Monitoring and Evaluation Cell, Planning and Development Department which showed unsatisfactory remarks on the execution of scheme. Further, the office at Sr.7 did not produce the relevant record which included soil testing report and its approval from the Standing Rate Committee etc.

Audit seeks implementation of DAC directives besides strengthening its financial management to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2023-24 vide para number 6.5.26 having financial impact of Rs. 17.461 million. Recurrence of same irregularity is a matter of serious concern.

6.5.45 Unauthorized execution of works beyond jurisdiction – Rs. 1,389.408 million

As per Appendix 18-A of Sindh Financial Rules Vol-I, “Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by

his own action or culpable negligence.”

During the audit of the various offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that the management executed various schemes worth Rs. 1,389.408 million which were required to be executed by other government departments like PHE&RDD, Local Govt etc. The details are given in **Annex-16 of Chapter-6**.

Audit is of the view that due to the execution of the works beyond jurisdiction, chances of duplicate execution of works by different agencies cannot be ruled out.

The matter was reported to the management during May to November, 2024. The management (at Sr.1&12 of annexure) replied that the Government approved the schemes along with estimates and tenders were floated accordingly. The reply of the management was not tenable since no NOC was produced from the concerned departments.

DAC in its meeting held on 16th October, 18th & 19th December, 2024 directed to produce the relevant record for verification. However, no record was produced (Sr.8,12).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 7,9,10,11).

Audit recommends implementation of the Rules of Business, Government of Sindh, besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 6.5.2 having financial impact of Rs. 825.687 million and 2023-24 vide para number 6.5.17 having financial impact of Rs. 2,519.141 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.46 Excess expenditure over and above 5% of Technical Sanction – Rs. 474.902 million

As per Para-532 of Public Works Department Manual, “A revised estimate containing the facts and causes of revision must be submitted when sanctioned estimate is likely to exceed by more than 5% either rising from the rate being found insufficient or from other cause whatsoever.”

During the audit of the following offices of the Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an expenditure of Rs. 474.902 million was incurred in excess of the prescribed limit of 5% of the technical sanction without revision of the same. The details are given as below:

(Rs. in Million)

Sr #	Name of Office	Particulars	Financial Year	AIR Para No	PDP#	T.S amount	Exp.	Excess Amount
1	XEN Provincial Highways Khairpur	sanctioned estimate exceeded by more than 5%	2022-23	9	52	459.051	501.445	42.394
2	XEN, District Highways Mithi		2022-23	4		37.820	41.467	3.647
3	XEN, Highway Division Dadu		2022-23	20		19.997	22.787	2.790
4	XEN, Provincial Buildings Sukkur		2022-23	3		121.248	133.333	12.085
5	XEN Provincial Buildings, Division, Thatta		2022-23	3		143.593	204.037	60.444
6	XEN, Machinery Maintenance Division Khairpur at Shikarpur		2022-23	14	311	1,880.961	2,232.396	351.435
7	XEN, District Highways Ghotki		2023-24	5	509	10.190	12.298	2.107
Total						2,672.86	3,147.763	474.902

Audit is of the view that execution of the works beyond 5% of the original estimated quantities and non-revision of the technical sanction is irregular and violation of above rule.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 01,4,5&6, replied that the technical sanctions of the works were modified / revised from the competent authority. The reply of the management was not tenable since no approval from the competent authority was produced to audit.

DAC in its meeting held on 16th October, 2024 directed to produce record for verification. However, no record was produced (Sr.1,4,5&6).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2,3&7).

Audit recommends fixing of responsibility on the person(s) at fault besides strict adherence to government regulations to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 vide para number 6.5.22 having financial impact of Rs. 454.141 million and 2023-24 vide para number 6.5.21 having financial impact of Rs. 889.656 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.47 Non-hoisting of bidding documents on SPPRA website – Rs. 1,458.939 million

According to Rule-10 of Sindh Public Procurement Rules, 2010, “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement public through hoisting on the Authority's website as well as on procuring agency's website, if the procuring agency has such a website”. Further, Rule, 50 states that within fifteen (15) days of signing of contract, procuring agency shall publish on the website of the Authority and on its own website, if such a website exists, the results of the bidding process, identifying the bid through procurement identifying number, if any, and the following information: (1) Contract Evaluation Report; (2) Form of Contract and Letter of Award; (3) Bill of Quantities or Schedule of Requirement.

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial year 2022-23, it was observed that works amounting to Rs. 1,458.939 million were awarded to the

contractors but the management did not hoist their contract agreements, contract evaluation reports and award of contracts on SPPRA website in violation of above rules. Details are as under:

(Rs. in Million)

Sr.#	Name of Office	F.Y	AIR #	PDP #	Amount
1	XEN, Building Division, Naushaharo Feroze	2022-23	3	37	45.2
			1		235.8
2	XEN, Highways Division, Naushaharo Feroze	2022-23	5		484.2
3	XEN, Building Division, Umerkot	2022-23	4		62.752
4	XEN, Highways Division, Hyderabad	2022-23	5		35.61
5	XEN, Highways Division, Khairpur	2022-23	2		413
6	XEN, Highways Division, Kashmore @ Kandhkot	2022-23	4		12.5
			5	0	
7	XEN, District Buildings Division-III, Karachi	2022-23	14	141	169.877
				Total	1,458.939

Audit is of the view that non-hoisting of documents on Authority's website resulted in violation of SPPRA rules.

The matter was reported to the management in May, 2024. The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the person(s) at fault besides strict adherence to procurement regulations to avoid such lapses in future.

Note: The issue was reported earlier also in the Audit Reports for Audit Year 2022-23 vide para number 6.5.23 having financial impact of Rs. 1,193.870 million. Recurrence of same irregularity is a matter of serious concern.

6.5.48 Unjustified dual carriage included in the estimate –Rs. 94.974 million

According to Rule-56 of CPWA Code, "A properly detailed estimate must be prepared for the sanction of competent authority; this sanction is known as the technical sanction to the estimate and must be obtained before the construction of the work is commenced. Such sanction will be accorded by the officer of the Public Works Department authorized to do so. If, subsequent to the

grant of technical sanction, material structural alterations are contemplated, the orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.”

During the audit of the Executive Engineer, District Highways Division, Khairpur for the financial year 2022-23, it was observed that an amount of Rs. 94.974 million was paid for various works consisting dual payments of difference of cartage in addition to carriage of material which was subsequently adjusted in the R.A bills by increasing the quantity of various items without justification. The details are given as under:

(Rs. in Million)

Sr.#	Name of work	Name of Contractor	W.O/dt, CV#	Estimated Amount	Bill Amount
1	Reach-01 Lining of luqman Sim Nala from Ganj-e-Shaheedan back side to Siming Channa with road on eighter side NIT#106, 11-1-23 @ Sr.#22	M/S Indus Global	346/12.4.23 49/8.6.23 2 nd R.A	45.354	45.836
2	Reach No.02 Lining Luqman Sim Nala from Ganj-e-Shaheedan back side to Siming Channa with road on eighter side NIT#106, 11-1-23 @ Sr.#23	M/S Nazir Const	345/12.4.23 85/12.6.23 2 nd R.A	44.703	49.138
Total					94.974

Audit is of the view that the dual financial benefit was given to the contractor on account of carriage.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault besides strengthening internal controls of the organization.

(AIR#11 PDP#94)

6.5.49 Irregular advance payment of paver blocks at part rate – Rs. 57.500 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2021-22 to 2023-24, it was observed that payment of Rs. 57.500 million was made to contractors on account of Paving Block on part rate without execution of linked preliminary items i.e. Stone Blast, CC plain & P/L Topping, Murom, Tiles etc. This indicated that no physical work was executed. The details are as under: -

(Rs. in Million)

Sr.#	Name of Office	AIR #	PDP #	Amount
1	XEN, District Buildings Division-III, Karachi	15	142	15.751
		10	232	0.800
2	XEN, Highways Division, Karachi 2022-23	5	213	8.721
3	XEN, Highways Division, Naushero Feroze 2023-24	7	618	6.943
4	XEN, Building Division, Tando Muhammad Khan 2022-23	20	242	1.303
		29	251	3.806
5	XEN, Highways Division, Sujawal	6	197	17.763
6	XEN, District Highways Division Sanghar	7	569	2.413
			Total	57.500

Audit is of the view that the contractor was given financial benefit by payment in advance without execution of preliminary items.

The matter was reported to the management in May, 2024. The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends provision of satisfactory work completion certificate to ensure proper execution of works at site.

6.5.50 Abnormal increase in rates due to inordinate delays - Rs. 88.500 million

As per Para-23 of General Financial Rules, “Every government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the audit of the Executive Engineer, District Building Division-1, Karachi for the years 2021-22 to 2022-23, it was observed that the rates of non-scheduled items were increased to Rs. 88.500 million approximately 500% in the scheme “Establishment of 100 bedded hospital at Gulshan-e-Zia Orangi Town Karachi” above the revised estimates due to abnormal delay in completion. The details are as under:

(Rs. in Million)

S#	Name of item	PC-1 cost	Revised	Increase
1	Extra charges of patient lift	10	70	60
2	K E S C Demand note	5	30	25
3	KW& SB	1	3.5	2.5
4	SSGC	0.5	1.5	1
			Total	88.500

Audit is the view that the government sustained loss due to abnormal increase in rates due to time over run.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit requires completion of schemes on priority basis besides taking legal action against the contractors and the concerned officers/officials .

(AIR#11, PDP#175)

6.5.51 Loss due to excess consumption of steel – Rs. 16.626 million

As per Technical Sanction-336 dated 21.02.2019, total quantity of steel given in estimate is 12445.42 Cwt (541.76 ton). The rates approved were CSR 2012 and 11% premium which is Rs. 111, 037 per ton.

During the audit of the Executive Engineer, Building Division-II, Karachi for the financial years 2021-2023, it was observed that steel amounting to Rs. 16.626 million was utilized in excess than provided in the technical sanction without any change in structural design of the building. The details are as under:

(Rs. in Million)

Name of work	As peer estimate	As per 31 st R.A	Excess	Rate/ton	Amount
Expansion & Improvement of Abbasi Shaheed Hospital	541.76	639.76	97.8 ton	170000	16.626

Audit is of the view that due to excess execution of steel without change in design of building shows that an undue advantage was accorded to the contractor.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the person(s) at fault besides strengthening its planning and monitoring mechanism to avoid such lapses in future.

(AIR#04, PDP#186)

6.5.52 Non-clearance of outstanding balances – Rs. 19.293 million

According to Para-28 of the General Financial Rules, Volume-I “No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.”

During the audit of office of the Executive Engineer, Provincial Buildings Division-III, Karachi for the financial year 2023-24, it was observed that balances of Rs. 19.293 million were pending in the monthly account of June, 2024 whereas, the same were not adjusted in their proper head of accounts. The details are tabulated as follows:

(Rs. in Million)

Sr. No.	Description	Balance
1	Deposits of sub-ordinates	0.002
2	Deposits for the work to be done	2.563
3	Sum due to contractors on closed account	0.015
4	Miscellaneous deposits	16.607
5	Balance of stock in Form-68	0.106
	Total	19.293

Audit is of the view that non-adjustment of pending balances indicated weak financial management.

The matter was reported to the management in November, 2024. The management replied that the balances were very old, some related even prior to the creation of Division and require necessary permission to deposit the same in the Government relevant account through requisite format.

DAC in its meeting held on 18th & 19th December, 2024 directed to deposit /recover the amount and get the para verified from audit.

Audit seeks implementation of DAC directives besides strengthening financial management to avoid such lapses in future.

(AIR#12, PDP#681)

6.5.53 Non-execution of agreements - Rs. 680.355 million

Rule-10 (i) and (iv) of General Financial Rules, Volume-I, states that, "Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Public moneys should not be utilized for the benefit of a particular person or section of the community."

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2021-22 to 2023-24, it was observed that contractors were allowed to start work before the execution of the formal agreements worth of Rs. 680.355 million. Further, Stamp Duty of Rs. 2.381 million was also not recovered. The details are as under:

(Rs. in Million)

S.No	Name of Office	F.Y	AIR #	PDP #	Details	Stamp duty	Amount
1	XEN, Highways Division, Sujawal	2022-23	8	206	06 schemes	0.086	24.506
2	XEN, District Buildings Division, Tando Muhammad Khan	2021-22 to 2022-23	9	231	08 schemes	0.056	16.081
3	XEN, Highways Division, Mirpurkhas	2023-24	8	503	Various schemes	0.386	110.369
4	XEN, District Highways Division, Ghotki	2023-24	6	510	14 schemes	1.456	415.893
5	XEN, Provincial Buildings Division, Sukkur	2023-24	8	580	4 schemes	0.279	79.699
6	XEN, Provincial Buildings Division, Shaheed Benazirabad	2023-24	26	608	08 schemes	0.118	33.807
Total						2.381	680.355

Audit is of the view that execution of works in absence of agreements resulted in violation of rules besides, causing a loss to the public exchequer on account of Stamp Duty.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 06 replied that the contract agreements were concluded with contractors and stamp duty was realized accordingly.

DAC in its meeting held on 18th & 19th December, 2024 directed to produce the relevant record for verification (Sr.5,6). However, no record was produced.

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1 to 4).

Audit recommends fixing of responsibility on the person(s) at fault besides justification and strict compliance with procurement rules in future.

6.5.54 Mis-procurement due to award of work to ineligible bidder - Rs. 112.277 million

As per NIT No.XEN/MMD/KHP@SHP/TC-55/94/2023 dated 07.03.2023, Sr.2 (iv) “Annual turnover at least twice per annum, the estimated cost of work applied in last three year (turnover will be evaluated from annual returns and Audit)” Sr.# (vii) “certificate of bank showing creditworthiness at least 15% (average balance per year for the last 03 years) of the estimated cost of work along with Bank Statement must be provided separately for each”.

During the audit of the Executive Engineer, Machinery Maintenance Division, Khairpur @ Shikarpur for the financial year 2022-23, it was observed that contract of Rs. 112.277 million was awarded to financially ineligible contractor M/S Arif Ali Korejo. The details are as under:

- i. The contractor failed to maintain 15% bank balance of estimated cost of work i.e. Rs. 16.841 million. However, as per bank statement, his balance was Rs. 5.157 million as on 22.03.2023.
- ii. The annual turnover of the contractor was Rs. 20.393 million which was not twice of the estimated cost i.e. Rs. 224.554 million.

Audit is of the view that ineligible bidder was awarded the contract which reflected weak contract management in the organization.

The matter was reported to the management in May, 2024. The management replied that the documents submitted by the contractor were scrutinized by the procurement committee and found as per eligibility criteria. The reply of the management was not tenable since the management did not provide proof of required bank balance and annual turnover.

DAC in its meeting held on 16th October, 2024 directed to produce the relevant record for verification. However, no record was produced.

Audit recommends fixing of responsibility on the persons at fault besides strict adherence to procurement regulations to avoid such lapses in future.

(AIR#04, PDP#301)

6.5.55 Irregular approval of technical sanction – Rs. 168.838 million

As per Rule 11.1.4 of SPPRA Procurement Regulations (Works), “After issuance of administrative approval, but before the start of work or incurring of the expenditure on such scheme/work, it is found that cost is not sufficient for completion of the scheme due to inadequate financial/ physical provisions, then PC-I of the scheme is modified by incorporating additional provisions and thus administrative approval issued on Modified PC-I is called Modified Administrative Approval and have built in cushion of 15 percent excess on Modified AA cost. The amount of the detailed estimate must not exceed the amount included in the administrative approval by more than 10 per cent.”

During the audit of the Executive Engineer, Machinery Maintenance Division Khairpur @ Shikarpur for the financial year 2022-23, it was observed that technical sanctions of Rs. 168.838 million was approved by the Chief Engineer beyond the administrative approval. The details are as under:

(Rs. in Million)

Name of scheme	Contractor	A.A	AA Date	T.S	Excess	%
Construction of Road UC Bahadurpur Village Shahzaman Khoso / Village Shah Murad Brohi / Village Muhammad Brohi / Village Muhammad Khan Khoso / Village Gulab Banglani / Village New Karachi / Village Shokat Banglani Mile 0/0-2/5	M/S Arz Muhammad	48.732	25-4-22	55.409	6.677	13
Construction / Reconditioning of road from Noor Wah Bridge to Thull Jacobabad road via village Mehran Brohi, Nepar Gorshani, M. Ayoub Unar \ Syed Zahir Shah, Habibullah Kehar, Raja Khan Khoso, Ashiq Ali Pathan, Zalfiqar Gorshani, Naseer Khan Khoso mile 0/0-6/2 (10.00 Kms)	M/S New Ashique Ali & Company	98.717	09-03-22	113.429	14.712	14
Total		147.449		168.838	21.389	

Audit is of the view that approval of T.S over and above the A.A cost stands unauthorized.

The matter was reported to the management in May, 2024. The management replied that as per rule No. 11.1.2 Regulations for procurement of works (2013), PC-I of the scheme/work does not need revision if scheme is to be completed within the 15% cost. The reply of the management was not tenable since the technical sanction cannot exceed over the Administrative Approval.

DAC in its meeting held on 16th October, 2024 directed to produce the relevant record for verification. However, no record was produced.

Audit recommends fixing of responsibility on the persons at fault.

(AIR#12, PDP#309)

6.5.56 Excess payment due to higher rates of paving blocks - Rs. 28.369 million

Para-17 of C.P.W.A code, “The Divisional officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that 80 mm paver blocks were used in streets instead of 60 mm paver block as 80 mm paver blocks are suitable for industrial and heavy commercial areas. Further, the price of 80 mm paver block is Rs. 223.97, however, price of 60 mm paver blocks is Rs.197 resulted in variation of Rs. 26.97. Thus, an excess payment of Rs. 28.369 million was made due to wrong selection of specification of the paver block. The details are as under:

(Rs. in Million)

Sr. #	Name of Office	F.Y	AIR #	PDP #	Name of Work	Qty.	Rate Award	Rate Paid	Excess Paid
1	XEN, Machinery Maintenance Division Khairpur @ Shikarpur	2022-23	24	321	Paver Blocks in various streets	108,575	197	223.97	2.928
2	XEN, District Highways Division Ghotki	2023-24	07	511		24,395	199.77	223.97	0.590
3	XEN, Highways Division Dadu	2023-24	12	526		22,264	197	223.97	4.986
4	XEN, Highways Division Naushehro Feroz	2023-24	04	615		5,664	197	220 +31% Premium	1.632
						51,665	197	220 +31% Premium	15.515
5	XEN, District Highways Division Umerkot	2023-24	02	634	100,800	197	223.97	2.718	
								Total	28.369

Audit is of the view that utilizing unnecessarily higher specifications caused an excess payment at the cost of public exchequer.

The matter was reported to the management during May to November, 2024. The management at Sr. No. 1 replied that the payment against the item of paver block is based on composite schedule of rate and the rates have been approved by the competent authority. The reply of the management was not tenable since no cogent reason was provided for using 80 mm paver block in streets.

DAC in its meeting held on 16th October, 2024 directed to produce the relevant record for verification. However, no record was produced (Sr.1).

The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.2 to 5).

Audit recommends fixing of responsibility on the person(s) at fault.

6.5.57 Irrelevant BOQ items hoisted on SPPRA website – Rs. 29.00 million

As per Rule 6.2.2 of SPPRA Guidelines/ Regulations for procurement of works, Bidding documents are required for open competitive bidding and is critical to the success of the bidding process. Procurement committee must make use of standard bidding documents as and when notified by SPPRA. Further, Rule, 50. Publication of the Award of Contract - Within fifteen (15) days of signing of contract, procuring agency shall publish on the website of the Authority and on its own website, if such a website exists, the results of the bidding process, identifying the bid through procurement identifying number, if any, and the following information: (1) Contract Evaluation Report; (2) Form of Contract and Letter of Award; (3) Bill of Quantities or Schedule of Requirement.

During the audit of the Executive Engineer, District Building Division Thatta for the financial year 2022-23, it was observed that eleven works worth Rs. 29.00 million were awarded to various contractors vide NIT#TC/G-55/295, dated 28/4/2023 (ID#T00763-22-0001) but irrelevant BOQ items were hoisted by the procuring agency wherein road work items were mentioned.

Audit is of the view that due to non-hoisting of relevant BOQ items on the website, the transparency in the tendering process was compromised.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends inquiry into the matter besides strict adherence to government regulations to avoid such lapses in future.

(AIR#02, PDP#105)

6.5.58 Non-evacuation of government land from encroachment

According to Section-3 (1) of the Sindh Public Property (Removal of Encroachment) Act, 2010, “Government or any authority or officer authorized by the government in this behalf may require the person directly or indirectly responsible for encroachment to remove such encroachment together with the

structure, if any, raised by him on the public property, within the period not less than two days as may be specified in the order.”

During the audit of the Executive Engineer, Provincial Buildings Division, Hyderabad for the financial year 2022-2023, it was observed that the Sindh Law College Hyderabad having covered area of 53,436 Sqft, out of which area of 8,980 sq.ft was encroached. No efforts were taken to vacate the encroached land.

Audit is of the view that due to the encroachment, the public assets were not safeguarded, which reflected negligent supervision on the part of the management.

The matter was reported to the management in May, 2024. The management replied that the encroachment is the domain of Anti-Encroachment unit, specially created by Government of Sindh and this office had approached several times to competent authority for removal of encroached land.

DAC in its meeting held on 16th October, 2024 directed to take up the matter at higher level to resolve the issue. The office did not furnish further progress in the light of DAC directives.

Audit recommends that strenuous efforts may be taken to evacuate the encroached land.

(AIR#03, PDP#80)

6.5.59 Un-justified advance payment–Rs. 2.100 million

According to Appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During the audit of the Executive Engineer, District Building Division Thatta for the financial year 2022-23, it was observed that an amount of Rs. 2.100 million was paid to the contractor for supply of furniture & fixture prior to completion of civil works as per progress report of 2021-22. The details are as under:

(Rs. in Million)

Cheq/dt	Name of Contractor	Name of work	Particular	Amount
4367328/22.4.22	M/S Abdul Rehman Khan	Const. of Deputy Commissioner House Annex/Dist Thatta	15 th R.A still work in progress w.o no. & date/ 274/ 9.6.2017, Rs. 36,363,811	2.100

Audit is of the view that advance payment to the contractor on supply of furniture & fixture items stands unjustified.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault besides strict adherence to government financial regulations to avoid such lapses in future.

(AIR#24, PDP#125)

6.5.60 Unjustified payment due to non-utilization of excavated earth—Rs. 13.225 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During the audit of the Executive Engineer, Highways Division, Karachi for the financial years 2021-22 and 2022-23, it was observed that payment of Rs. 13.225 million was made on “Supply and filling earth to approved quality from outside sources in foundation trenches, plinths, or under Ground etc. including dressing, layering and compaction.” However, the excavated earth from foundation was not utilized.

Audit is of the view that undue financial favor was extended to the contractor at the cost of public exchequer.

The matter was reported to the management in May, 2024. The management replied that the non-schedule item of earth was determined as per site requirements. The reply of the management was not tenable since the excavated earth was not utilized.

The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the person(s) at fault besides placing a sound mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(AIR#03, PDP#212)

6.5.61 Non-reconciliation of payment made to the Land Acquisition Officer - Rs. 3.750 million

As per Rule-41 (a) of SFR Vol-I, “The departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

During the audit of the Executive Engineer, Machinery Maintenance Division Khairpur at Shikarpur for the financial year 2022-23, it was observed that an amount of Rs. 3.750 million was paid to Land acquisition officers without any disbursement details. The details are as under:

(Rs. in Million)

V# Date	Name of Payee	Head of account	Amount
H-13 8-6- 2023	Land Acquisition office/ Asst: commissioner Jacobabad	Construction of Bilawal Bhutto Zardari Fly Over Bridge Jail Phatak (Railway Crossing)	3.750

Audit is of the view that due to payment without details of the owners and utilization report, the chances of misappropriation cannot be ruled out.

The matter was reported to the management in May, 2024. The management replied that the payment was made to the Land Acquisition officer for further disbursement to the concerned authorities.

DAC in its meeting held on 16th October, 2024 directed to produce the relevant record for verification, but the same was not produced.

Audit seeks implementation of DAC directives besides strengthening financial management to avoid such lapses in future.

(AIR#19, PDP#316)

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 6.5.43 having financial impact of Rs. 47.629 million. Recurrence of same irregularity is a matter of serious concern.

6.5.62 Irregular execution of work prior to issuance of work order – Rs. 178.911 million

According to Rule-2 (1) h (ii) of the Regulations for Blacklisting of Bidders, Contractors, Suppliers and Consultants, 2023 "Collusive Practice means any arrangement between two or more parties in a procurement process or contract execution, designed to achieve with or without the knowledge of the Procuring Agency to establish prices at artificial, non- competitive levels for any wrongful gain." Further, according of Regulation No.9.2 of the Procurement Regulations (Works), 2011 "Commencement date of the works shall be the date notified by the Engineer in writing. The contractor shall commence the work within 14 days after the date notified by the Engineer. Completion period will be counted from the date of receipt of the commencement order by the contractor."

During the audit of the Executive Engineer, Highways Division, Kashmore @ Kandhkot for the financial year 2022-2023, it was observed that works of Rs. 178.911 million were initiated prior to the issuance of work orders. Details are as under:

(Rs. in Million)

W.O No. & Date	Actual date of start	Name of work & contractor	Expenditure
407 Dated 04-05-2022	25-03-2022 As per 5 th R.A bill dated 16-06-2023	Rehabilitation/ construction of internal road Municipal Committee Kandhkot Ward No.1 to 16 Length 4.2 km (M/s. Saqib Rasheed & Co.)	79.166
153 Dated 09-09-2023	16-09-2023 As per 4 th R.A bill dated 19-06-2023	Construction of paver block road Ward No.01 to 16 (ADP No.1885 of 2022-2023) (M/s. WSKB & Co.)	99.744
Total			178.911

Audit is of the view that the commencement of work without issuance of work orders showed poor project management.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault, besides strict adherence to government regulations to avoid such lapses in future.

(AIR #14, PDP#21)

6.5.63 Non-hoisting of corrigendum – Rs. 349.505 million

As per Para-d (i) of the SPPRA Notification No. Dir (CB)/SPPRA/1-3 (GEN)/08-09/2617 dated 1st March 2011 “Corrigendum is the continuation of already published NIT with no new items (s), or work is added. However, corrigendum is issued when any change, modification or deletion in the information already publicized through the NIT becomes necessary. The corrigendum shall be publicized in a timely manner, on equal opportunity basis in a manner similar to the original advertisement.”

During the audit of the Executive Engineer, Highways Division, Kashmore @ Kandhkot for the financial year 2022-2023, it was observed that the management issued corrigendum against NITs of Rs. 349.505 million, however, the same was neither advertised nor uploaded on SPPRA website. Details are as under:

(Rs. in Million)

PPMS ID No.	NIT No.	Corrigendum No. & Date	Amount
T00704-22-0001	No: XEN:(HWs)/TC/ 55/2022 Dated 18-07-2022	No: XEN:/(HWs)/TC- /103/2022 dated 15-08-2022	99.405
T00704-22-0004	No: XEN:/(HWs)/TC- /795/2023 dated: 02-02-2023	No: XEN:/(HWS/TC- /853/2023 Dated 20-02-2023	202.850
T00704-22-0008	No: XEN:(HWs)/TC/ 1035/2023 Dated 02-05-2023	No: XEN:/(HWS/TC- /1140/2023 Dated 22-05-2023	47.250
		Total	349.505

Audit is of the view that failure in non-hoisting of corrigendum resulted in violation of procurement rules.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault, besides strict adherence to procurement regulations to avoid such lapses in future.

(AIR#03, PDP#83)

6.5.64 Irregular procurement of works - Rs. 4.941 million

According to Rule-41 of Sindh Public Procurement Rules 2010, “The date for opening of bids and the last date for the submission of bids shall be the same, as given in the bidding documents and in the Notice of Inviting Tender.”

During the audit of the Executive Engineer, Highways Division, Matiari for the financial year 2022-23, it was observed that as per NIT of Recondition of link road from Village Golo Mirjat Road to Village Taj Mohammad Baloch Road Mile 0/0-0/1+594, the bid was to be opened on 25.4.2023. Whereas, as per Bid Evaluation Report, the bid was opened on 26.4.2023 in violation of SPPRA rules.

Audit is of the view that the bidding process was non-transparent due to variation in the bid opening dates.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault, besides strict adherence to procurement regulations to avoid such lapses in future.

(AIR #4, PDP#98)

6.5.65 Procurement of paving block without manufacturer’s invoice - Rs. 49.516 million

According to rule-54 of Sindh Public Procurement Rules 2010 “All procuring agencies shall make payments to suppliers, consultants and contractors against their invoices or running bills within the time given in the conditions of the contract”.

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial year 2023-24, it was observed that expenditure of Rs. 49.516 million was incurred on account of paving blocks without obtaining invoices to authenticate the quality and specification. Details are given as under:

(Rs. in Million)

Sr.#	Name of formation	Financial Year	AIR#	PDP#	Amount
1	XEN, Provincial Highways Division, Dadu	2023-24	13	651	35.952
2	XEN, Provincial Coastal Highway, Division Hyderabad	2023-24	10	689	13.564
Total					49.516

Audit is of the view that expenditure incurred on paving blocks without invoices reflected weak internal controls.

The matter was reported to the management in November, 2024. The management replied that the items of paving block are available in the schedule of rates showing its size and other specifications. Hence, there is no role of manufactures invoices.

DAC in its meeting held on 18&19 December, 2024 directed to produce invoices along with test report of pavers from Mehran University. However, no relevant record was produced for verification.

Audit recommends implementation of DAC directives besides strengthening its procurement management to avoid such lapses in future.

(AIR#13, PDP#651)

6.5.66 Wasteful expenditure on scheme transferred without completion – Rs. 15.508 million

According to Section-(I) of Appendix 18-A of Sindh Financial Rules Volume I & II, " Every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During the audit of the Executive Engineer, District Highways Division Sanghar for the financial year 2023-2024, it was observed that an expenditure of Rs. 15.508 million was incurred on the scheme which was transferred to the Asian Development Bank (ADB) in unfinished status/form despite incurring 77% of the expenditure. The details are as under:

(Rs. in Million)

Name of Scheme	Approved Cost	Exp.	Remarks
Construction of link road from Maqsoodo Shahpur Chakar Karam khan Umrani Road to village dargha wali Muhammad Shahvia Samandar Khan Brohi mile 0/0-1/2 +330 (2.10 kms) ADP # 295	19.986	15.508	Scheme take-up by Asian bank

Audit is of the view that shifting of the on-going scheme without any cogent reasons is tantamount to weak project management and chances of duplication of the works cannot be ruled out.

The matter was reported to the management in November, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends enquiry into the matter.

(AIR#4, PDP#566)

6.5.67 Non-transparent bidding process - Rs. 12.348 million

As per SPPRA Rule-79, Extent of Contract Negotiation - Procuring agency may negotiate with the highest ranked bidder regarding methodology, work plan, staffing and special conditions of the contract. The procuring agency

shall not permit substitution of key staff, unless both parties agree that undue delay in selection process makes such substitution unavoidable. Similarly, negotiations shall not seek changes in the rates quoted by the bidder. In case of failure of negotiations, the procuring agency may invite the second ranked bidder as per the evaluation report.

During the audit of the Executive Engineer, District Highways Division Sanghar for the financial year 2023-2024, it was observed that contract of Rs 12.348 million was awarded to the successful bidder at 31.60% above premium. However as per RA bills, the premium paid was @ 22.95% above, which showed negotiations were held during award of contract and thus changes in the rates quoted by the bidder were accepted in violation of above SPPRA rule. Details are as under:

(Rs. in Million)

Name of work	W.O/dt	Bid rate	Bill claim	Exp.	W.O Amount
Providing side drain, foot path, Green Belt, Cat Eyes, T.P paint on Dualization of road from Mohammadi Petroleum services to Sindh bank Tando Adam M/S Gee Three, 821/20.3.23, 3 rd RA	821/20.3.21	31.60%	22.95%	7.175	12.348

Audit is of the view that the variation in the premium rates showed non-transparency in the tendering process and violation of SPPRA rules.

The matter was reported to the management in November, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends recovery and strict implementation of procurement regulation to avoid such irregularities in future.

(AIR#6, PDP#568)

6.5.68 Mis-procurement in tendering process after expiry of bid validity – Rs. 24.828 million

According to Rule-38 (3) of SPPRA Rules, 2010, after obtaining such approval, the procuring agency, shall request in writing all bidders to extend the bid validity period. Such a request shall be made before the date of expiry of the original bid validity period.

During the audit of the Executive Engineer, Highways Division, Tharparkar @ Mithi for the financial year 2023-24, it was observed that tender of Rs 24.828 million was awarded to the contractor after technical evaluation on 04/9/2023 however, financial bid was opened on 20/02/2024 i.e., after expiry of bid validity period of 90 days in violation of SPPRA rules. Details are as under:

(Rs. in Million)

Name of work	W.O/dt	Award Amount
Construction of Black top road in village Saringu Wasaepota in Gulsher and Hakim Paro Miles 0/0-0/5=1.00 KM (M/S Abdul Samad Government Contractor)	775 04-03-2024	24.828

Audit is of the view that the financial bid was opened after lapse of bid validity period which is tantamount to mis-procurement.

The matter was reported to the management in November, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault.

(AIR#1, PDP#542)

6.5.69 Non-conforming quality standards in procurement of paving blocks-Rs. 18.303 million

According to Rule-54 of Sindh Public Procurement Rules 2010, “All procuring agencies shall make payments to suppliers, consultants and contractors against their invoices or running bills within the time given in the conditions of the contract”.

During the audit of the Executive Engineer, Highways Division, Dadu, for the financial year 2023-24, it was observed that expenditure of Rs. 18.303 million was incurred on account of paving blocks purchased from unauthorized dealers which showed non-conforming the prescribed standards in order to maintain quality in terms of PSI. The details are **Annex-17 of Chapter-6**.

Audit is of the view that due to procurement from unauthorized dealers, chances of compromised quality of work cannot be ruled out.

The matter was reported to the management in November, 2024. The offices neither submitted replies nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends justification in the matter and strict compliance with procurement rules in future.

(AIR#07, PDP#521)

6.5.70 Unjustified invitation of tenders without availability of funds- Rs. 127.263 million

Para-527 of Public Works Departmental Manual, Volume-I, states, “No work shall begin unless proper detailed design and estimate have been sanctioned; allotment of funds made and order for its commencement issued by the competent authority.” According to Rule 134 of Sindh Budget Manual, “All charges must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the grants of another year.”

During the audit of the Executive Engineer, Highways Division, Dadu, for the financial year 2023-24, it was observed that NITs of the schemes of Rs. 127.263 million were published on April 5, 2024 without release of funds in violation of rules. The details are given in **Annex-18 of Chapter-6**.

Audit is of the view that the unnecessary tendering process was initiated which reflected weak contract management.

The matter was reported to the management in November, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault besides strengthening internal controls of the organization to avoid recurrence of such irregularities in future.

(AIR#03, PDP#517)

6.5.71 Non-handing over of schemes despite completion - Rs. 62.322 million

According to Section-(I) of Appendix 18-A of Sindh Financial Rules Volume I & II, " Every government servant realizes fully and clearly that he will

be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During the audit of the office of Executive Engineer, Provincial Buildings Division, Mirpurkhas, for the financial year 2023-24, it was observed that schemes were approved since 2015 and an expenditure of Rs. 62.322 million was incurred but the schemes were not handed over to the concerned quarters despite their completion as per progress report.

Audit is of the view that delay in handing over of schemes reflected poor financial and managerial controls.

The matter was reported to the management in November, 2024. The management replied that the scheme reflected in the progress was of revenue component.

The DAC in its meeting dated 18th & 19th December, 2024 directed to take up the matter with Secretary Health Department for timely handing over the completed building. However, no relevant record/progress was produced till the finalization of audit report.

Audit seeks completion of the public importance schemes on priority and implementation of DAC directives.

(AIR#05, PDP # 488)

6.5.72 Irregular expenditure without competitive bidding – Rs. 7.284 million

According to Rule-17 (1) of the Sindh Public Procurement Rules 2010 “Procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules”.

During the audit of the Executive Engineer, District Buildings Division-III, Karachi, for the financial year 2022-23, it was observed that expenditure of Rs. 7.284 million was incurred against M&R works without inviting tenders. Details are given as under:

(Rs. in Million)

CV# dated	Name of Work	Name of Contractor	Work without tender	Amount
CV-2 20-06-23	M R to Quarters of Sindh Government Shafa Khana Korangi Karachi 1-1/2	M/s Sunny International Company (2nd R.A) W.O 1874 dt23.05-2023	Part-"B" Banglow No.1 at 50 Bedded Hospital Shah Faisal Colony	4.189
			Total Part-"C" 50 Bedded Hospital Malir Shed (04 Nos Staff Quarters)	2.932
Total				7.284

Audit is of the view that non-invitation of tenders reflected negligence on part of the management besides, chances of uneconomical execution of works cannot be ruled out.

The matter was reported to the management in May, 2024. The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department.

Audit recommends fixing of responsibility on the persons at fault besides strict adherence to procurement regulations to avoid such lapses in future.

(AIR#21, PDP#147)

6.5.73 Unjustified claim of work in the same R.A. bill –Rs. 4.240 million

As per Para-17 of C.P.W.A code, “The Divisional Officer, as the primary disbursing officer of division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force.”

During the audit of the Executive Engineer, Provincial Building Division Shaheed Benazirabad, for the financial year 2023-24, it was observed that the work of Rs. 27.176 million was executed as per 7th R.A bill however, Rs. 23.478 million was carried forward in the memorandum of payment/last page of the same R.A. bill which resulted in a difference of Rs. 4.240 million. The details are as under:

(Rs. in Million)

Cheq/dt	M/s	Name of work	W.O/dt	Work executed	Payment	Difference not carried forward
5440296/ 11.6.24 7 th RA	M/S Indus Const	Up-Gradation of BHU to RHC building at khanwahan Dist. Naushahro Feroze	1360/ 3.11.22	27.176	23.478	4.240

Audit is of the view that the variation in the claim of work within same bill created doubt on the authenticity of the actual execution of work.

The matter was reported to the management in November, 2024. The management replied that there is not any irregularity in the subject matter. The reply of the management was not tenable since doubtful claim of work was not reconciled with the supporting documents like MB and estimated cost of work.

DAC in its meeting held on 18th & 19th December, 2024 directed to fix the responsibility against the concerned officials.

Audit recommends inquiry into the matter besides placing an effective mechanism of physical monitoring during the execution of the works prior to making payments to the contractors.

(AIR#15, PDP#597)

6.5.74 Excess execution of items beyond permissible limit –Rs. 105.341 million

As per Para-528 of Public Works Department Manual, “No material alteration is sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Competent Authority. Should any alteration of importance, involving any additional expenses, be considered necessary, a revised or supplementary estimate should be submitted for sanction,”

During the audit of the following offices of Works & Services Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that the quantity of various items was executed in excess of

estimated costs, which resulted in additional burden of Rs. 105.341 million on the exchequer. The details are as under:

(Rs. in Million)

Sr. #	Name of office	PDP #	Financial Year	Estimated cost	Executed Amount	Excess amount	%age
1	XEN, Highways Division Jacobabad	293	2022-23	0.793	5.618	4.825	608
2	XEN, Provincial Highways Division Sukkur	364	2023-24	86.346	113.446	27.100	31
3	XEN, Provincial Building Division-II, Karachi	428	2023-24	83.630	157.056	73.416	87.786
Total				170.769	276.12	105.341	

Audit is of the view that excess execution of items reflected weak contract management.

The matter was reported to the management during May to November, 2024. The management at Sr.2, replied that due to heavy rains the shoulders portions of road have become swampy so it was essential to provide extra layer of Base course in excess over provision in the estimate. The management at Sr.3, replied that execution of work was carried out as per the site requirements. The reply of the management was not tenable since execution of work was over and above the technical sanction which requires prior approval of the competent authority.

DAC in its meeting dated 18th & 19th December, 2024 directed to fix the responsibility against the concerned officials (Sr.2&3). However, no relevant record/further progress was furnished in the light of DAC directives till the finalization of the audit report.

The office neither submitted reply nor DAC meeting was convened due to non-finalization of the PAO of the district component of W&S department (Sr.1).

Audit seeks implementation of DAC directives besides strengthening its contract management to avoid such lapses in future.

6.5.75 Over-estimation of the Project cost – Rs. 6,721.922 million

According to the PC-I of the project “The estimate cost of the project was Rs. 22,750.000 million.”

During the Financial Attest Audit of Sindh Provincial Road Improvement Project (SPRIP) for the financial year 2023-2024, it was observed that the estimated cost of the project was Rs. 22,750 million while actual work of Rs. 18,928.058 million was executed including additional work of Rs. 2,899.980 million. This revealed that an amount of Rs. 6,721.922 million i.e., 29.55% was over-estimated in a foreign aided project. This resulted an extra burden in the shape of interest (LIBOR + 0.16%) and service charges on loan amount. Details are tabulated as follows:

[Rs. in Million]

Name of project	Project cost as per PC-I	Funds utilization status	Less additional work	Total over estimation	%
SPRIP	22,750.000	18,928.058	2,899.980	6,721.922	29.55%

Audit is of the view that over-estimation in the project reflected poor planning and extra financial burden on public exchequer.

The matter was reported to the management in October 2024 however, no reply was received.

Despite written requests vide letters dated 21-10-2024, 07-11-2024 and 12-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit seeks justification in the matter.

[Para No.04]

6.5.76 Failure in completion of project on time

According to Para-31 of the Project Administration Manual of Sindh Provincial Road Improvement Project (SPRIP), “The closing date of SPRIP was December, 2019.”

During the Financial Attest Audit of SPRIP for the financial year 2023-2024, it was observed that project was completed in June, 2023 instead of due

date (December, 2019) after lapse of almost 4 years. Details are tabulated as follows:

[Rs. in Million]			
Actual date of commencement	Due date of completion	Actual date of completion	Expenditure incurred
December, 2016	December, 2019	June, 2023	18,928.058

Audit is of the view that due to failure in timely completion of the project, the intended benefits to the target population were delayed.

The matter was reported to the management in October, 2024. However, no reply was received.

Despite written requests vide letters dated 21-10-2024, 07-11-2024 and 12-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit recommends fixing of responsibility on the persons at fault.

[Para No.06]

6.5.77 Unjustified payment of liabilities – Rs. 9.015 million

According to the Financial Statement of the project, the loan closing date was June, 2023 whereas, as per the progress report of the project, the road infrastructure work was completed on 26th November, 2020.

During the Financial Attest Audit of SPRIP for the financial year 2023-2024, it was observed that construction work on road infrastructure was completed in November, 2020 whereas, the loan closing date of the project was June, 2023. However, payment of Rs. 9.015 million was made to the consultant in August, 2023 after loan closing period of the project. Thus, liabilities paid without confirming whether the deliverables were obtained or otherwise. Details are tabulated as follows:

[Rs. in Million]				
Invoice No. & Date	Name of Consultant	Nature of assignment	Completion period of infrastructure	Gross amount
47 22-08-23	M/s. Engineering Consultants International – ECIL (Pvt.) Ltd.	Preparation of Sindh Road Network Master Plan (SRNMP), Strengthening and Trainings	26 th November, 2020	9.015

Audit is of the view that undue benefit was extended to the consultant due to payment after loan closing period of the project which constituted weak financial management.

The matter was reported to the management in October, 2024. However, no reply was received.

Despite written requests vide letters dated 21-10-2024, 07-11-2024 and 12-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit seeks justification in the matter besides strengthening its financial management system to avoid such lapses in future.

[Para No.03]

6.5.78 Wrong booking of transactions in the financial statements – \$ 0.936 million

According to Para 3.7.2 (a) of Financial Audit Manual “FAPs in Pakistan have mainly adopted IPSAS cash basis for the purposes of preparing and presenting financial statement.” Further, as per Para 1.2.2 of *ibid*, “The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the entity.

During Financial Attest Audit of SPRIP for the financial year 2023-2024, it was observed that the management made application for payment of \$ 0.936 million to ADB through online portal which was paid to the consultant on 06.07.2023. However, the transaction was booked in the financial statements of 2022-2023 instead of 2023-2024 in violation of above rule. Details are tabulated as follows:

Application No.	Date of direct payment	C.V No. & Date	Name of consultant	Amount in USD in Million	Amount in Million (Rs.)
WS305 21.06.2023	06.07.2023	L2304126D	Xinjiang Beixin Road & Bridge Group Co. Ltd.	0.350	258.340
		L2304126D		0.586	
Total				0.936	258.340

Audit is of the view that the transaction in the financial statements was not prepared as per the IPSAS cash basis accounting system.

The matter was reported to the management in October, 2024. However, no reply was received.

Despite written requests vide letters dated 21-10-2024, 07-11-2024 and 12-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit seeks justification in the matter.

[Para No.01]

6.5.79 Failure in timely liquidation of advance from Imprest account - \$ 0.077 million

According to Liquidation application No.WS306 dated 05-09-2023 requested by the management to the Asian Development Bank, “The balance of unspent advance amount of Imprest account as on 30-06-2023 in Fatima Jinnah Branch (0014) of the project was \$ 77,390.53/-.”

During the Financial Attest Audit of SPRIP for the financial year 2023-2024, it was observed that an application for liquidation of \$ 0.077 million from Imprest account was made on dated 05-09-2023 after submission of project completion report in August, 2023 (Loan closing date was 30th June, 2023). This delay on part of the management resulted in interest (LIBOR + 0.16%) and service charges on unspent loan amount. Details are tabulated as follows:

[USD in Million]		
Description of Imprest Account	Loan No.	Balance as on 30-06-2023
Imprest Account No.4138691895 National Bank of Pakistan, Fatima Jinnah Road, Hyderabad (0014)	3305-PAK	0.077
	Total	0.077

Audit is of the view that delay in surrendering an unspent amount reflected weak financial management in the project.

The matter was reported to the management in October 2024. However, no reply was received.

Despite written requests vide letters dated 21-10-2024, 07-11-2024 and 12-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit seeks justification in the matter.

[Para No.02]

6.5.80 Excess expenditure due to increase in per kilometer cost of road – Rs. 1,855.183 million

According to the Feasibility study of the project, the cumulative length of 408 Km (Package 01 to 06 = 328 km + additional three roads of 80 Km) was approved with a uniform width of 7.3 meters.

During the Financial Attest Audit of SPRIP for the financial year 2023-2024, it was observed that the average per kilometer cost on 07 roads of 287 kilometers in the project was Rs. 37.875 million whereas, at the same time, average per kilometer cost of 122 kms on two roads stands Rs. 53.081 million. This resulted in excess expenditure of Rs. 1,855.183 million in the same project without any remarkable modification. Details are tabulated as follows:

[Rs. in Million]

Sr. No.	Name of road	Length in Kms	Total cost	Per Km cost	Excess cost per Km	Overall excess cost of 122 Kms
01	Tando Muhammad Khan to Badin	67	3,307.674	49.368	15.206	1,855.183
02	Digri to Naukot	55	3,168.233	57.604		
	Total	122	6,475.907	53.081		1,855.183

Audit is of the view that increase in per kilometer cost in construction of road in the same project without any remarkable modification resulted in extra burden on public exchequer which constituted weak project management.

The matter was reported to the management in October 2024. However, no reply was received.

Despite written requests vide letters dated 21-10-2024, 07-11-2024 and 12-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit seeks justification in the matter.

[Para No.05]

6.5.81 Failure in handing-over of assets of the project to the department

According to Para-148 of the General Financial Rules Volume-I “All materials received should be examined, counted, measured or weighted as the case may be, when delivery is taken and they should be taken in charge by a responsible Government officer who should see that quantities are correct and their quality good and record a certificate to that effect. The office receiving the store should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.”

During the Financial Attest Audit of SPRIP for the financial year 2023-2024, it was observed the management closed the project in June, 2023. However, vehicles and other equipment purchased through contractors were not handed over to the Works & Services Department. Details are tabulated as follows:

[Rs. in Million]	
Name of Vendor	Expenditure
Detail of vehicles purchased/taken-over	-
M/s. Yooshin Engineering Cooperation	565.995
M/s. Engineering Consultants International (Pvt.) Ltd.	729.334
M/s. NESPAK (Pvt.) Ltd.	50.845
Total	1,346.174

Audit is of the view that expenditure on vehicles and other equipment without handing over of these assets to the concerned department constituted weak asset management.

The matter was reported to the management in October 2024. However, no reply was received.

Despite written requests vide letters dated 21-10-2024, 07-11-2024 and 12-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit seeks justification in the matter besides, taking remedial measures.

[Para No.07]

6.5.82 Less deduction of retention money – Rs. 7.948 million

According to the Condition of contract GCC 55.1, “The proportion of payment retained shall be five percent (5%) of contract amount.”

During the audit of the Emergency Flood Assistance Project (EFAP), Hyderabad for the financial year 2023-24, it was observed that retention money amounting to Rs. 52.985 million was due against the executed works, but only Rs. 45.037 million was deducted. This resulted in a short recovery of Rs. 7.948 million. The details are given at **Annex-19 of Chapter-6**.

Audit is of the view that the less deduction of retention money is violation of prescribed rules which reflected weak internal control.

The matter was reported to the management in October 2024. However, no reply was received.

Despite written requests vide letters dated 12-11-2024 and 26-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit recommends that retention money should be deducted in accordance with the contract specifications to safeguard government interests.

[Para No.07]

6.5.83 Un-justified Payment to the Consultant – Rs.136.820 million

According to the Reporting requirements outlined in the agreement between M/s Engineering Consultant and the project director of EFAP, “the consultant is required to submit the necessary reports prior to and during the execution phase. These include, but are not limited to, monthly reports, inception reports, quarterly reports, mid-term review reports, draft completion reports,

final project completion reports, and environmental safeguards monitoring reports.”

During the audit of the Emergency Flood Assistance Project (EFAP), Hyderabad for the financial year 2023-24, it was observed that payment amounting to Rs.136.820 million was made to the consultant without the submission of mandatory deliverable reports. Details are tabulated as under:

(Rs. in Million)

S.NO.	Consultant Name	Name of Work	Work Order No & Date	Voucher No & Date	Contract Amount	Upto Date Bill
1	M/S Engineering Consultants Int (ECIL)	Detailed Designed RAMS/Master Plan Network Upgradation and Construction Supervision	319 & 12.07.2023	30 & 11.06.2024	1,409,007,806	136.820
Total						136.820

Audit is of the view that making payment without requisite reports undermined the integrity of financial discipline in an organization.

The matter was reported to the management in October, 2024. However, no reply was received.

Despite written requests vide letters dated 12-11-2024 and 26-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit recommends financial discipline in the organization to ensure effective control mechanism.

[Para No.10]

6.5.84 Non-recovery of Stamp Duty - Rs. 4.348 million

According to Sub-section 22-A of Stamp Act, 1899, “It is the duty of the Competent Authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 (Currently 0.35) paisa per hundred rupees of the value of the agreement or against tender cost.”

During the audit of the Emergency Flood Assistance Project (EFAP), Hyderabad for the financial year 2023-24, it was observed that work amounting to Rs.1 ,242.560 million was awarded to the consultant, but the stamp duty at 0.35% of Rs. 4.348 million was neither affixed on the agreements nor deducted from the bills.

Audit is of the view that the non-recovery of stamp duty resulted in the non-realization of government revenue.

The matter was reported to the management in October 2024. However, no reply was received.

Despite written requests vide letters dated 12-11-2024 and 26-11-2024, DAC meeting was not convened by the PAO till the finalization of this report.

Audit recommends prompt recovery of the stamp duty amount.

[Para No.14]

Chapter-7. IMPACT AUDIT

Installation of Reverse Osmosis (RO) / Ultra Filtration (UF) plants and their impact on local population

7.1 Introduction

Background

Impact audit is aimed at determining impact of an initiative or program with a special focus on determining the outcomes/results attributable to an initiative/new program while eliminating other contributing factors or variables. It is conceptual evolution of performance audit and reports solely on the effectiveness aspect of an initiative. The decision making in public sector is increasingly becoming data-driven. Impact audit reports would help the stakeholders and decision makers in the public sector to formulate, review and adjust these initiatives/programs besides serving as a template for future planning.

Clean drinking water is first line of defence for public health and quality life. In 2000, the UN's Millennium Development Goals (MDGs) included supply of water and sanitation with action plan of financial and technical assistance to be provided to different countries.¹⁴ In 2002, World Summit on Sustainable Development launched a program to support following goals relating to water and sanitation¹⁵:

- i. By 2015, reducing half of the population having no sustainable access to safe drinking water.
- ii. Safeguarding human health, including reduction in the mortality rate (associated with lack of access to safe drinking water, inadequate sanitation and poor hygiene) by improving the quality of drinking water.

¹⁴ <https://pcrwr.gov.pk/wp-content/uploads/2022/06/Sustainable-Development-Goal-6-Policy-Support-System-PSS-2022.pdf>

¹⁵ Modified PC-I for "Clean Drinking Water for All" Project Government of Sindh Share Apr-2008

Sustainable Development Goals (SDGs)-2030 were adopted by all UN member states in 2015 on the basis of MDGs in order to complete what they could not achieve before¹⁶.

Clean drinking water was top priority agenda in the Medium-Term Development Framework 2005-10 of Pakistan to reduce water-borne diseases, lower healthcare costs, and boost economic growth. In Pakistan, 40% children under five are stunted, compared to the South Asian average of 31%. Poor access to safe drinking water is a major cause behind health issues¹⁷.

Before 2010, provision of water was mandate of Federal Government/Ministry of Environment which adopted National Environmental Action Plan (NEAP) in 2001. One of the core areas of NEAP was provision of clean drinking water. Accordingly, Clean Drinking Water Initiative was started to install one filtration plant at each tehsil/town of the country in 1st phase and subsequently one filtration plant at each union council across the country in 2nd phase¹⁸. After 18th Amendment, this mandate was transferred to the provincial governments along with ongoing and completed schemes.

Role of project

Keeping in view the critical condition of drinking water quality and to meet the targets set by the MDGs and later by the SDGs, initially Federal Government and later on (after 18th Amendment) Sindh Government installed various RO/UF plants to provide safe drinking water. The Special Initiative Department (SID) of Sindh was established in 2010 to manage such schemes. After abolition of SID in 2018, major RO/UF schemes were transferred to Public Health Engineering and Rural Development Department. At present, 2,610 RO/UF plants are managed by twenty-five divisional offices of the Public Health Engineering and Rural Development Department. Out of 910 plants, 78 are located in Hyderabad and 832 in Tharparkar district which makes 35% of overall RO/UFO plants. These plants cater for 4,210,947 (approx.) population of both districts therefore, these two districts have been selected for impact audit.

¹⁶ UN (United Nations). (2015b). Transforming our world: the 2030 Agenda for Sustainable Development, A/RES/70/1 (21 October 2015). Available at:

https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf

¹⁷ <https://www.wateraid.org/pk/blog/rethinking-drinking-water-policies-in-pakistan>

¹⁸ Modified PC-I for “Clean Drinking Water for All” Project Government of Sindh Share Apr-2008

7.2 Overview

In 2001, Pakistan Council of Research in Water Resources (PCRWR) found high bacterial contamination in drinking water samples from major cities in Sindh¹⁹. In 2017, PCRWR reported that 75% of water samples from various cities in Sindh were unsafe for human consumption²⁰. In Tharparkar, 95% villages have groundwater as the only major water source which is saline to brackish with high TDS ranging from 3500-7000 ppm²¹.

Government of Sindh provides drinking water to citizens from canals, watercourses, tube-wells, and hand pumps. However, 70% of the groundwater is brackish or saline, and surface water is limited. Poor water quality causes many water-borne diseases, leading the government to spend nearly 80% of its medical budget on diseases such as hepatitis, gastroenteritis, kidney infections, cholera, typhoid, fever, and dysentery²². Recognizing the acute shortage of clean drinking water, Government of Sindh installed various RO/UF plants along with their solarization to provide sustainable, clean, and safe water to the public involving Rs. 20,652.043 (Approx.) million from 2006 to 2016, however, the exact executed cost on these schemes was not available in record. An amount of Rs. 2,692.393 (Approx.) million are being incurred annually on repair and maintenance of these plants.

7.2.1 Project Deliverables and Objectives

The objectives of the schemes as envisioned in various PC-I(s) of ‘Installation of Reverse Osmosis (water desalination) and Ultra Filtration plants were as follows:

- i. Provide quick, economical and sustainable clean water.
- ii. Safeguard human health by reducing overall risk of water-borne diseases i.e. cholera, typhoid, dysentery hepatitis etc.

¹⁹ Modified PC-I for “Clean Drinking Water for All” Project Government of Sindh Share

²⁰ REPORT OF COMMISSION OF INQUIRY MR. JUSTICE MUHAMMAD IQBAL KALHORO 15 Feb-2017 C.P.NO.38 OF 2016

²¹ <https://pssr.org.pk/issues/v3/2/challenges-and-solutions-in-wash-a-study-of-tharparkar-desert-in-pakistan.pdf>

²² PC-I for “Establishment of Drinking Water Hubs (Phase-III) (Villages Located in Deserted & Arid Zone Areas) Mar-14”

- iii. Reduce public as well as individual expenditure on health-related problems.
- iv. Improve overall quality of life.
- v. Promote socio-economic growth of the region.

7.3 Scope and Methodology

7.3.1 Scope

The scope of impact audit is to examine the primary project’s objective of providing clean drinking water to the public at large. The audit exercise strives to understand the efficacy of the RO/UF plants and evaluates how their installation has contributed to the betterment of overall socio-economic welfare of the public especially in the context of controlling the water-borne diseases and reducing government expenditure on health. The audit exercise also aims to assess the tangible outcomes of the project while identifying areas that require further improvements. Given the expansive nature of the research scope, the audit task was strategically confined to two districts of Sindh i.e., Hyderabad and Tharparkar. This report ensures a focused and in-depth analysis enabling a thorough examination of the project's impact on public within these specific regions.

Following model illustrates the flow of inputs, outputs, outcomes, and expected impact in the program:

Input	Activities	Output	Outcome	Impact
<ul style="list-style-type: none"> • Allocating & Release of Funds for Program • Establishing Program Guidelines • Site selection and feasibility studies • Arranging Human resources (engineers, 	<ul style="list-style-type: none"> • Conducting site selection and feasibility studies • Procuring and transporting materials and equipment • Installing RO/UF plants at selected sites • Training local operators on plant operation and maintenance 	<ul style="list-style-type: none"> • Number of RO/UF plants installed • Volume of clean water produced • Number of local operators trained • Monitoring and evaluation 	<ul style="list-style-type: none"> • Reduction in water-borne diseases • Improved health and well-being of communities • Lower Hospitalization Rate 	<ul style="list-style-type: none"> • Long-term improve ment in public health indicators • Reduced healthcare costs • Overall improved quality of life

Input	Activities	Output	Outcome	Impact
technicians, project managers) <ul style="list-style-type: none"> Identifying Training Needs & Arrangement of the Same. Identifying Key Departments & Stakeholders Community engagement and awareness programs 	<ul style="list-style-type: none"> Engaging with local communities to raise awareness about the benefits of clean water Coordination among Stakeholders Monitoring and evaluating plants' performance and water quality 	reports generated <ul style="list-style-type: none"> Number of community awareness sessions conducted 	<ul style="list-style-type: none"> Increased knowledge and skills of staff Community awareness about the importance of clean water 	

7.3.2 Condition With

The substantial expenditure of Rs. 9,243.48 million (approx.) was incurred on installation of RO/UF plants in two selected districts and Rs. 1,752.877 million have been paid for repair and maintenance from 2020-21 to 2023-24 (on average Rs. 438.22 million annually) for the provision of clean drinking water with the aim to reduce water-borne diseases and government expenditure on health in these areas. By following the time-series model (2017 to 2024), the results thereof represented a meagre decrease (1.61%) in average growth rate in water-borne diseases in Tharparkar while a slight increase (0.04%) in Hyderabad. On the other hand, through same model a continuous upward trend was observed in government per capita expenditure on health of the citizens throughout the analysis period (pre & post-installation). Both districts showed a net increase in average expenditure between the pre and post-installation periods, with Hyderabad having a higher absolute increase of Rs. 2,608 per person compared to Tharparkar's Rs. 1,139 per person. However, percentage-wise, Tharparkar showed 89% increase compared to Hyderabad's 40% increase in expenditure.

7.3.3 Condition Without

In the absence of the project, socio-economic condition of the people living in the targeted areas would have been even worse despite presence of other factors like increase in population, infrastructure development, private plants and NGOs presence etc. The survey also revealed that, prior to the initiation of the project, people had to travel many kilometers to fetch water (especially in Tharparkar district).

7.3.4 Audit Methodology

Audit was conducted based on the available data relevant to the RO/UF plants against which a questionnaire was developed, focusing on the quantitative and qualitative aspects. In pursuance of ascertaining the project's impact, the 'Time-Series' method was adopted. The time period of 2017-18 to 2019-20 is taken as pre-installation period and 2020-21 to 2023-24 is treated as post-installation period. Therefore, the water-borne diseases data and government expenditure on health for three years before the installation of the plants (2017-2019) was analysed and compared with the four years (2020-2024) of post-installation of the RO/UF Plants in two districts i.e., Hyderabad and Tharparkar. The difference in the growth rate of number of water-borne diseases, reported at various government hospitals, of the two periods was compared and the net impact was calculated accordingly. For government expenditure on health, the difference in the average expenditure of pre and post-installation period was compared and net impact was calculated. Further, data was also analysed at tehsil level to determine the most critical areas within the district that need immediate attention to get the actual position of policy interventions and its impact in both districts.

Following audit techniques were also utilized to supplement the exercise;

- i. Assessment of randomly selected RO/UF plants.
- ii. Review of PC-I (s) and record scrutiny.
- iii. Field visits and interviews with the stakeholders, including the PHE&RDD management and operators at the plants to ascertain the qualitative factor.
- iv. Examination of monitoring and installation reports.

- v. The selected RO/UF plants in Hyderabad and Tharparkar Districts were visited on sample basis in the presence of the management's representative at site to inspect the facilities. The water samples were collected and got tested from Pakistan Council of Scientific and Industrial Research Laboratories Complex Karachi (PCSIR) and US-Pakistan Centre for Advanced Studies in Water MUET, Jamshoro.
- vi. Data for water-borne diseases was extracted from District Health Information System (DHIS) and diseases that were included are: "Diarrhoea / Dysentery > 5 years, diarrheal /Dysentery < 5 years, Enteric / Typhoid Fever, Suspected Viral Hepatitis and Worm Infestations".
- vii. Data for government expenditure on health was extracted from <https://finance.gos.pk/>
- viii. Population data for per capita analysis was extracted from Population Census 2023 and average growth rate was applied to the 2017 census data to calculate the population of succeeding years.
- ix. Review of relevant web-based data/information.

7.4 Survey Analysis and Findings

To evaluate the project's impact, the audit gathered data from both primary and secondary sources. Primary data was obtained through field visits and questionnaires, while secondary data was sourced from the executing agency and various online resources. The data results were analysed and compared using graphs and tables to determine the project's actual impact. The survey analysis and audit findings are as follows:

7.4.1 Survey Analysis

A survey was conducted to assess the impact of RO/UF plants on the population of Tharparkar and Hyderabad. The study focused on various aspects such as condition of the population, availability of alternative water sources, functioning of RO/UF plants, quantity and quality of water, reduction in water-borne diseases, and the role of concerned authorities in plant maintenance and support, overall community well-being etc. Summary of survey findings is tabulated below;

Sr#	Category	Details
01	Total Combined Sample	434 (268 Tharparkar, 166 Hyderabad)
02	Years of Installation	Major years: 2014 (203 Tharparkar), 2008 (77 Hyderabad)
03	Population Covered by plant	- Tharparkar: Mostly 300-2,500 people - Hyderabad: Range from 400-200,000 people

7.4.1.1 Key Survey Findings

- (i) **Functionality of plants:** A significant disparity was found in the functionality of RO/UF plants in both districts. Tharparkar faces severe issues, with 85% of residents responding plants being non-functional. In contrast, Hyderabad has better operational status as 73% plants were reported as functional.
- (ii) **Level of satisfaction of citizens on water requirements:** A significant variation existed in water need satisfaction between the two districts. In Tharparkar, only 26.49% of the population reported their water needs are met from RO/UF plants whereas 86% of residents of Hyderabad showed their water need satisfaction.
- (iii) **Water quality:** 92% of respondents in Hyderabad expressed satisfaction with the water quality, while only 30.6% people in Tharparkar were satisfied with quality of water being supplied through RO/UF plants.
- (iv) **Availability of alternative sources of water:** In Tharparkar, when plant water is unavailable, residents commonly use alternative sources: 34% rely on wells, 16% have no alternative, 15% use hand pumps, 13% depend on private tankers, and remaining 22% use other sources. In contrast, in Hyderabad, 63% of residents use the WASA line as an alternative, 16% have no alternative, and 11% use other sources.
- (v) **Cleanliness/hygiene around plants:** In both districts, residents generally expressed dissatisfaction with the cleanliness around the plants, with only 25% stating that staff take good care of the facilities around the plants, while 75% felt otherwise.
- (vi) **Performance of staff:** In Tharparkar, majority of residents generally expressed dissatisfaction with the performance of staff appointed on RO/UF plants as only 32.46% of population was satisfied with the

performance of operators. In Hyderabad 89.16% of population was satisfied.

(vii) Health impact: 96% of Hyderabad residents reported health improvements due to RO/UF plants, while 91% in Tharparkar said no change or were unaware of any improvements in health after the installation of the plants.

(viii) Maintenance: Timely repair and maintenance of the plants was highlighted as key issue in Tharparkar, with 75% of respondents stating that repair and maintenance is poor and delayed. In Hyderabad, the maintenance was generally more satisfactory.

Overall assessment:

Installation of RO/UF plants did not achieve their intended goals of providing safe drinking water to the targeted population, reducing the water borne diseases, and decreasing government expenditure on healthcare. Instead, both districts saw significant increase in per capita health expenditure in post-installations period. Thus, the scheme did not prove to be a success.

These findings underscore the need for focused attention on improving the functionality, maintenance, and overall management of RO plants in Tharparkar. The reason of overall satisfaction in Hyderabad was due to the fact that the feed water to UF plants in Hyderabad was supplied from river water through WASA filtration plants and UF plants would further ultra-filtrate the feed water.

7.4.2 Impact Assessment

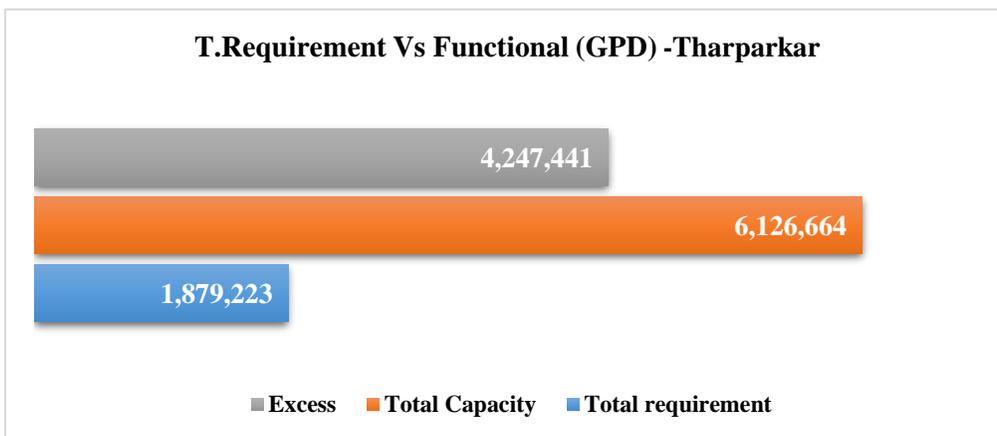
7.4.2.1 District Tharparkar

(i) Provision of Clean Drinking Water

a) Total capacity of installed plants

The PHE&RD Department oversees 832 RO plants in Tharparkar district, with a daily installed capacity of 6.126 million gallons, compared to the district's overall demand of 1.879 million gallons. The built capacity is more than sufficient to provide the public's basic requirement of clean drinking water, as

evident from the extra capacity of 4.247 million gallons per day. The same is illustrated in following graph.

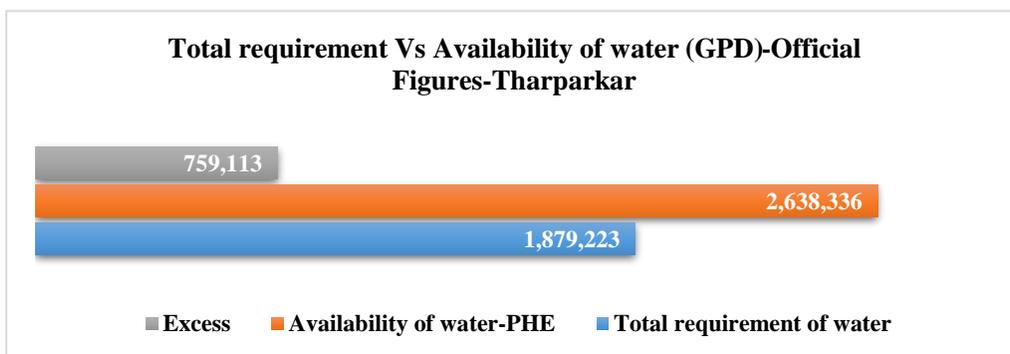


b) Available capacity as per official figures

Out of total 832, 301 RO plants were functional and 531 non-functional during 2023-24 in Tharparkar. Tehsil-wise status of RO plants, as per data provided by the department, is tabulated below:

Sr#	Tehsil	Total	Status of RO Plants as PHE&RD data			
			No. of Functional plants	% Functional	No. of Non-Functional plants	% Non-Functional
01	Mithi	170	84	49%	86	51%
02	Islamkot	182	37	20%	145	80%
03	Nagarparkar	87	16	18%	71	82%
04	Dahli	137	44	32%	93	68%
05	Chachro	170	75	44%	95	56%
06	Kaloi	38	18	47%	20	53%
07	Diplo	48	27	56%	21	44%
	Total	832	301	36%	531	64%

Total minimum clean drinking water requirement in the Tharparkar is 1.879 million gallons per day against the available capacity of 2.638 million gallons per day. The excess capacity of 0.759 million gallons per day shows that available capacity (as per official figures) is more than enough to the minimum clean drinking water requirement. The same is depicted in following graph.



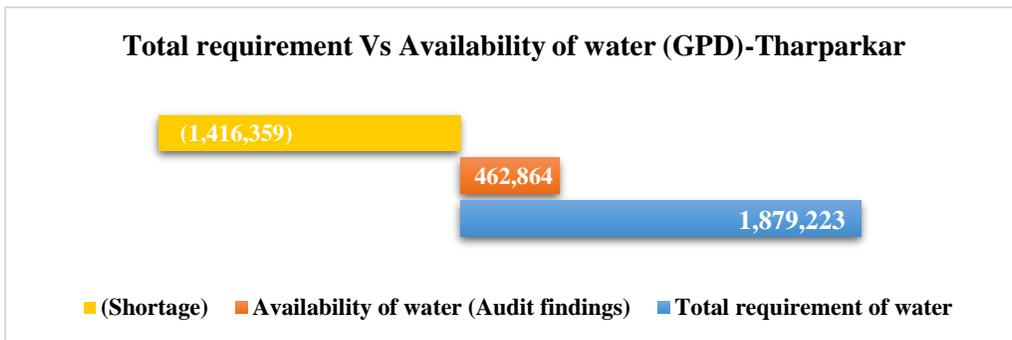
c) Available capacity as per field visits/audit findings

Audit developed a sample of 74 big and small RO plants in district Tharparkar covering 22.2% overall installed capacity. As per progress report, out of these 74 RO plants, 57 are functional and 17 non-functional. However, during field visit of 57 declared functional RO plants, it was noted that 47 plants were actually non-functional which constitutes 82.46%; as only bore water was being supplied (Pictorial Evidence attached at **Annex-1 of Chapter-07**). Lab tests of visited RO plants have also confirmed the audit point of view which are annexed at **Annex-2. of Chapter-07** When audit findings are extrapolated to overall status of RO plants in the district, the functional RO/UF along with available safe drinking water position is as follows:

Taluka	Total	Status as per PHE&RDD			82.46% on functional plants	Status as per Audit		
		Functional	Non-Functional	% Functional		Functional	Non-Functional	% Functional
1	2	3	4	5	6	7 (3-6)	8	9
Mithi	170	84	86	49%	69	15	155	9%
Islamkot	182	37	145	20%	31	6	176	4%
Nagarpar kar	87	16	71	18%	13	3	84	3%
Dahli	137	44	93	32%	36	8	129	6%
Chachro	170	75	95	44%	62	13	157	8%
Kaloi	38	18	20	47%	15	3	35	8%
Diplo	48	27	21	56%	22	5	43	10%
Total	832	301	531	36%	248	53	779	6%

Despite having more than enough capacity, the mismanagement of the installed plants has resulted in shortage of clean drinking water as compared to minimum requirement of total population of Tharparkar District. The same is depicted in following graph which provides a comparison of the total minimum

requirement for potable water with the functional capacity, as observed by audit during the field survey in Tharparkar along with the capacity shortages. The shortage of 1.416 million gallons per day highlights the failure of management to fully utilize the installed capacity of providing clean drinking water in the district.

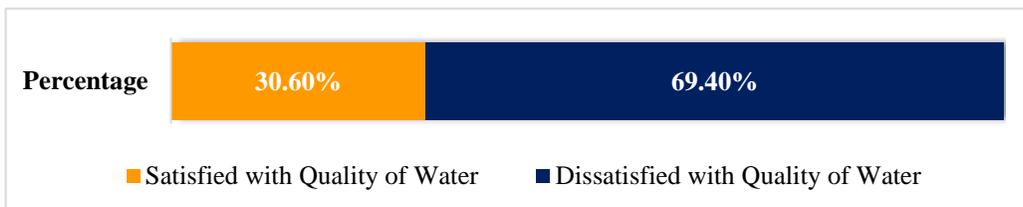


There is a significant discrepancy between the functional capacity reported by the PHE&RDD i.e. 2,638,336 GPD and the actual functional capacity found on the ground i.e., 462,864 GPD (82.46% lower than the reported figures). It is mainly because department has reported plants as functional despite the fact that only bore water was being provided and the ROs remained non-functional. Hence, the actual capacity is substantially lower than the reported capacity resulting into acute shortage of clean drinking water. This calls for serious efforts to turn non-functional plants into working condition on urgent basis.

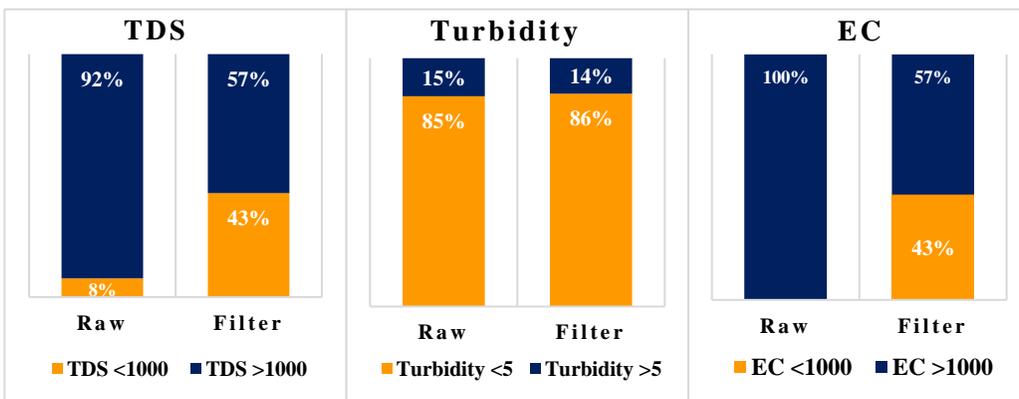
d) Quality of water

The plants were required to be equipped with built-in TDS, pH, and turbidity meters to ensure the provision of clean drinking water to the public. However, it was observed that majority of these meters were non-functional, and no proper system for recording these parameters was found at plant sites. There was no official record available which confirmed whether laboratory tests were also being conducted or otherwise.

The following graph illustrates data based on field survey in Tharparkar district regarding satisfaction ratio of the quality water being provided. Majority of the respondents (69.40%) were dissatisfied with the quality of water, suggesting that the current water supply does not meet the expectations of the population. Low satisfaction rate demands improvement in water quality.

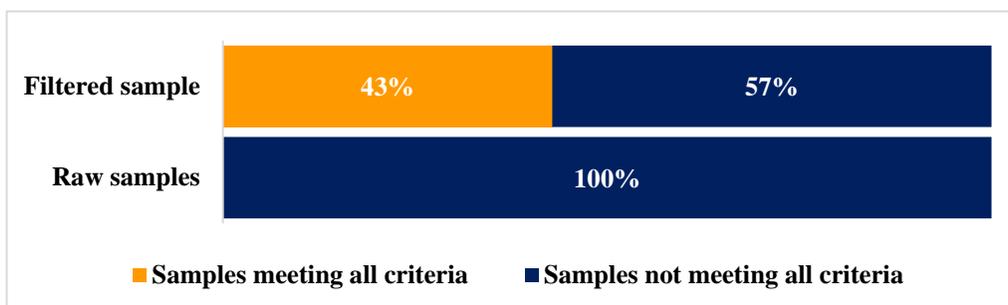


Based on laboratory tests, which were conducted by audit through PCSIR and US-Pakistan Centre for Advanced Studies in Water MUET, Jamshoro, quality was improved to some extent due to RO plants however, still major volume of filtered water did not meet WHO guidelines in respect of Total Dissolved Solids (TDS), Turbidity and Electric Conductance (EC) as indicated below;



Source: Pakistan Council of Scientific and Industrial Research Laboratories Complex Karachi (PCSIR) and US-Pakistan Centre for Advanced Studies in Water MUET, Jamshoro Lab reports

The overall quality of water in Tharparkar revealed that raw water is entirely unfit for drinking. Filtration improves water quality by 43% as illustrated below.



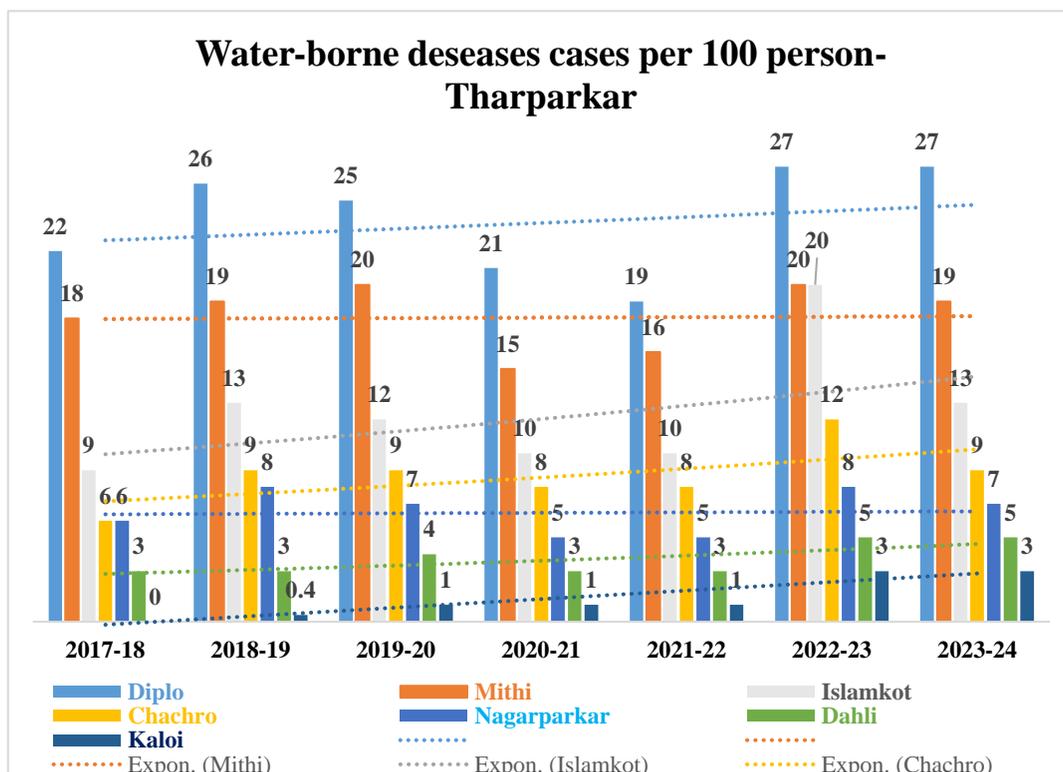
Source: Pakistan Council of Scientific and Industrial Research Laboratories Complex Karachi (PCSIR) and US-Pakistan Centre for Advanced Studies in Water MUET, Jamshoro Lab reports

(ii) Impact on Water-Borne Diseases

The data of the pre-installation period reflected an increasing trend in number of water-borne diseases at an average rate of 7.99%. Similarly, an average change in number of these diseases for the post-installation period was calculated which revealed an increase of 6.39%. The results showed a net decrease of 1.61% in growth rate of water borne diseases in Tharparkar.

District Tharparkar									
Pre-installation				Post-installation					Net Impact
2017-18	2018-19	2019-20	Average Change	2020-21	2021-22	2022-23	2023-24	Average Change	
-4.31%	25.54%	2.75%	7.99%	-16.67%	-0.18%	56.91%	-14.52%	6.39%	1.61%

The graph below highlights the incidence of water-borne diseases in seven tehsils of district Tharparkar along with overall trend. During the pre-installation period, all tehsils exhibited an upward trend in cases. However, two years after RO plants, the number of cases either decreased or remained stable across all tehsils. After that mostly the cases began to rise again. Highest number of cases were reported in Diplo followed by Mithi and lowest number was reported in Kaloi. Graph also highlights the overall trend of the reported cases. Diplo has the steepest slope followed by Islamkot, Chachro and Kaloi, indicating a worsening situation. These areas face significant water quality issues that require immediate and targeted interventions. Kaloi and Dahli, although starting with lower numbers, show an increasing trend, highlighting the need for proactive measures to prevent further escalation.

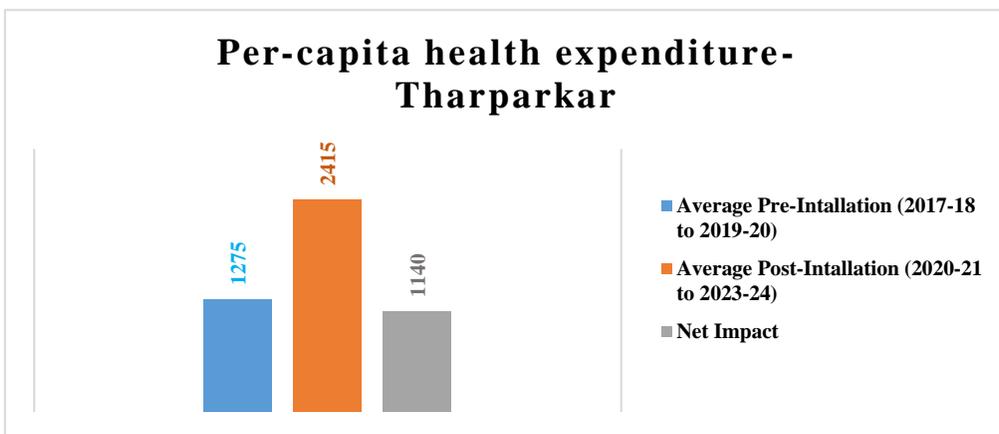


(iii) Impact on Health Expenditure

The following table and graph illustrate the per capita government expenditure on health in Tharparkar before and after the installation of RO plants, along with the average for each period and the net impact. A net increase of Rs. 1,140 per person (89%) was observed during post-installation period.

Particulars	Pre-installation period				Post-installation period					Net impact
	2017-18	2018-19	2019-20	Average	2020-21	2021-22	2022-23	2023-24	Average	
Per-capita Government Health Expenditure-Tharparkar	890	1,309	1,627	1,275	2,222	2,489	2,417	2,531	2,415	-1,140

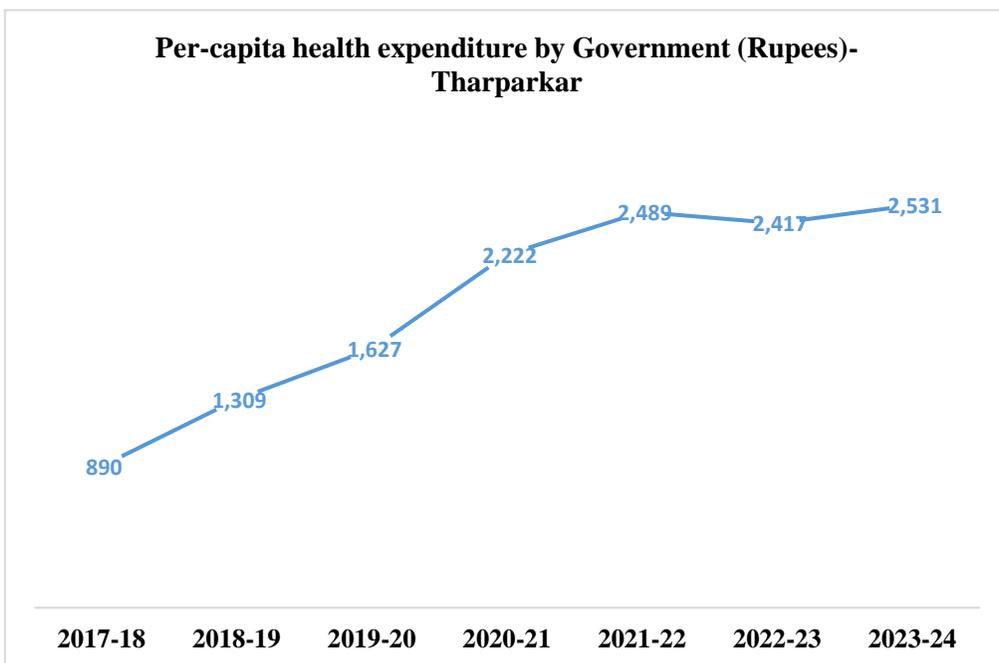
Source: <https://finance.gos.pk/>



Source: District Health Information System and Pakistan Bureau of statistics

This significant increase suggests that the installation of RO/UF plants did not lead to the anticipated reduction in health-related government expenditure.

The general trend of per capita health expenditure is given as below;



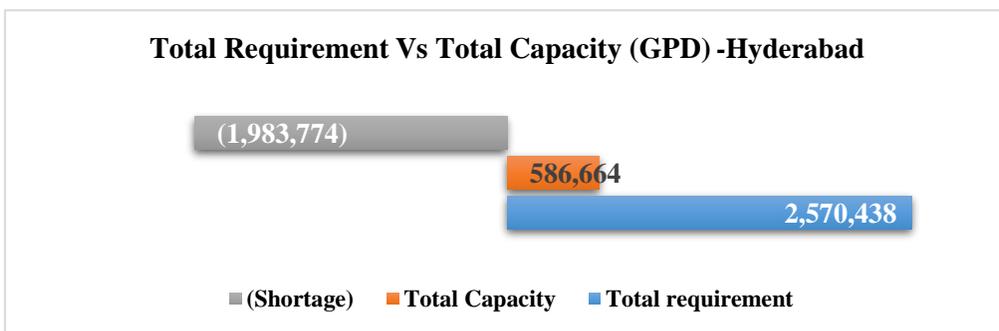
Source: <https://finance.gos.pk/>

7.4.2.2 District Hyderabad

(i) Provision of Clean Drinking Water

a) Total capacity of installed plants

Seventy Eight (78) RO/UF plants are managed by PHE&RDD in Hyderabad. As depicted in following graph, total capacity of these plants is 0.587 million gallons per day against the total minimum requirement of the 2.570 million gallons per day. The capacity deficit of 1.984 million gallons per day highlights the gap between the water demand and the available capacity, indicating the existing infrastructure is inadequate to meet the needs.



b) Available capacity as per Official Figures

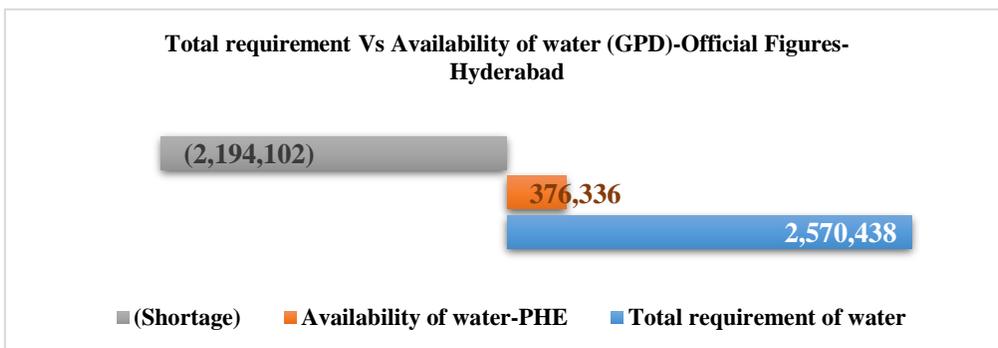
Out of 78 RO/UF plants, 50 were functional and 28 non-functional. Tehsil-wise status of plants, as per data provided by the department, is given in following table.

Sr#	Tehsil	Total	Status of RO/UF plants as per PHE&RDD			
			Number		%	
			Functional	Non-Functional	Functional	Non-Functional
01	Hyderabad City	11	10	1	91%	9%
02	Qasimabad	19	14	5	74%	26%
03	Latifabad	20	15	5	75%	25%
04	Hyderabad (R)	28	11	17	39%	61%
	Total	78	50	28	64%	36%

Source: Progress reports of the PHE&RDD

Total minimum clean drinking water requirement in Hyderabad is 2.570 million gallons per day against the available capacity of 0.376 million gallons per day. The shortage of 2.194 million gallons per day shows that available capacity (as per official figures) is not enough to meet the minimum clean drinking water requirement. The non-functionality of plants (30%) has enlarged

the already prevalent gap between total minimum clean drinking water requirement. The same is depicted in following graph.

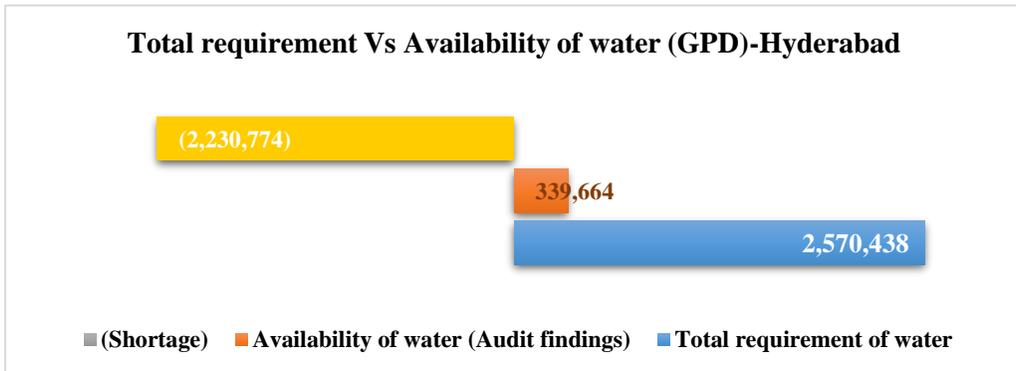


c) Available capacity as per field visits/audit findings

Out of 78 RO/UF plants, 50 were functional and 28 non-functional as per official figures. However, 45 RO/UF plants were visited and found that 6 plants which were reported functional were actually non-functional (Pictorial Evidence attached at **Annex-3 of Chapter-07**). Hence, status of RO/UF plants is as follows:

Sr#	Tehsil	Total	Status as per PHE&RDD			Claimed Functional by Department but found non-functional during visit	Status as per Audit		
			Number		%		Number		%
			Functional	Non-Functional	Functional		Functional	Non-Functional	Functional
	1	2	3	4	5	7	8= (3-7)	9= (4+7)	10
01	Hyderabad City	11	10	1	91%	-	10	1	91%
02	Qasimabad	19	14	5	74%	1	13	6	68%
03	Latifabad	20	15	5	75%	-	15	5	75%
04	Hyderabad (R)	28	11	17	39%	5	6	22	21%
	Total	78	50	28	70%	6	44	34	64%

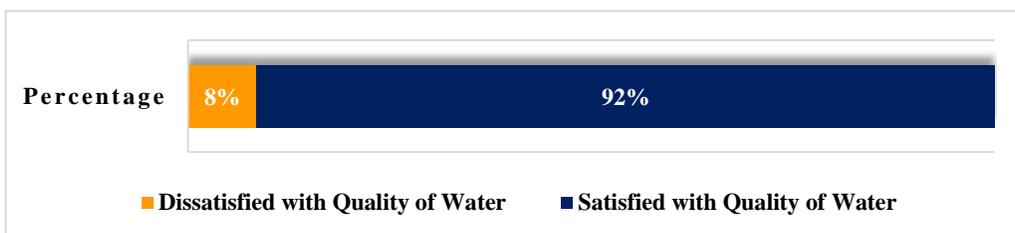
The ground situation is even exacerbated as few of the plants (06) claimed by the department as functional were actually not hence, the actual shortage (2.231 MGD) is slightly higher than the reported (2.194 MGD), suggesting that the current infrastructure is even less capable of meeting the district's needs.



d) Quality of water

The plants were required to be equipped with built-in TDS, pH, and turbidity meters to ensure the provision of clean drinking water to the public. However, it was observed that majority of these meters were non-functional, and no proper system for recording these parameters was found at plant sites. There was no official record available which confirmed whether laboratory tests are being conducted or otherwise.

The following graph illustrates data based on field survey in Hyderabad district regarding satisfaction ratio of the quality water being provided. A significant majority of the respondents (92%) are satisfied with the quality of water. Only 8% of the respondents are dissatisfied with the quality of water.

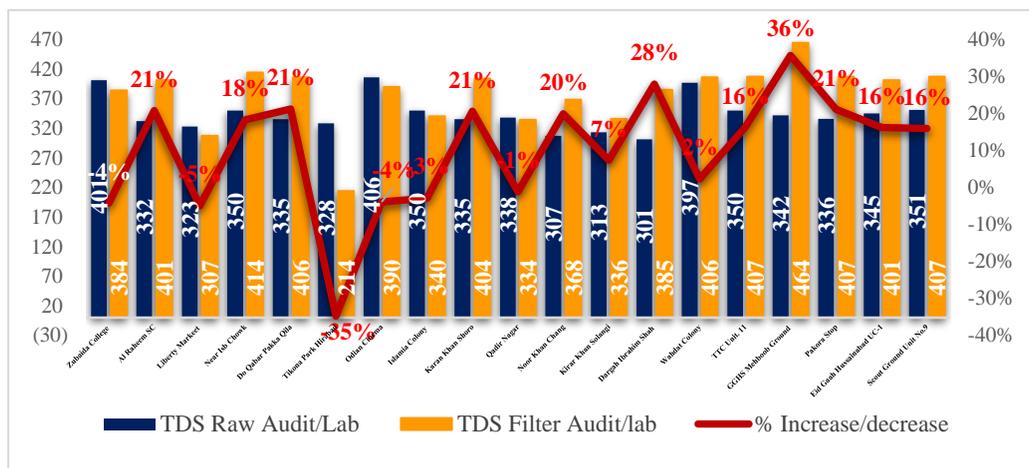


In Hyderabad, the feed water for UF plants is sourced from river water, pre-filtered by WASA filtration plants, and further treated by these plants to produce drinkable water. Hence, the water quality (especially in urban areas), both raw and filtered, falls within the specified limits of WHO guidelines.

Since the feed water is already filtered by WASA plants and meet quality standards, the UF plants have a minimal impact on further improving water

quality. In many cases, TDS levels even increased slightly after filtration. Hence, substantial expenditure of Rs. 79.936 million on installation and an average Rs. 35.552 million (2021- to 2023-24) yearly expenditure on repair and maintenance resulted negligible impact.

The graph below indicates that in various tests, the Total Dissolved Solids (TDS) level in the filtered water in some of the cases was higher than in the raw water.



Source: Pakistan Council of Scientific and Industrial Research Laboratories Complex Karachi (PCSIR) and US-Pakistan Centre for Advanced Studies in Water MUET, Jamshoro Lab reports

This suggests potential issues such as rusted pipelines, unclean filters, or water being stored in tanks for too long.

Apart from UF plants, RO plants are also installed in Hyderabad. However, majority of them are non-functional and in poor condition. One of officially functional plants situated at Tando Qaiser was visited by audit. Water sample of that plant indicated significantly elevated level of Total Dissolved Solids (TDS) and Electrical Conductance (EC) in both raw and filtered water. The raw water had TDS levels of 1,833 PPM and EC levels of 2,820 μ S/cm, whereas the filtered water showed much higher level of 29,779 PPM for TDS and 45,800 μ S/cm for EC.

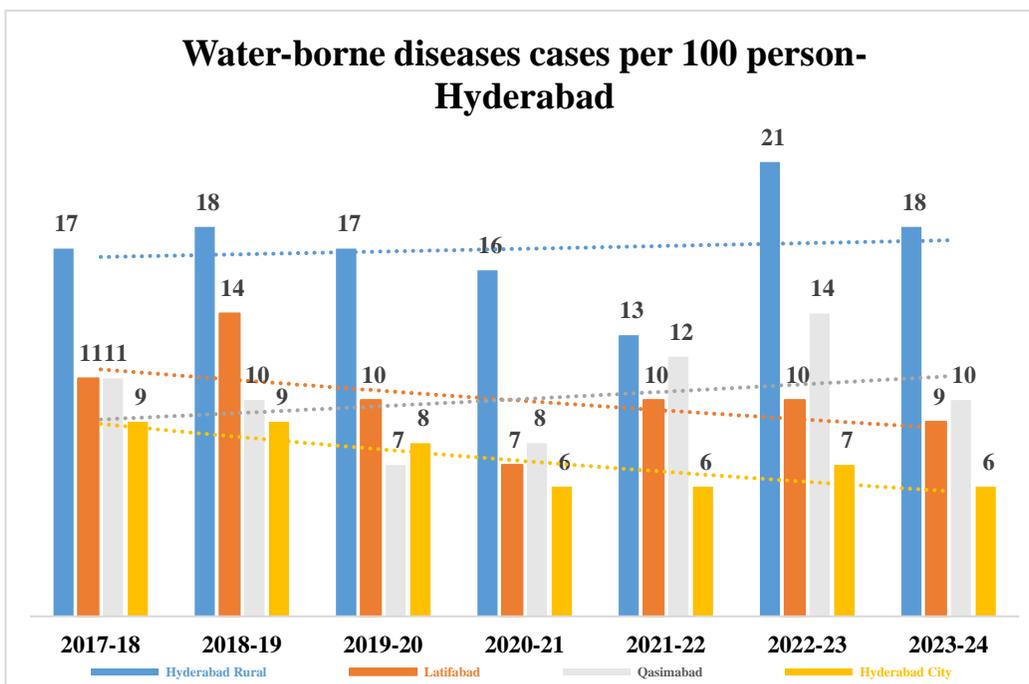
(ii) Impact on Water-Borne Diseases

The data of the pre-installation period reflected an increasing trend in number of water-borne diseases at an average rate of 1.54%. Similarly, an

average change in number of these diseases for the post-installation period was calculated which revealed an increase of 1.57%. The results showed a net increase of 0.04% in growth rate of water borne diseases in Hyderabad.

District Hyderabad									Net Impact
Before				After					
2017-18	2018-19	2019-20	Average Change	2020-21	2021-22	2022-23	2023-24	Average Change	
8.12%	10.00%	-13.52%	1.54%	-13.68%	9.90%	22.11%	-12.04%	1.57%	-0.04%

One of the key reasons for the lack of significant impact from the policy intervention is the non-functioning of the RO/UF plants. This is illustrated in the following graph as the tehsil with a the highest percentage of non-functional plants (Hyderabad Rural) shows an upward trend and the highest number of waterborne disease cases per 100 person. In contrast, the tehsil with a high percentage of functional plants (Hyderabad City) demonstrates a downward trend and the lowest number of waterborne disease cases per 100 person. There is a need for targeted resource allocation and intervention in emerging hotspots (Qasimabad) to prevent further escalation of water-borne diseases. Latifabad and Qasimabad show significant fluctuations, suggesting inconsistent impact of policy intervention.

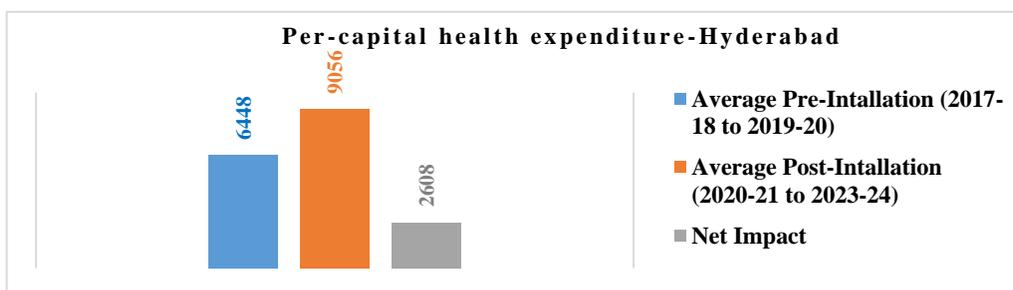


Source: District Health Information System and Pakistan Bureau of statistics

(iii) Impact on health expenditure

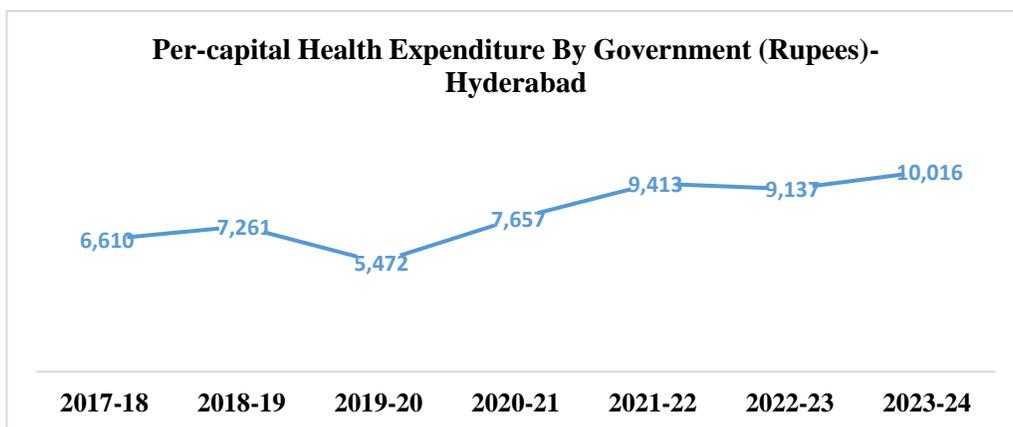
The following table and graph illustrate the per capita government expenditure on health in Hyderabad before and after the installation of RO/UF plants, along with the averages for each period and the net impact. A net increase of Rs. 2,608 (40%).

	Pre-Installation Period				Post-Installation Period					Net Impact
	2017-18	2018-19	2019-20	Average	2020-21	2021-22	2022-23	2023-24	Average	
Per-capita Government Health Expenditure-Hyderabad	6,610	7,261	5,472	6,448	7,657	9,413	9,137	10,016	9,056	-2,608



This significant increase suggests that the installation of RO/UF plants did not lead to the anticipated reduction in health-related government expenditure.

The general trend of per capita health expenditure is given as below:



Source: <https://finance.gos.pk/>

7.4.3 Audit Findings

7.4.3.1 Non-provision of installed quantity and quality of the water

The project failed to provide required clean drinking water, despite incurring the substantial expenditure of Rs. 9,243.48 million (approx.) with annual repair and maintenance of Rs. 438.22 million in selected two districts. Only 0.802 MGD clean water is being provided against the installed capacity of 6.713 MGD. The details are given as below:

District	Installed Capacity (MGD)	Provided capacity (MGD)
Tharparkar	6.127	0.463
Hyderabad	0.586	0.339
Total	6.713	0.802

Similarly, water quality parameters were also not maintained due to non-functional TDS, PH and Turbidity meters on majority of RO/UF plants. Further, there is no mechanism to regularly monitor these basic parameters of quality of water being provided. The ignorance to quality standards especially in Tharparkar is very serious issue since the available water quality is worse with many samples showing high Total Dissolved Solids (TDS) and Electric Conductance (EC) levels containing pathogens, harmful microorganisms, such as bacteria, viruses, and parasites. The presence of heavy metals and harmful chemicals in water weaken the immune system, making individuals more susceptible to water-borne diseases.

7.4.3.2 Non-reduction of water-borne diseases

The project also failed to reduce water-borne diseases, despite huge expenditure on installation and regular maintenance of RO/UF plants. Both districts saw a continuous increase in water-borne diseases, as shown by the positive average growth rates of pre and post-installation periods, as indicated in the following table:

Average growth in water-borne diseases in pre & post-installation period		
District	2017-18 to 2019-20	2020-21 to 2023-24
Tharparkar	7.99%	6.39%
Hyderabad	1.54%	1.57%

7.4.3.3 Non-reduction in expenditure on healthcare

The project was also unsuccessful in achieving another key milestone i.e. reducing government expenditure on health in two selected districts. Throughout the analysis period, government expenditure on health per-person continuously increased in the two selected districts, highlighting the failure of RO/UF plants to reduce healthcare cost, as shown in following table:

Per-capita health expenditure by government in Rupees							
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Tharparkar	890	1,309	1,627	2,222	2,489	2,417	2,531
Hyderabad	6,610	7,261	5,472	7,657	9,413	9,137	10,016

Source: <https://finance.gos.pk/>

7.4.3.4 Non-achievement of desired objectives of the project

The project did not achieve its overall objectives. **The significant factors for non-achievement of desired results are as under:**

1) Issues in procurement and installation of RO/UF plants

i) Non-observance of various quality checks on RO/UF plants material supplied and installed by contractors

The contractors were responsible for supply of RO/UF plants materials from renowned North American or Western European manufacturers. To ensure quality, various checks which include testing by independent international laboratories, pre-shipment inspections and ware-house inspections in Karachi along-with necessary documentation were not ensured since crucial record such as import documents, bills of lading, customs clearance documents, sales tax invoices, manufacturer bills, laboratory tests, and inspection reports were not available in record. This makes quality of installed plants questionable.

ii) Non-installation of RO plants as per approved capacity of 2000 liters per hour

The management allowed the contractor for installation of 500 solar RO plants having capacity of 500 liters per hour and 250 solar RO plants having the capacity of 1000 liters per hour instead of approved PC-I of 2000 liters

per hour. Thus, 8,769 million liters (66.67%) prescribed production capacity of drinking water was compromised on Drinking Water Hub Phase-III.

2) Improper Selection of Sites without feasibility study and population size

P&D Department letter No. SO(DEV)-PDWP-9/277-P&D/2014 dated 28-03-2014, clearly stated that the locations listed in the PC-I were tentative. The executing agency was expected to conduct a feasibility study to determine sites considering population, water availability and its quality and suitability for RO plants in consultation with concerned Deputy Commissioner. Instead, the department relied on a list from MPAs without ensuring compliance with the criteria of a minimum population of 3,000 and suitability of site. As per PC-I, the limit of feed water must not be above 10,000 ppm. However, 57 selected sites had TDS level ranging from 15,055 to 90,483 ppm. This shows sites were selected without keeping the required parameters.

3) Issues in Operations / Negligent oversight

RO/UF plants are sensitive which require delicate operation and supervision by technical staff. One of the major cause of non-functionality of these plants was non-availability of trained staff and negligent oversight by the engineering management. The operators were found non-technical. Only one Assistant Engineer was posted to oversee 832 RO plants in district Tharparkar.

The PC-I(s) did not include any provision for initial training of operators responsible for managing these plants. Post-engagement training sessions were also not organized.

4) Unsustainable supply of power for RO/UF plants

Sustainable electricity supply was not ensured for the RO/UF plants. Audit observed majority of the plants in Hyderabad city were connected to direct supply from the electric pole. There is no sustainable energy system in place to support the operation of the RO/UF plants (exclusively for the ones without solar system).

5) Failure to maintain un-interrupted supply of feed water for RO plants.

During the survey, a significant number of the borewells, which were originally installed during the plant installation, are no longer functional. Despite multiple complaints from the local villagers, no alternate water source was provided resulting in an increased rate of non-functional plants. In certain areas, the local population took the initiative to drill new borewells on their own to ensure a continuous supply of water.

6) Failure to maintain quality of output water

i) Non-obtaining/conducting of laboratory reports of plants maintained by contractor

Operation and maintenance services were outsourced and laboratory test report for the output water was responsibility of the contractor which was not complied with and even basic testing equipment, such as TDS meters, at each plant during the O&M period was not implemented on-site raising concerns about the water quality.

ii) Non-functional water testing laboratories at Hyderabad and Mithi

Total 78 plants in Hyderabad and 832 plants in Tharparkar are managed by PHE&RDD. To monitor the quality of drinking water, water testing laboratories were established in both districts. In 2019-20, repair and renovation schemes of these laboratories, including the provision of testing equipment, were sanctioned at a cost of Rs. 7.682 million for each district. However, these laboratories remained non-functional. A separate amount of Rs. 2.142 million was allocated for the establishment of a new laboratory in Tharparkar in 2023-24.

7) Lack of sustainable planning and operation of RO plants

i) Lack of planning in procurement and maintenance

Since inception of the project, audit did not find any sound planning in procurement of these plants, its maintenance by the contractor, subsequent transfer of plants and its maintenance from one department to another

department. Even while reviewing the monthly progress report from 2021 to 2024 in Tharparkar, availability of number of plants varies from 635 to 832. Similarly, in Hyderabad decrease in number of plants from 109 to 78 was observed.

ii) No SOPs for operation & maintenance of plants

No documented SOPs existed for the O&M of RO plants, leading to inconsistencies in plant management. Following observations were also noted:

- a) **Operational record:** There was no record of plant running times, breakdowns, or shutdowns, including reasons for such events.
- b) **Shift management:** There was a lack of documented shift activity schedule, including brief orientations during shift changes.
- c) **Inventory management:** A site register for repairs and inventory management was missing, along with documentation of visits by supervisors and site officers.
- d) **Cleaning protocols:** No daily cleaning sheets for pre-filter bags, membrane bags, plant maintenance, or premises cleaning were in place, which should have been signed off by operators.
- e) **Operational log sheets:** No log sheets existed to record activities performed during the operation of the plants.
- f) **Water usage tracking:** There was no system in place to record the number of people using water from the plants or the daily quantities produced and supplied.
- g) **Water quality monitoring:** Record of Total Dissolved Solids (TDS) and pH levels at various times were not maintained at the site.
- h) **Laboratory testing:** No systematic laboratory checks were conducted to assess water quality at different intervals.

- i) **Feedback mechanism:** There was no established system for recording feedback or complaints regarding water quality and quantity, which should have been documented in daily shift sheets for supervisor review.
- j) **Regular replacement of filter/membrane:** There was no established period replacements of important components, for maintaining quality of output water, of the plants i.e., membrane and filters. In some cases, it has been three years since it was last replaced.

iii) **Annual Physical verification of dead stock articles not conducted**

An annual physical verification of the dead stock register and machinery/equipment installed at the site, including plants, solar panels, motors, transformers, and other assets was not conducted which reflected non-compliance with established procedures for asset management and oversight.

Discussion with the Management

In Departmental Accounts Committee (DAC) meeting held on 12.12.2024, the report on impact audit was discussed and pictorial evidence was also shown to the PAO in order to give an overview of the previous and the current condition of RO/UF plants. The Secretary PHE & RDD informed the forum that serious efforts were being made to functionalize the non-functional RO/UF plants. Audit informed that even the percentage shown in the official documents as functional in fact were non-functional in various cases. In view of the discussion, DAC directed that necessary action may be taken to address the areas highlighted by the audit as it related to provision of basic need i.e. provision of the safe drinking water.

7.5 Conclusion

The report evaluates the impact of installing RO/UF plants in Tharparkar and Hyderabad districts on provision of clean drinking water, water-borne diseases and government health expenditure from 2017-18 to 2023-24, comparing pre and post-installation periods.

The excess capacity of RO plants in Tharparkar and their shortage in Hyderabad highlights improper resource allocation and the need for better planning. Significant discrepancies between reported and actual functional

capacities (particularly in Tharparkar, where management claimed a significant portion of plants as functional, even though only the bore water was being provided), along with severe potable water shortages, emphasize the necessity for improved monitoring, maintenance, and reporting practices.

In Tharparkar, most raw and filtered water samples were unfit for drinking, exposing citizens to water-borne diseases due to high TDS and EC levels. In contrast, Hyderabad's urban tehsils, where UF plants are installed, receive pre-filtered water from WASA, hence, meeting all quality criteria for safe drinking water. However, rural tehsils with majority of non-functional RO plants experience the same water quality issues as seen in Tharparkar.

Hyderabad consistently reported higher numbers of water-borne diseases compared to Tharparkar, but cases per 100 persons were mostly higher in Tharparkar. The positive average growth rates in pre and post-installation periods highlight the failure to achieve the objective of controlling water-borne diseases as envisioned in PC-I(s).

Installation of RO/UF plants did not achieve their intended goal of reducing government expenditure on healthcare. Instead, both districts saw significant increase in per capita health expenditure in post-installations period. Thus, the scheme did not prove to be a success since it had very negligible impact on the lives of the people considering its cost.

7.6 Recommendations

1. Policy and Planning

- Review and adjust policies to ensure sustained investment in water infrastructure and support for maintenance activities.
- Conduct feasibility studies before selecting sites for new installations to ensure optimal placement and effectiveness.

2. Standard Operating Procedures (SOPs)

- Create and enforce SOPs for the operation and maintenance of RO/UF plants, including daily monitoring, cleaning protocols, and water quality testing.

3. Address Non-Functional Plants

- Prioritize making non-functional plants operational by addressing technical issues and ensuring timely replacement of filters and membranes.
- Allocate resources to repair and upgrade existing infrastructure to improve water quality and reduce disease incidence.

4. Improve Maintenance and Monitoring

- Implement regular and thorough maintenance schedules for RO/UF plants to prevent deterioration and ensure functionality.
- Establish robust monitoring systems to track the performance of water treatment plants and address issues promptly.

5. Enhance Training Programs

- Develop and implement structured training programs for operators to ensure they possess the necessary skills to operate and maintain the plants effectively.

6. Community Engagement and Education

- Launch public health campaigns to educate communities about the importance of using treated water.
- Engage local communities in the maintenance and monitoring of water treatment plants to ensure sustainability.

7. Fixing of responsibility

From planning to installation and subsequent repair & maintenance, various violations of rules & regulations, embezzlements, over-invoicing etc. were observed. Therefore, responsibility should be fixed on the person(s) at fault.

Electrification of off-grid areas through solar technology in villages

8.1 Introduction

In Sindh, a significant portion of the population resides in remote villages, where access to the national electricity grid is limited. Approximately, 30% of total population living in these areas has no access to the National Grid²³. This has hindered socio-economic development, reducing opportunities for education, healthcare, and economic growth. Solar technology presents an innovative and sustainable solution to these challenges by harnessing abundant solar energy resources.

In pursuance of providing an access to cheap energy, Public Health Engineering & Rural Development Department, Government of Sindh initiated the scheme 'Electrification of Off-Grid areas through Solar Technology in Villages' with a total cost of Rs. 1,500 million in 2015-16 for electrification of Off-Grid villages of border districts of Sindh including Tharparkar, Thatta, Sujawal, Sanghar, Dadu and Jamshoro. Under the scheme, it was considered that in each village there were around 40 houses having 55% houses comprising of 2 rooms houses and 45% with single room houses²⁴. Besides, there was a mosque/temple which will also be provided solar system. Details are tabulated as under:

Details of Items	Single Room House	Amount in Rs	Two Room House	Amount in Rs
Panel (160 WP)	1	29,440	2	58,880
Battery (Lithium Ion) (60-AH)	1	53,880	2	107,760
Charge Controller (20 -A)	1	20,000	1	20,000
Panel Mounting	1	7,000	1	7,000
SHS Box (Battery +Charge Controller Box)	1	8,000	1	10,000
Fan (30 W) DC	1	6,000	2	12,000
LED Bulb(7W)	5	4,500	7	6,300
Wiring + Accessories)	1	18,000	1	20,000
Transportation & Installation	1	5000	1	7,000
Total	13	151,820	18	248,940
Two years Operation and Maintenance		9,109	---	14,936
	Grand Total	160,929	---	263,876

²³ Modified PC-I

²⁴ Modified PC-I

The contractor was responsible for providing two years operation & maintenance service including one year warranty of the equipment. After warranty period, regular repair, replacement cost and security of the installed equipment will be borne by the user being the custodian of solar system and after proper training of routine maintenance and cleaning by the executing agency through the contractor. The estimated useful life of the solar panel was 20 years. The useful life of the charger controller and battery was estimated upto 7 years.

8.2 Background

The persisting energy crisis in Pakistan has severely affected the socio-economic conditions of the masses. During peak hours, people experience power outages of approximately 10 to 15 hours daily. This problem aggravates a great deal during summer season. The province of Sindh has also been encountering energy challenges like the rest of the country. The ever-increasing energy requirements in Sindh, both at domestic and commercial levels, necessitate a strategic approach. The issue of resolving energy scarcity is one of the integral agendas of the Government of Sindh, whereof the adoption of parallel measures both on the demand and the supply side have become an imperative challenge. In this context, where the conventional mode of power generation is being pursued, the generation of electricity through renewable sources, particularly wind, solar and biogas have become the exigency of the day. To contribute towards the power generation capacity by extending the grid network, the Government of Sindh has initiated various power projects by mobilizing investment from the Private Sector as per the National Power Policy, 2002 and the Small Independent Power Producers Policy. At present, the expansion of the electricity distribution network requires heavy funding and is marred by considerable time constraints. As an alternate, cheaper and time-saving way of achieving the goal is to provide electricity through solar photovoltaic technology, which has been recognized as a sustainable and effective source of electricity generation all across developing countries. Sindh is blessed with adequate solar radiation on its land, having annual solar hours of approximately 8 - 10 per day. Through high solar energy potential, it has been planned to provide electricity to off-grid villages in the province through the initiation of a project namely 'Electrification of Off-grid Areas through Solar Technology in Villages.'

8.3 Establishing the Audit Theme

8.3.1 Reason for selection

The issue of resolving energy scarcity is one of the topmost agenda of the Government of Pakistan and Sindh. An effort by the Government of Sindh in the shape of electrification of Off-Grid villages will not only contribute towards dealing with energy crisis but it will also reduce CO₂, SO₂ and emissions of other gases in the environment²⁵. After installation of the solar panel system, full day activities will be carried out by households in a smooth way which will uplift socio-economic conditions in the selected villages. The scheme will save additional cost of Rs. 0.900 million per Km from 11 KV line, Rs. 1.200 million Km from LT (Low Tension) line and Rs. 0.250 million for 25 KVA transformer required for electrification of the un-electrified villages identified in the scheme²⁶. Theme also confirms with the United Nations' Sustainable Development Goals (SDGs)-7 which is as under:

Theme	Relevance of the theme with SDGs
Electrification of Off-grid Areas through Solar Technology in Villages	Goal 7 Ensure access to affordable, reliable, sustainable, and modern energy for all.

8.3.2 Objectives

The Thematic Audit will cover the activities performed by the management during execution period of the scheme since 2015-2024. Following were the objectives:

- To determine the effectiveness of governmental policies and initiatives taken towards provision of electrification facilities in rural areas.
- To determine impact of initiative on target districts as desired in project documents in terms of outcomes/productivity.
- To determine sustainability of initiative on long term basis.

²⁵ PC-II

²⁶ PC-II

8.3.3 Scope

The scope of the audit is limited to the electrification work executed in the districts of Dadu & Sanghar in order to adopt focused approach. Audit of the Electrification of Off-grid Areas through Solar Technology in Villages scheme was conducted in the office of the Director General, Rural Development Department, Hyderabad for the period F.Y 2016-2017 to 2023-2024. Further, site visits and interviews in the selected districts were also conducted. Following is position of Solar design-I & II installed in the districts selected for thematic audit.

Design	Dadu	Sanghar	Total
Single Room House	870	1163	2,033
Two Rooms House	650	1064	2,227

8.4 Legal framework governing the theme

The legal framework for off-grid electrification covers the policies, regulations and laws governing the implementation, operation, and oversight of off-grid energy projects, particularly those involving solar technology. The legal framework in a thematic audit of off-grid electrification through solar technology provides a structured approach to evaluate the legal aspects of the project. It ensures that the project complies with national and provincial laws, international commitments, and regulatory standards, while also focusing on financial transparency, environmental sustainability, and community welfare.

8.5 Stakeholders and governmental organizations identified as directly or indirectly involved

Following government organizations and other related stakeholders are involved in this project.

- Public Health Engineering & Rural Development Department, GoS
- Energy Department, GoS
- Finance Department, GoS
- Sindh Public Procurement Regularity Authority, GoS
- Contactors and Service providers
- Local communities and end users
- Local Government Department, GoS
- District Administration
- The rural population of Sindh.

7.6 Role of Important organizations

Public Health Engineering & Rural Development Department, Government of Sindh has the mandate to plan and execute schemes in the province. The work is executed through Directorate General of Rural Development Department stationed at Hyderabad including its Superintendent Engineers and Executive Engineers posted in different districts who execute all the development schemes through sub-ordinate offices.

The Finance Department manages the allocation of funds for the development schemes. Planning and Development Department is responsible for all development schemes, programs and proposals submitted by other departments and making recommendations to the Government thereon. It monitors the progress of the schemes and makes their critical appraisal.

The rules of Sindh Public Procurement Regularity Authority (SPPRA) are required to be followed with respect to the overall spendings and exercising financial propriety against the procurements made and Sindh Environmental Protection Agency ensures the implementation of the environmental laws as stipulated in the Sindh Environmental Protection Act, 2014. It protects people from significant health risks, sponsors / conducts research and enforces the prescribed regulations. The Agency provides sectoral guidelines indicating specific assessment requirements for planning, construction and operation of the projects.

8.7 Funding procedure

Public Health Engineering & Rural Development Department is a regular department of the Government of Sindh. The establishment charges are being paid from Demand No. SC21143 whereas, development expenditure is being charged through the department's development Demand No. SC12143 as well as by the District Governments' setup under Development Demand No. SC12167. The PC-I cost of the scheme 'Electrification of Off-Grid areas through Solar Technology in Villages' was of Rs. 1,500.00 million in 2015-16 for electrification of Off-Grid villages through solar technology. The project is funded by the Government of Sindh through Annual Development Programme.

Financial Position

- Estimated Cost Rs. 1,465.790 million
- Awarded cost Rs. 1,456.128 million
- Work done Rs. 1,411.785 million
- Work to be done Rs. 44.342 million
- Withheld payment Rs .52.638 million

8.8 Field Audit Activity

8.8.1 Methodology

Following approaches were exercised during the execution of the Thematic Audit:

- Review of all scheme related documents, agreements contractors, financial record, procurement files, payment vouchers, supply and delivery orders, warranty cards and progress reports.
- Initial survey reports, Feasibility study reports, Original PC-I, Modified PC-I of the scheme.
- Expenditure & receipts record.
- Record pertaining to the Administrative and Financial Matters.
- Record pertaining to the equipment & Human Resources utilized in the scheme.
- Record pertaining to the socio-economic benefits and environment aspects.
- All other relevant record as required for completion of thematic audit assignment.
- Conducting interviews of the beneficiaries, village representatives, community members and the management.
- Visit of selected scheme sites in Dadu and Sanghar districts on sample basis to inspect existence of solar equipment and verify the operational capacity of the scheme.

8.8.2 Audit Analysis

8.8.2.1 Review of Internal Controls

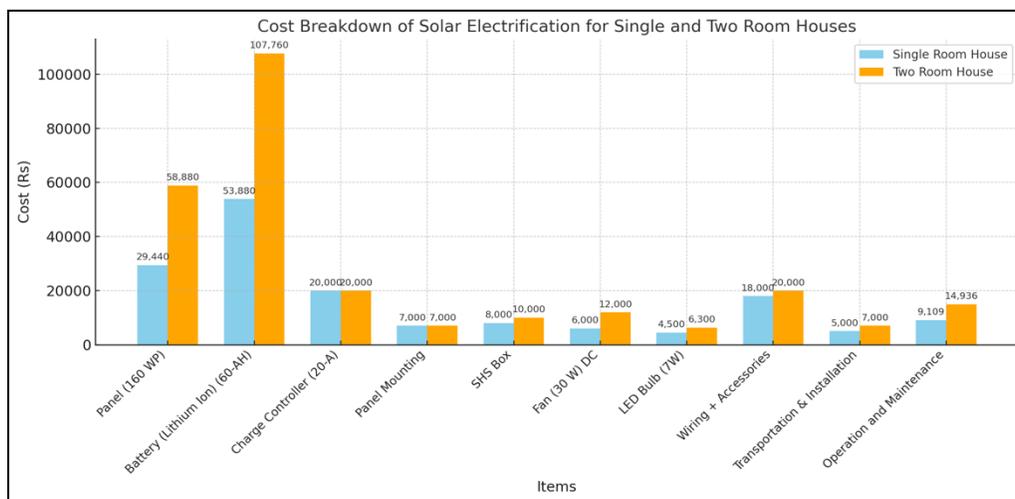
Thematic Audit of the electrification scheme for off-grid areas through solar technology revealed significant deficiencies in planning, execution, and oversight. The lack of comprehensive planning, such as failing to conduct baseline surveys to assess energy needs or establish GPS coordinates for installation sites, critical milestones, including independent material assessments, quality assurance checks, and post-installation reporting, were not met, and field offices for local oversight were absent. Procurement practices bypassed Sindh Public Procurement Rules by splitting contracts, reducing transparency and potentially increasing costs. Supervision and monitoring were inadequate, with no systematic mechanisms to ensure installation quality or enforce warranty obligations, leaving maintenance burdens on villagers. Negligent maintenance practices and the absence of local service centres worsened system performance. Flood damage during natural disasters remained unaddressed, while missed opportunities for CO₂ emission reduction assessments and carbon credits resulted in lost environmental and financial gains. Villagers also lacked training on system operation and maintenance, undermining sustainability. Weak internal controls, stemming from poor planning, ineffective supervision, and non-compliance with guidelines, have led to delays, resource wastage, and suboptimal outcomes. Strengthening internal controls through stricter adherence to guidelines, enhanced monitoring, and improved stakeholder coordination is essential for the project's success.

8.8.2.2 Critical Review

Thematic Audit on "Electrification of Off-Grid Areas through Solar Technology in Villages" in Sindh represents a vital initiative to address energy scarcity, enhance rural socio-economic development, and contribute to environmental sustainability. Despite the significance of the project and its alignment with Sustainable Development Goals (SDG-7), the audit reveals significant gaps in planning, execution, and post-implementation monitoring. These shortcomings compromised the intended benefits and sustainability of the project. The project has delivered some positive outcomes, particularly in terms of providing solar electricity to off-grid villages in Sindh. Key benefits include:

1. **Improved Quality of Life:** The provision of reliable solar lighting has enhanced security and productivity during night time in rural areas.
2. **Environmental Benefits:** The initiative has promoted clean energy solutions, reducing dependency on fossil fuels and contributing to CO2 emission reductions.
3. **Economic Efficiency:** The project's solar-based approach avoids the high costs associated with extending the national electricity grid to remote areas.

In this context, the PC-I was approved to provide cheap energy through Solar Technology in Villages with a total cost of Rs. 1,500 million in 2015-16 for electrification of Off-Grid villages of Sindh. It was considered that in each village, there are 40 houses having 55% houses comprising 2 rooms houses and 45% with single room houses. The graphical representation of data is as follows,

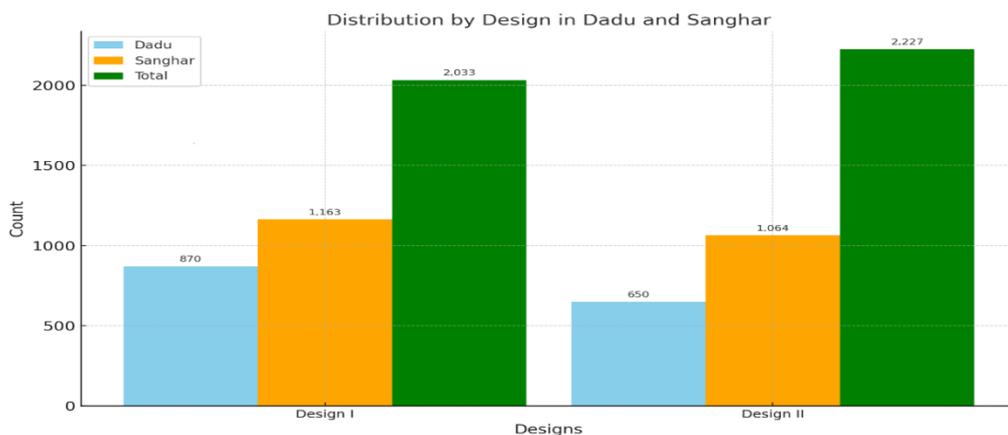


Following is position of Solar design-I & II installed in the districts selected for thematic audit:

Design	Dadu	Sanghar	Total
I	870	1163	2,033
II	650	1064	2,227

Field Visit Findings

As per Terms of Reference (TORs), the audit team visited two districts namely Dadu and Sanghar. Details are as under:



a) Khairpur Nathan Shah Taluka, Dadu District

During visit of Khairpur Nathan Shah Taluka, Dadu District, audit team observed following key points in relation to installation of solar technology.

i. Distribution

The distribution of solar system in Khairpur Nathan Shah Taluka, particularly in the Kacho area of Union Council Burara, was widely acknowledged by villagers. Villagers did not express any major concerns about the fairness of distribution, indicating general satisfaction with how resources were allocated within the community.

ii. Reliability

Residents expressed that the solar system was reliable source of lighting, providing consistent energy and significantly improving their quality of life. The reliability of the solar system was particularly appreciated as it

allowed them to have lighting during the evenings, which is vital in an area where conventional electricity was unavailable.

iii. **Maintenance**

Despite the reliability of the solar system, villagers raised concerns about the lack of maintenance support from contractors or government officials. Over the past two years, they have not received any formal assistance in repairs and maintenance. Due to this gap, villagers have been forced to handle equipment repairs themselves.

iv. **Sustainability**

Solar system has proved suitable for the area, given the lack of access to conventional electricity. The villagers' ability to repair the solar system themselves seems unsustainable without active support and intervention of the government.

v. **Benefits**

The installation of solar system has provided numerous benefits for the villagers, particularly improved security, quality of life, and convenience. The community now has a reliable source of lighting during dark hours, enabling longer productive hours and enhancing social and community interactions in the evening. Villagers expressed significant appreciation for the scheme, as it has helped bridge the energy gap in a region where electricity was inaccessible.

b) Khipro Taluka, Sanghar District

During visit of Khipro, district Sanghar, audit team observed following key points in relation to installation of solar technology.

i. **Distribution**

In Khipro tehsil/taluka, the distribution process of solar system raised notable concerns among villagers. Feedback indicated that the allocation was not handled equitably, with some areas or households receiving solar

system while others were left unattended. Thus, discrimination was voiced by the villagers.

ii. **Reliability**

The solar systems in Khipro were considered reliable by those who received them, as they provided a consistent source of electricity for daily use.

iii. **Maintenance**

Maintenance issues were not the primary concern raised by villagers in Khipro Taluka; however, in case of any fault, services were not rendered by the contractors as reported by the villagers. Some residents managed minor repairs themselves while in case of any major repair, no back-end support was available.

iv. **Suitability**

Sustainability in Khipro is hampered by the relocation of some beneficiaries due to economic hardships or recent floods further complicate long-term viability. If left unaddressed, this issue could undermine the sustainability of solar installations in the area.

v. **Benefits**

The solar system installations have had a positive impact for those who received them, offering enhanced security and improved quality of life, several households reported relocation or displacement, potentially due to economic hardships and recent rains or floods. These relocations complicated the evaluation of benefits, as some solar system recipients had moved to other areas, making it difficult to assess the impact on the originally targeted population.

8.8.3 Key Audit Findings

8.8.3.1 Delayed and un-satisfactory implementation of the Project

As per PC-I, the project commenced in 2016-17 with a targeted completion period of two years.

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was noted that the project, with an estimated cost of Rs. 1,500.00 million began in 2016-17 with an intended implementation period of two years. However, despite the passage of six years, only 90% of the project has been completed indicating a significant failure to meet the original deadline.

(Rs. in Million)

PC-I- cost	Estimated cost	Tender Cost	Work done	Work to be done	Withheld payment
1,500.00	1,465.790	1,456.128	1,411.785	44.342	52.638

The delay in project completion had deprived rural areas of access to clean energy, increased costs, and raised concerns about resource management.

8.8.3.2 Absence of Survey Data Compromising Project Planning

As per feasibility report, in each village there are 40 houses having 55% houses comprising of 2 rooms houses and 45% with single room houses will be solarized,

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts” executed by the office of the Director General, Rural Development Department Hyderabad for the financial years up-to 2023-24, it was observed that the management permitted the solarization of villages without conducting an initial survey as evident from PC-II of the project, which does not contain village-wise details of houses with requirement of system (i.e., Design-I & Design-II or Single & Double Room respectively).

Absence of initial surveys led to poor resource allocation and ineffective implementation, threatening the project's sustainability.

8.8.3.3 Non-achievement of Project Milestones

The project milestone of Scheme ‘Electrification of Off-Grid Areas through Solar Technology in Villages’ as envisaged in the PC-I were as follows:

- i. Distribution of solar panel will be based on initial survey of villages
- ii. Independent third-party assessment of material
- iii. Quality assurance of solar panel
- iv. Inspection and commissioning
- v. Establishment of field offices
- vi. Post-installation reports.

It was observed that some key project milestones had not been fully achieved. This shortfall highlights potential concerns regarding resource utilization and may pose challenges to the project’s sustainability, potentially affecting its long-term viability and overall impact on the targeted communities.

- i. No solar systems were installed in Johi Taluka of Dadu District raising concerns about non-transparent selection of areas/villages distributions.
- ii. Third-party random sample testing from PCRET to evaluate the electrical and technical parameters of the components was not conducted.
- iii. The inspection and commissioning for the project was not conducted, hindering verification of installation quality.
- iv. Relevant material assessment was also not conducted.
- v. There was no evidence of field offices being established during the installation or associated activities, impacting local oversight.
- vi. Post-installation monitoring was not being carried out.

Non-achievement of milestones and absence of such documentation weakens the project's integrity and effectiveness.

8.8.3.4 Mis-alignment of solar panel installations with PC-I guidelines

As per PC-I, “only un-electrified off-grid villages will be solarized.”

During physical visits of the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed that solar systems were also installed in

some on-grid areas of District Sanghar, contrary to the conditions outlined in the PC-I guidelines.

Installation of solar system in on-grid areas violated PC-I guidelines, reducing the project's effectiveness by diverting resources from most remote rural communities.

8.8.3.5 Discrepancies in Installation and Distribution of Solar Systems in Khipro Taluka, Sanghar District

As per Appendix-18 (a) Section-I of Sindh Financial Rules, Volume-II, “Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will be also held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action of culpable negligence.”

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed that 36 double solar systems were issued to village Habibullah Mari however, physical inspection revealed that only 12 systems were installed in the village, while the remaining units were installed in surrounding settlements without an approved program or proper documentation. Thus, discrimination in the distribution was observed.

Village Name	Double Room System	Total Cost of Double System
Habibullah Mari	36	9,430,200

The ambiguous installation of solar systems raised significant concerns about effectiveness of the project.

8.8.3.6 Risk of uneconomic and compromised quality due to non-invitation of International Competitive Bidding -Rs. 1,500 million

According to Rule-15 (2)(a)(ii) of SPPRA, 2010, “International Competitive Bidding shall be default method of procurement for all procurements with an estimated cost equivalent to US\$ 10 million or above”.

During the thematic audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed that the process of procurement amounting to Rs. 1,500 million was conducted through national competitive bidding by splitting the tender into parts to avoid International Competitive Bidding. Further, the Planning and Development Department also raised objections regarding the non-invitation of International Competitive Bidding, emphasizing the need for transparency and competitive market rates in the procurement process.

Splitting the procurement into parts and resorting to national competitive bidding instead of International Competitive Bidding undermines transparency, potentially leading to inflated costs and reduced competitiveness in the procurement process.

8.8.3.7 Non-determination of satisfactory closure and impact of the project.

As per PC-I “The project will be closed with the acceptance of the equipment and PC-IV will be submitted for approval.”

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology, it was observed that an expenditure of Rs. 1,411.785 million was incurred over the last five years in accordance with the PC-I guidelines; however, important documents such as the work completion report (PC-IV) and impact evaluation report (PC-V) were not prepared. These reports are essential to assess the overall impact of the project.

The absence of completion reports (PC-IV and PC-V) hinders the ability to evaluate project effectiveness.

8.8.3.8 Non-assessment of impact and recovery strategies for off-grid Solar schemes after floods in Hyderabad and Mirpukhas

According to Preliminary Survey Report issued by the Superintending Engineer Rural Development Department Hyderabad dated 07-09-2022, 90% people have migrated from villages due to heavy rain flooding.

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed on examination of Preliminary Report dated 02-09-2022 that Off-Grid

Solar Schemes in Hyderabad, Shaheed Benazirabad and Mirpukhas divisions were damaged as a result of heavy flooding, which led to migration of 90% people to other places as their homes were severely damaged. Many solar systems were taken away by the residents when they vacated their houses. However, except this summary statement, report does not contain any details of impacted villages to the extent of damaged houses duly verified by revenue authorities and present status of their rehabilitation and re-installation of Solar Systems (if actually shifted by them at the time of migration) after lapse of more than 02 years.

The management should have conducted detailed damage surveys and maintained communication with affected villagers to ensure timely re-installation of solar systems and to prevent financial losses.

8.8.3.09 Non-conducting of mandatory training to villagers

As per the PC-I guidelines, trainings were to be provided to the villagers for the operation and maintenance of the solar systems.

During the thematic audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed that no training sessions were organized for villagers in Dadu and Sanghar districts, despite the responsibility of district-level offices of the Rural Development Department (RDD) to provide such training. This oversight compromises the villagers' ability to maintain the solar systems effectively over time, ultimately hindering the long-term benefits intended for the community.

Lack of training for villagers compromises the sustainability of solar systems.

8.8.3.10 Non-installation of Solar system in Mosques

As per PC-I, Mosques/Temples will also be provided Solar System.

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed that the management did not solarize mosques and temples in villages designated for electrification, a failure that contradicts the project's objectives.

This oversight restricts access to essential electricity services for community religious institutions, undermining the intended benefits of the project.

Non-installation of solar systems in mosques/temples lowers the project's impact.

8.8.3.11 Lack of attention to repair and maintenance threatening Project Sustainability-Rs. 83.100 million

As per PC-1, Contractor will provide two years operation and maintenance services as part of the contract at taluka/district level and will establish field offices for rapid services.

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed that contractor was obligated to perform repair and replacement of equipment under warranty for a duration of two years. However, during field visits, it was noticed that contractor did not provide any maintenance mechanism throughout the warranty period.

Above situation risks diminishing community trust in stakeholders and highlights the need for strong oversight to ensure accountability.

8.8.3.12 Missing GPS coordinates impeding verification of installation of solar system in Taluka Khipro, District Sanghar

As per Minutes of Meeting held on 04-10-2016, with the Planning and Development Department, the executing department agreed that GPS coordinates of each village will be furnished.

During the Thematic Audit of the project “Electrification of Off-Grid Areas Villages through Solar Technology in Dadu & Sanghar districts”, it was observed that the GPS coordinates for villages in Taluka Khipro, District Sanghar were not made available to confirm installation of all the equipment in all targeted villages through Google map.

The lack of GPS coordinates hinders accurate site verification, and may compromise the credibility of the project's execution and monitoring processes.

8.9 Departmental Response

The report on Thematic Audit on solarization off grid villages was discussed with the PAO and DG, (RDD) in DAC meeting held on 12.12.2024. DG, RDD informed the forum that the utmost care was exercised while implementation of the scheme as it related to betterment of lives of poor people of remote areas. Audit pointed out irregularities and implementation of the scheme in Khipro taluka/ tehsil of Sanghar and overall non-maintenance of solar equipment by the concerned contractors after two years of installment. After discussion, DAC directed the DG, RDD to personally visit the remote areas of Khipro taluka/ tehsil and remove the issues highlighted by the audit. The issue of non-maintenance of equipment by the contractors may also be addressed and report may be submitted to PAO and Audit within 60 days.

8.10 Recommendations

The project can better achieve its objectives of providing sustainable energy solutions to off-grid communities in Sindh while addressing critical gaps in management, transparency, and community engagement by adopting following recommendations:

Strengthen planning and documentation

- Conduct comprehensive baseline surveys to determine village-specific energy needs before project initiation.
- Include GPS coordinates for all installation sites to enhance monitoring, transparency, and accountability.
- Ensure timely preparation and submission of PC-IV and PC-V reports to document project completion and evaluate performance effectively.

Adherence to Project Guidelines

- Strictly follow PC-I criteria to ensure solar installations target off-grid areas exclusively.
- Avoid diverting resources to on-grid areas or undocumented settlements to maximize the project's intended impact.

Improve Procurement Transparency

- Adhere to international competitive bidding procedures for projects exceeding cost thresholds, as per Sindh Public Procurement Rules.
- Avoid splitting procurement activities to ensure transparency and cost efficiency.

Maintenance and Sustainability

- Develop a structured and comprehensive maintenance plan, including routine checks and post-installation monitoring.
- Ensure contractors fulfill their obligations, including warranty provisions, maintenance services, and the establishment of local service centers.

Community Training and Engagement

- Implement structured training programs for beneficiaries to enable them to perform basic system maintenance and troubleshooting.
- Establish continuous communication with communities to address concerns and foster long-term project sustainability.

Environmental and Financial Optimization

- Regularly assess and document environmental benefits, including CO₂ emission reductions, to validate the project's ecological impact.
- Pursue carbon credit sales to generate additional revenue and highlight the project's sustainability contributions.

Address Natural Disaster Impacts

- Conduct thorough assessments of damage caused by floods or other disasters to evaluate the impact on installations.
- Develop and implement recovery strategies of migrated villagers to safeguard government assets and support affected communities.

Expand Equitable Electrification

- Include communal facilities such as mosques, schools, and temples in the electrification efforts to ensure inclusive benefits.
- Reassess the distribution process to ensure equitable allocation of solar systems across targeted communities.

Establish Monitoring and Oversight Mechanisms

- Create field offices for ongoing oversight, addressing installation issues, and providing local support.
- Integrate third-party assessments to ensure quality and adherence to technical and operational standards.

8.11 Conclusion

Thematic Audit of the “Electrification of Off-Grid Areas through Solar Technology in Villages” highlights critical shortcomings that have undermined the effectiveness and sustainability of the project. Despite its potential to address energy poverty and improve the socio-economic conditions of rural communities in Sindh, the project has faced significant delays, with only 90% completion achieved after six years instead of the planned two years. This delay, coupled with incomplete milestones such as baseline surveys, GPS data collection, and post-installation documentation (PC-IV and PC-V reports), has hindered effective monitoring and evaluation. Furthermore, deviations from PC-I guidelines, including the installation of solar systems in on-grid areas, have diverted resources away from the intended off-grid beneficiaries, compromising the project’s overall impact.

The lack of a comprehensive maintenance plan and the failure of contractors to fulfil warranty obligations have shifted the burden of repairs on beneficiaries, threatening the sustainability of the installed systems. The absence of training programs for community members has further exacerbated this issue, leaving villagers ill-equipped to manage even basic maintenance tasks. Additionally, the project missed opportunities to capitalize on its environmental benefits, such as monetizing CO₂ emission reductions through carbon credits, and failed to account for the impact of natural disasters like flooding, which displaced beneficiaries and damaged the installations.

While the project has provided some tangible benefits, such as improving access to reliable energy in certain areas, these gains are undermined by poor planning, inadequate stakeholder coordination, and ineffective resource allocation. To ensure the project fulfils its potential, immediate steps must be taken to address these deficiencies. This includes enforcing stricter adherence to guidelines, enhancing transparency through detailed documentation, implementing robust maintenance and training frameworks, and developing recovery strategies to mitigate the impact of future challenges. By resolving these issues, the project can contribute meaningfully to sustainable development, providing affordable, reliable energy to off-grid communities and supporting broader social and environmental goals in Sindh.

This project has been helpful by bringing electricity to rural areas, making life easier for many people. It has improved access to energy, leading to better living conditions, more opportunities for education and work, and overall development of these communities.

ANNEXURE

Memorandum for Departmental Accounts Committee (MFDAC)-Annex-A

Sr#	Name of Department & Observation	Nature of Observation
Development Authorities		
Karachi Development Authority		
1	Inadmissible payment of allowances – Rs22.536 million	HR/Employees related irregularities
2	Bogus payment of salaries without CNIC - Rs12.847 million	HR/Employees related irregularities
3	Unauthorized posting of Additional Director against the post of Medical Officer - Rs2.345 million	HR/Employees related irregularities
4	Unjustified promotion of officer as Secretary (BPS-19)	HR/Employees related irregularities
5	Unauthorized appointments of Class-IV staff - Rs4.226 million	HR/Employees related irregularities
6	Irregular promotion of Sub-Engineer to Assistant Executive Engineer	HR/Employees related irregularities
7	Splitting of expenditure to avoid open tenders – Rs0.991 million	Procurement related irregularities
8	Unjustified hiring of security services - Rs2.352 million	Procurement related irregularities
9	Excess payment to contractors – Rs148.674 million	Procurement related irregularities
10	Irregular payment of mobilization advance - Rs111.827 million	Procurement related irregularities
11	Irregular expenditure on non-scheduled items without rate analysis – Rs101.634 million	Procurement related irregularities
12	Non-transparency in award of work - Rs1,490.464 million	Procurement related irregularities
13	Unjustified payment of secured advance – Rs98.863 million	Procurement related irregularities
14	Unauthorized operation and maintenance of bank accounts in private commercial banks	Management of Accounts with Commercial Banks
15	Unauthorized allotment of three (03) Government vehicles	Others
16	Doubtful payment for medical services - Rs0.328 million	Others
17	Unjustified rejection of bid price	Others
18	Variation in figures in both the expenditure & receipt figures - Rs125.075 million	Others
19	Irregular refund of security deposit during execution – Rs. 14.931 million	Others
Hyderabad Development Authority		
1	Non-obtaining of performance security on enhanced work – Rs 9.573 million	Procurement related irregularities
2	Unjustified approvals of payments without having funds – Rs. 39.523 million	Others
3	Unjustified variation between payment & receipt of fund – Rs. 1.027 million	Others
Malir Development Authority		
1	Non-deduction of benevolent fund from monthly salaries of MDA employees	HR/Employees related irregularities

Sr#	Name of Department & Observation	Nature of Observation
2	Advertisement published through private agency instead of Press Information Department -Rs. 14.278 million	Procurement related irregularities
3	Variation in receipt amount in bank and books of accounts – Rs. 8.100 million	Management of Accounts with Commercial Banks
4	Non-transparent transfer of funds-Rs. 1,099.000 million	Management of Accounts with Commercial Banks
5	Non-preparation of master plan by the Authority	Others
6	Unjustified cancellation of cheques in sequence	Others
7	Advance payment without adjustment-Rs.11.065 million	Others
8	Issuing of road cutting estimates without approved rates-Rs1.150 million	Others
9	Irregular expenditure incurred on TA/DA – Rs. 1.899 million	Others
10	Non- maintenance of Assets register –Rs63.398 million	Others
11	Non-achievement of target of receipts – Rs. 248.77 million	Others
12	Discrepancy in total expenditure and receipts	Others
13	Less deduction of Taxes-Rs. 4.207 million	Others
14	Unjustified expenditure on repair of vehicles- Rs2.416 million	Others
15	Irregular payment to BOR without supporting vouchers – Rs. 532.178 million	Others
16	Misuse/theft of official vehicles	Others
17	Irregular disbursement of loans and advances – Rs. 10.175 million.	Others
18	Irregular allotment of vehicles and expenditure on POL – Rs. 30.273 million	Others
19	Irregular expenditure without approval of budget estimates - Rs1,215.673 million	Others
Lyari Development Authority		
1	Unjustified payment of conveyance allowance -Rs. 0.079 million	HR/Employees related irregularities
2	Non-renewal of performance security -Rs. 4.65 million	Procurement related irregularities
3	Less deduction of Sales Tax on Services and Income Tax -Rs. 0.217 million	others
4	Non-recovery of stamp duty on extended services -Rs. 0.089 million	others
5	Over-payment due to excess measurement of damp proof course -Rs. 0.563 million	others
6	Non-recovery of outstanding dues of plots from the K.D.A -Rs. 476.889 million	others
7	Irregular hiring of legal adviser and legal firms -Rs. 4.273 million	others
8	Irregular expenditure on POL without maintenance of record - Rs. 11.224 million	others
Education Works Divisions		
1	Irregular refund of lapsable security deposit - Rs. 0.557 million	Procurement related irregularities
2	Less deduction of security deposit - Rs. 2.795 million	Procurement related irregularities
3	Irregular award of Emergent Work – Rs. 1.000 million	Procurement related irregularities

Sr#	Name of Department & Observation	Nature of Observation
4	Irregular acceptance of single bid without market analysis - Rs.35.770 million	Procurement related irregularities
5	Irregular award of work after bid validity period-Rs.8.295 million	Procurement related irregularities
6	Un-justified award of contracts on a single bid basis without market rates analysis-Rs.389.252 million	Procurement related irregularities
7	Irregular revision of technical sanction- Rs.68.502 million	Procurement related irregularities
8	Unjustified delay in start of works after issuance of work order-Rs.9.577 million	Procurement related irregularities
9	Less-deduction of security deposit-Rs1.404 million	Procurement related irregularities
10	Un-justified acceptance of single bid without market analysis-Rs.125.044 million	Procurement related irregularities
11	Award of works to single bidders- Rs.51.979 million	Procurement related irregularities
12	Less deduction of security deposit-Rs.8.189 million	Procurement related irregularities
13	Irregular acceptance of single bid without market analysis - Rs.12.974 million	Procurement related irregularities
14	Unjustified delay in start of works after issuance of work order-Rs.0.896 million	Procurement related irregularities
15	Less deduction of security deposit-Rs.4.226 million	Procurement related irregularities
16	Unjustified delay in start of works after issuance of work order-Rs22.820 million	Procurement related irregularities
17	Early Execution of work without a Formal Contract Agreement-Rs.40.976 million	Procurement related irregularities
18	Unjustified delay in start of work after issuance of work order-Rs.56.302 million	Procurement related irregularities
19	Irregular payment without pre-audit-Rs. 35.91 million	Others
20	Non-utilization of funds despite releases – Rs. 71.824 million	Others
21	Unjustified utilization of the entire repair and maintenance budget on a single institute-Rs. 43.331 million	Others
22	Excess payment to the contractors on various items - Rs. 1.065 million	Others
23	Non-credit of revenue received against dismantled material - Rs. 2.336 million	Others
24	Non-initiation of work against the approved schemes - Rs. 174.891 million	Others
25	Unjustified execution of work under ADP's contingency – Rs. 0.475 million	Others
26	Unjustified inclusion of Income Tax in the rate analysis - Rs. 0.287 million	Others
27	Variation in figures of receipts and Expenditure between monthly account and SAP Data - Rs. 38.827 million	Others
28	Unjustified payment of finishing item at initial stage of work - Rs.0.204 million	Others
29	Irregular expenditure on account of purchase of machinery & equipment from M&R-Rs.0.146 million	Others

Sr#	Name of Department & Observation	Nature of Observation
30	Award of contract without furnishing information to NAB –Rs. 67.785 million	Others
31	Irregular payment without exercising check measurement-Rs. 11.457 million	Others
32	Excess expenditure incurred over & above the budget allocation – Rs. 5.20 million	Others
33	Loss to Government due to variation in rates – Rs. 1.581 million	Others
34	Defective estimate due to excess items of work–Rs. 2.803 million	Others
35	Irregular deposit of tender fee into liability account-Rs.1.380 million	Others
36	Irregular payment of electric charges from ADP’s contingency-Rs.0.821 million	Others
37	Non-installation of Electric Meter-Rs.1.242 million	Others
38	Non-initiation of work against the approved schemes despite release of funds-Rs 28.00 million	Others
39	Irregular execution of work & payment-Rs.111.846 million	Others
40	Unjustified dual expenditure on the same scheme under M&R & ADP by same contractor-Rs. 30.857 million	Others
41	Duplication of works on same schools-Rs.2.441 million	Others
42	Irregular expenditure on M & R-Rs.37.801 million	Others
43	Non-achievement of objectives to facilitate polling staff Rs. 12.282 million	Others
44	Irregular expenditure on repair & rehabilitation of pollin stations-Rs 0.927 million	Others
45	Irregular expenditure on account of POL over off road vehicles-Rs.0.837 million	Others
46	Non maintenance of register/ ledgers of security deposit and call deposits	Others
47	Non-accountal of dismantled material-Rs.1.058 million	Others
48	Un-justified expenditure on marble work without carrying out initial civil work to lay-Rs.0.377	Others
49	Irregular expenditure on M&R without completion certificates-Rs.3.626 million	Others
50	Irregular execution of work & payment-Rs.38.502 million	Others
51	Defective approval of the estimate due to non-inclusion of items for stairs-Rs.7.188 million	Others
52	Unauthorized creation of liabilities-Rs.11.100 million	Others
53	Irregular expenditure without detailed estimate-Rs.2.158 million	Others
54	Non-handing over of schools building despite completion-Rs. 7.853 million	Others
55	Irregular payment of Conveyance allowance-Rs 50,000	Others
56	Unjustified inclusion SST of SRB in technical sanction-Rs.36.371 million	Others
57	Irregular approval and execution of rehabilitation and repair work of private sector from annual public sector development program-Rs.179.573 million	Others

Sr#	Name of Department & Observation	Nature of Observation
58	Unjustified amount of security deposit credit in to the account Rs17.7 million against the expenditure of 40.4 million	Others
59	Unjustified recording of Income tax payment in to the security deposit-Rs.13.063 million	Others
60	Loss due to payment of conveyance allowance 0.180	Others
61	Non-credit / non accounted of revenue received against dismantled material-Rs.2.005 million	Others
62	Unjustified delay in start of works after issuance of work order-Rs.56.302 million	Others
63	Non-adjustment/clearance of Public Works Deposits-Rs.1.750 million	Others
64	Laxity in performance of duties by divisional accounts officer	Others
65	Non-maintenance of important record	Others
66	Unjustified designing of the Autism Rehabilitation & Training Centre	Others
67	Non-maintenance Register/Ledger of Security Deposit-Rs 85.337 million	Others
68	Doubtful balance of security deposit/call deposit Rs. 12.02 million	Others
69	Non-crediting of call deposits into treasury – Rs6.226 million	Procurement related irregularities
70	Irregular expenditure on non-scheduled items without rate analysis – Rs13.070 million	Procurement related irregularities
71	Un-Justified inclusion SST of SRB in PC-1 & contractor bills instead of deduction from contractors taxable amount- Rs8.793 million	Procurement related irregularities
72	Non-execution of agreement on development works Rs291.280 million	Procurement related irregularities
73	Non-reconciliation/ verification E- stamps duty received from various contractors –Rs0.167 million	Procurement related irregularities
74	Non-execution of work on ADP schemes since many years- Rs14.420 million-	Procurement related irregularities
75	Non-completion of M&R works within permissible time - Rs. 11.496 million	Procurement related irregularities
76	Non-handing over of college buildings despite completion Rs.126.425 million	Procurement related irregularities
77	Irregular expenditure on difference of cost of material Rs. 20.171 million	Procurement related irregularities
78	Non-recovery of stamp duty – Rs1.019 million	Others
79	Non-recovery of electricity and water charges – Rs2.782 million	Others
80	Irregular refund of security deposit – Rs4.370 million	Others
81	Non-handing over of College buildings despite completion- Rs.165.951 million	Others
82	Non-obtaining satisfactory completion certificate on account of missing facilities of 15 colleges to facilitate polling staff- Rs4.757 million	Others
83	Loss to Government due to non-utilization of excavated earth Rs0.285 million	Others
84	Non-deduction of Sindh Sales Tax – Rs. 2.278 million	Others

Sr#	Name of Department & Observation	Nature of Observation
85	Unauthorized execution of work-Rs. 7.626 million	Others
Irrigation Department		
1	Irregular payment of inadmissible allowances - Rs. 1.949 million	HR/Employees related irregularities
2	Irregular promotion of employees, without observing qualification criteria	HR/Employees related irregularities
3	Wasteful expenditure on pay & allowance of Abdars-Rs35.472 million	HR/Employees related irregularities
4	Irregular payment of inadmissible allowances - Rs.0.646 million	HR/Employees related irregularities
5	Irregular drawing of Benazir Income Support Program Funds (BISP) by retired and in-service employees -Rs.4.883 million	HR/Employees related irregularities
6	Irregular holding of an additional or dual charge	HR/Employees related irregularities
7	Irregular award of work due to obtaining less Bid Security – Rs. 0.402 million	Procurement related irregularities
8	Irregular award of work without obtaining bid security-Rs. 81.697 million	Procurement related irregularities
9	Irregular award of contract on account of tender fee	Procurement related irregularities
10	Non-transparent bidding process – Rs. 95.955 million	Procurement related irregularities
11	Irregular procurement of M&R works – Rs. 96.108 million	Procurement related irregularities
12	Non-adoption of proper procedure for obtaining bid rates - Rs. 284.293 million	Procurement related irregularities
13	Non-adoption of proper procedure for obtaining bid rates - Rs. 251.588 million	Procurement related irregularities
14	Award of contract to disqualified contractor-Rs. 66.139 million	Procurement related irregularities
15	Splitting of expenditure to avoid open tenders – Rs 87.926 million	Procurement related irregularities
16	Award of works without eligibility criteria-Rs.763.494 million	Procurement related irregularities
17	Non-invitation of open tenders – Rs. 0.499 million	Procurement related irregularities
18	Non-obtaining of bank guarantees from the bidders - Rs. 49.052 million	Procurement related irregularities
19	Irregular execution of extra items of works - Rs. 66.685 million	Others
20	Non-execution of deposit work - Rs. 0.614 million	Others
21	Irregular refund of security deposit - Rs. 44.586 million	Others
22	Non-crediting of lapsed deposits into government account - Rs 1.214 million	Others
23	Misclassification by crediting PW Deposit into SST -Rs. 0.939 million	Others
24	Wastage of public funds due to non-achievement of objectives/merits as per PC-I	Others
25	Deterioration/dilapidation of structures/earthwork due to weather calamities	Others

Sr#	Name of Department & Observation	Nature of Observation
26	Abnormal delay in project created liabilities	Others
27	Non-framing of contract of contract agreement of POL- Rs.5.348 million	Others
28	Non-utilization of released budget-Rs.50.770 million	Others
29	Non-clearance of P.W deposit-90.627 million	Others
30	Doubtful expenditure on account of stationary-Rs.0.599 million	Others
31	Doubtful expenditure on account of furniture & fixture- Rs.0.307 million	Others
32	Doubtful expenditure on account of repair of machinery & equipment-Rs.0.248 million	Others
33	Non-achievement of performance indicators and targets of Division set for 2022-23.	Others
34	Non/less deduction of GST -Rs.0.137 million	Others
35	Irregular expenditure under the head of Uniform and liveries – Rs. 0.482 million	Others
36	Irregular purchase of stationery & printing articles – Rs. 62,000	Others
37	Non-conducting of Annual Physical Verification of stock and stores	Others
38	Irregular payment of contingency without supporting details – Rs. 0.438 million	Others
39	Procurement of item from rejected contractors due to higher rates -Rs. 0.112 million	Others
40	Doubtful payment on account of borrow-pit earth work – Rs. 0.430 million	Others
41	Excess payment on account re-handling charges beyond excavated earth –Rs. 0.585 million	Others
42	Un-justified payment of transformer cost to the contractors – Rs. 32.399 million	Others
43	Excess refund of sales tax to the SRB - Rs. 0.089 million	Others
44	Irregular payment on account of rent of office building - Rs. 0.192 million	Others
45	Discrepancy in the balances of expenditure – Rs. 38.992 million	Others
46	Un-justified expenditure on uniforms and protective clothing - Rs. 0.460 million	Others
47	Irregular Payment to Consultant without Draft Reports- Rs. 96.00 million	Others
48	Non-obtaining of the performance security-Rs. 2.182 million	Others
49	Un-justified constitution of PC & CR committees-Rs. 10.578 million	Others
50	Non-recovery of printing and stationary material from government press - Rs.0.762 million	Others
51	Un-justified payment to contractor beyond time period of the completion of project Rs. 185.326 million	Others
52	Non-maintenance of cash book-98.873 million	Others
53	Concealment of revenue-Rs1.836 million	Others
54	Irregular expenditure under the head TA/DA-Rs1.622 million	Others

Sr#	Name of Department & Observation	Nature of Observation
55	Loss to Government due payment of tax to Bank-Rs0.432 million	Others
56	Non-reconciliation of receipt – Rs488.511 million	Others
57	Irregular execution of scheme with reduced scope – Rs. 9.357 million	Others
58	Excess execution of item of woks – Rs. 0.685 million	Others
59	Non-adjustment of withholding tax on profits of bank – Rs. 0.279 million	Others
60	Non-maintenance of record of challans issued to the four divisions	Others
61	Bank accounts opened without production of authorization letters and joint signatories	Others
62	Non-maintenance of cash book by the DDO	Others
63	Crediting of various amounts in the bank without source of funds – Rs. 35.999 million	Others
64	Non-reconciliation of revenue receipts' amounts from the banks	Others
65	Non maintenance of Fixed Asset Register – Rs. 0.881 million	Others
66	Irregular expenditure due to misclassification – Rs. 0.111 million	Others
67	Irregular expenditure incurred on travelling allowance – Rs 0.127 million	Others
68	Irregular expenditure incurred on repair of furniture & machinery without quotation - Rs 0.424 million	Others
69	Non maintenance of log book / consumption register– Rs. 0.355 million	Others
70	Non-maintenance of contingent register – Rs. 6.445 million	Others
71	Doubtful /double use of same voucher on account of repair of machinery and equipment -Rs.0.084 million	Others
72	Non-reconciliation of expenditure Rs.102.125 million	Others
73	Split-up of work on account of repair of transport to avoid tender - Rs 0.607 million	Others
74	Annual physical verification of stock / stores of the divisions not conducted	Others
75	Non-recovery of material from government press - Rs.0.588 million	Others
76	Annual physical verification of stock / stores of the divisions not conducted	Others
77	Non-maintenance record of recovery of contractual amount	Others
78	Un-justified recovery on account of water charges - Rs.5.537 million	Others
79	Excess payment on account of earth work compaction - Rs 0.764 million	Others
80	Irregular signing of contract agreement before issuance of the work Order-Rs. 335.965 million	Others
81	Irregular payment for un-skilled labour - Rs. 0.634 Million	Others
82	Irregular payment without exercising check measurement-Rs10.369 million	Others
83	Unjustified expenditure without 10% check measurement – Rs. 10.575 million	Others

Sr#	Name of Department & Observation	Nature of Observation
84	Un-justified payment of additional lead beyond admissibility – Rs. 0.581 million	Others
85	Non-execution of agreement on non-development works-Rs, 45.760 million	Others
86	Unjustified payment for hire of unskilled labour – Rs. 0.816 million	Others
87	Irregular payment without exercising check measurement- Rs. 4.597 million	Others
88	Un-justified payment to contractors on diesel at various rates- Rs. 1.687 million	Others
89	Recovery due to excess utilization of sutli-Rs. 264,798/-	Others
90	Non-affixing of stamps on agreement - Rs. 471,030/-	Others
91	Non deduction of professional tax from contractors- Rs34,500/-	Others
92	Non-reconciliation of Income Tax – Rs21.317 million	Others
93	Irregular and unjustified allowing of POL in variation to the rates announced by the government-Rs4.504 million	Others
94	Non-review of important register by the Divisional Officer.	Others
95	Un-justified completion of work against work to be done - Rs. 888.281million	Others
96	Irregular payment on cartage without preparing lead chart and material statement-Rs. 64.827 million	Others
97	Un-justified payment of M&R against unapproved rates -Rs. 10.847 million	Others
98	Non-maintenance of consumption account – Rs. 153.595 million	Others
99	Irregular expenditure on POL – Rs. 1.560 million	Others
100	Irregular expenditure on Abkalani material Rs. 2.551 million	Others
101	Unjustified withholding amount from payment of contractor – Rs3.274 million	Others
102	Composition of Procurement Committee by inclusion of member from outside field - Rs. 272.243 million	Others
103	Non-maintenance of record	Others
104	Non-recovery of Abiana by AWB from Channels/Distries shifted from Farmer Organizations	Others
105	Contingencies utilized without maintenance of registers – Rs. 0.200 million	Others
106	Differences in amounts in the balances carried forward – Rs. 105.282 million	Others
107	Heavy revenue amount retained in the banks on the closing dates without utilization policy by the Nara Water Board – Rs. 753.138 million	Others
108	Irregular expenditure on purchase of Abkalani Material - Rs. 33.206 million	Others
109	Non-preparation of proper bills appropriate to the works -Rs. 251.588 million	Others
110	Un-justified construction of Modules-Rs. 37.025 million	Others
111	Irregular payment on repair & maintenance of transformers without completion certificates – Rs. 10.855 million	Others

Sr#	Name of Department & Observation	Nature of Observation
112	Unjustified expenditure on hiring of Tractor with Trolley – Rs. 36.107 million	Others
113	Non-maintenance of detail measurement for executing emergency work-Rs.1.991 million	Others
114	Doubtful payment without proper measurement – Rs. 3.409 million	Others
115	Non Inspection of work by the monitoring team for maintaining quality standard as envisaged in PC-I	Others
116	Excess payment against Procurement Plan Rs.82.078 million	Others
117	Non-maintenance of consumption account - Rs. 16.92 million	Others
118	Non-clearance of P.W.Deposit-Rs726.824 million	Others
119	Non-maintenance of log books - Rs.6.459 million	Others
120	Doubtful expenditure of stone pitching and strengthening earth work Rs. 249.199 million	Others
121	Excess payment to the contract employees-Rs0.588 million	Others
122	Irregular expenditure for the supply of stone boulders-Rs91.400 million	Others
123	Heavy expenditure incurred within a single day through multiple cheques issued in a Single day without possible execution and MB recording – Rs. 212.165 million	Others
124	Non-transparent bidding process by the procuring agency under M&R works – Rs. 0.832 million	Others
125	Excess payment over actual consumption of steel work - Rs.0.637 million	Others
126	Excess payment of lead against the quantity of earth beyond admissibility – Rs. 0.626 million	Others
127	Irregular payment of excess premium on earthwork - Rs.36.388 million	Others
128	Irregular variation of expenditure - Rs. 13.960 million	Others
129	Unjustified splitting up of scheme into packages – Rs. 898.668 million	Others
130	Excess incorporation of contingency charges in the scheme beyond permissible limit – Rs. 3.400 million	Others
131	Irregular expenditure from assignment account without post audit – Rs.237.651 million	Others
132	Over payment due to non-deduction of voids on stone filling/pitching – Rs 0.483 million	Others
133	Defective completion of schemes contrary to PWD specification –Rs. 198.627 million	Others
134	Non utilization of funds – Rs27.879 million	Others
135	Irregular payment on account of financial assistance – Rs.102.000 million	Others
136	Irregular payment salaries of previous years - Rs0.257 million	Others
137	Irregular bidding process of M&R works in violation of SPPRA rules	Others
138	Variation of income tax figure between SAP data and Account Rs. 3.874 million	Others

Sr#	Name of Department & Observation	Nature of Observation
139	Undue favour to contractors due to non-deduction of security deposit -Rs.503,428/-	Others
140	Irregular expenditure on repair of transformers – Rs0.725 million	Others
141	Non-execution of work as per PWD specification - Rs. 1.286 million	Others
142	Irregular payment of machinery - Rs.0.493 million	Others
143	Non- utilization of funds - Rs. 357.069 million	Others
144	Irregular expenditure on the repair of furniture –Rs0.103 million	Others
145	Un-justified expenditure on purchase of crockery items- Rs0.474 million	Others
146	Excess consumption of steel and cement - Rs.0.991 million	Others
147	Doubtful expenditure on supply of material – Rs. 25.643 million	Others
148	Unjustified payment of M&R against unapproved rates -Rs. 15.145 million	Others
149	Irregular payment without measurement – Rs.2,242.09 million	Others
150	Irregular expenditure on non-schedule items without conducting rate analysis -Rs. 156.709 million	Others
151	Non deduction of security deposit – Rs. 401.069 million	Others
152	Excess execution of items beyond approved PC-I -Rs. 23.602 million	Others
153	Un-justified payment in the DDO account – Rs. 6.834 million	Others
154	Less assessment of abiana-Rs94.71 million	Others
155	Un-justified payment from revenue account-Rs31.211 million	Others
156	Irregular drawl of Pay & Allowances without concurrence of Finance Department – Rs.2.662 million	Others
157	Irregular deposit of amount in cash– Rs. 16.540 million	Others
158	Doubtful bank transactions– Rs. 2.608 million	Others
159	Unjustified expenditure against the scheme pertains to other office – Rs. 1,021.259 million	Others
160	Excess payment on earthwork -Rs.33.494 million	Others
161	Excess payment on earthwork – Rs.4.280 million	Others
162	Irregular payment on account of deployment of machinery - Rs. 7.865 million	Others
163	Irregular sanction of works beyond delegated financial powers – Rs. 7.834 million	Others
164	Irregular payment for engaging hydraulic excavator– Rs.125.815 million	Others
165	Un-justified splitting of scheme in parts during tendering process-Rs. 122.023 million	Others
166	Irregular expenditure on purchase of Abkalani Material- Rs. 31.963million	Others
167	Irregular hiring of excavator -Rs. 101.860 million	Others
168	Irregular execution of work in deviation of estimate – Rs. 224.518 million	Others

Sr#	Name of Department & Observation	Nature of Observation
169	Excess expenditure over and above the Technical Sanction – Rs. 168.240 million	Others
170	Un-justified expenditure on de-silting work-Rs. 448.952 million	Others
171	Irregular expenditure on POL – Rs. 57.701 million	Others
172	Non-validation of Bank Guarantee – Rs. 28.000 million	Others
173	Non obtaining of Indenture Bond against secured advance – Rs. 10.552 million	Others
174	Irregular execution of works without Laboratory Test- Rs. 116.558 million	Others
175	Non-maintenance of security deposit register – Rs. 128.071 million	Others
176	Non-preparation of (PC-IV/V) of schemes – Rs. 8,266.277 million	Others
177	Un-justified expenditure in the month of June-Rs. 106.141 million	Others
178	Irregular expenditure on repair works – Rs. 7.138 million	Others
179	Non-validation of bid security from banks- Rs. 14.342 million	Others
180	Non-deduction of shrinkage allowance from earthwork – Rs. 25.754 million	Others
181	Un-justified payment on account of Soil test and Design Drawing –Rs. 3.350 million	Others
182	Irregular expenditure against Repair & maintenance - Rs. 6.615 million	Others
183	Irregular expenditure on account of repair of pumps – Rs3.897 million	Others
184	Unjustified tax deduction from Revenue Account – Rs. 53.725 million	Others
185	Unjustified hiring of machinery for closing ramps & rain gharas – Rs. 47.759 million	Others
186	Unjustified expenditure on Food - Rs. 8.111 million	Others
187	Non-crediting of revenue into the Government treasury – Rs. 256.379 million	Others
188	Loss due to excess execution of compaction of earth than borrow pit Rs. 0.648 million	Others
189	Irregular execution of scheme without achieving its intended objectives – Rs. 74.038 million	Others
190	Excess deposit of tax amount in Security deposit account – Rs. 3.743 million	Others
191	Rush of expenditure in the month of June – Rs.2,179.588 million	Others
192	Excess award of work without approved rate analysis - Rs. 24.672 million	Others
193	Irregular execution of work in deviation of estimate – Rs. 0.358 million	Others
194	Unjustified expenditure under the head others-Rs1.787 million	Others
195	Irregular expenditure on HT coils for electric transformers Rs3.751 million	Others

Sr#	Name of Department & Observation	Nature of Observation
196	Un-justified expenditure from development scheme – Rs. 48.654 million	Others
197	Excess expenditure over and above 5% of Technical Sanction – Rs. 130.938 million	Others
198	Unjustified execution of work within short duration- Rs. 2.940 million	Others
199	Excess payment on account of stone boulders and gunny bags – Rs. 3.091 million	Others
200	Excess payment of Secured Advance – Rs. 1.860 million	Others
201	Irregular procurement of goods beyond the financial year – Rs. 1.365 million	Others
202	Un-justified execution of rehabilitation work – Rs. 110.717 million	Others
203	Doubtful expenditure on M&R works – Rs. 30.902 million	Others
204	Abnormal variation in estimates and execution of the work – Rs. 2.250 million	Others
205	Unjustified delay in the start of work – Rs. 347.771 million	Others
206	Splitting of expenditure to avoid open tenders – Rs. 36.838 million	Others
207	Un-authorized transfer of revenue receipts from banks without approval – Rs. 885.775 million	Others
208	Excess execution of iron steel gates works – Rs. 5.726 million	Others
209	Unjustified payment made to project coordinator (PSMIT) – Rs.101.102 million	Others
210	Loss to Government due to idle Excavator/ Dozer – Rs. 18.000 million	Others
211	Payment of base line suspended Sediments without hiring consultant - Rs. 31.571 million	Others
212	Un-authorized payment of difference cost of Sand, Bajri, Stone blast and cost of stone supplied without provision in BOQ – Rs.3.643 million	Others
213	Irregular award of contract on item rate basis – Rs.61.963million	Others
214	Sub-standard execution of work-Rs7,499 million	Others
215	Difference of cost of material paid without details of items – Rs. 112.771 million	Others
216	Excess payment to contractor -Rs. 6.732 million	Others
217	Irregular execution of C.C lining work – Rs. 1.753 million	Others
218	Doubtful payment due to non-execution of work - Rs.2.930million	Others
219	Excess payment of differential cost of cement –Rs.3.164 million	Others
220	Irregular payment against machinery - Rs.5.356 million	Others
221	Unjustified execution of RCC below PWD specification - Rs135.564 million	Others
222	Irregular preparation of estimate without rate analysis - Rs50.063 million	Others
223	Irregular expenditure on coloring items -Rs0.620 million	Others

Sr#	Name of Department & Observation	Nature of Observation
224	Un-authorized payment of difference cost of material before revision of estimate – Rs. 48.005 million	Others
225	Un-justified award of contract without release of funds– Rs.128.754 million	Others
226	Splitting up of work to avoid technical Sanction from higher authority – Rs. 184.992 million	Others
227	Irregular withdrawal of amount from the banks – Rs. 124.596 million	Others
228	Completion of scheme without executing essential item - Rs. 32.053 million	Others
229	Irregular expenditure due to transgression of financial powers – Rs. 32.490 million	Others
230	Un-justified execution of de-weeding work executed in haste without proof of measurement and physical status - Rs. 321.466 million	Others
231	Un-justified payment of de-silting work - Rs. 14.676 million	Others
232	Non-maintenance of Consumption Account - Rs. 6.862 million	Others
233	Unjustified provision in the estimates against item of work of RCC pipe - Rs. 2.273 million	Others
234	Non-recovery of replaced radial gates Rs9.520 million	Others
235	Excess payment due to supply of hill sand not from nearest source Rs.18.992 million	Others
236	Loss due to excess execution of compaction of earth than borrow pit Rs. 0.842 million	Others
237	Unjustified execution of work on site not in scope of work Rs9.762 million	Others
238	Un-justified inclusion of collar (in bed) in estimate Rs4.555 million	Others
239	Unjustified excess execution of cement plaster Rs4.288 million	Others
240	Loss due to non-deduction of shrinkage allowance– Rs.8.697 million	Others
241	Irregular award of work on a single bid basis – Rs. 2593.061 million	Others
242	Loss due to doubtful execution of earthwork - Rs. 68.260 million	Others
243	Un-justified expenditure on borrow pit— Rs. 318.519 million	Others
244	Doubtful execution of work within short duration - Rs.12.348 million	Others
245	Irregular expenditure incurred on scheme without preparing its feasibility study report – Rs. 1,947.576 million	Others
246	Irregular expenditure on Difference of Cost without Escalation Chart -Rs. 64.691 million	Others
247	Award of dual work on rehab/improvement of LBOD system under ADP & Non-ADP from development cost center- Rs. 1,043.716 million	Others
248	Non-recovery of dismantled material - Rs. 3.026 million	Others
249	Excess payment on labour charges - Rs.4.652 million	Others

Sr#	Name of Department & Observation	Nature of Observation
250	Unjustified reduction in the scope of works - Rs. 43.027 million	Others
251	Retendering of leftover / uncompleted works	Others
252	Non- Verification of Stores Material due to non-production of record	Others
253	Un-authorized expenditure on Abkalani material - Rs.10.167 million	Others
254	Un-justified excess payment on regulator gates Rs4.200 million	Others
255	Un-justified execution of gates without rate analysis Rs43.400 million	Others
256	Irrational preparation of estimate with inclusion of extraordinary premium– Rs. 1,245.089 million	Others
257	Excess payment on machinery for de-silting / de-weeding work – Rs. 0.460 million	Others
258	Irregular execution of M&R work	Others
259	Irregular expenditure on repair of building- Rs4.150 million	Others
260	Non-achievement of project's targets	Others
PHE&RD Department		
1	Irregular payment of various allowances –Rs.1.555 million	HR/Employees related irregularities
2	Irregular payment of Pay & Allowances – Rs.3.868 million	HR/Employees related irregularities
3	Non-Compliance with Minimum Wage Requirements- Rs. 41.075 million	HR/Employees related irregularities
4	Irregular expenditure on work charged establishment /contingent paid staff – Rs.269.070 million	HR/Employees related irregularities
5	Wastage of resources due to non-functional Directorate – Rs.43.851 million	HR/Employees related irregularities
6	Irregular award of work due to less earnest money Rs126.602million	Procurement related irregularities
7	Irregular execution of work in deviation of specifications - Rs. 136.824 million	Procurement related irregularities
8	Unjustified execution of work-Rs.9.964 million	Procurement related irregularities
9	Irregular payment of premium on carriage – Rs.0.927 million	Procurement related irregularities
10	Irregular expenditure on purchase of machinery – Rs.192.366 million	Procurement related irregularities
11	Irregular Expenditure on repair of transformers– Rs.18.565million	Procurement related irregularities
12	Irregular M & R expenditure against development schemes - Rs3.245 million	Procurement related irregularities
13	Irregular award of work despite non-execution of work-Rs.1.631 million	Procurement related irregularities
14	Excess payment on the supply of P.E. pipe – Rs. 4.866 million	Procurement related irregularities
15	Irregular expenditure without revision of estimates-Rs.25.483 million	Procurement related irregularities

Sr#	Name of Department & Observation	Nature of Observation
16	Non-completion of work as per PWD specification due to reduced rate payment - Rs.0.308 million	Procurement related irregularities
17	Unjustified payment on account of additional lead, earthwork and RCC pipe – Rs0.150 million	Procurement related irregularities
18	Non-transparent award of works -Rs434.645 million	Procurement related irregularities
19	Un-economical execution of paver blocks work – Rs.93.000 million	Procurement related irregularities
20	Irregular award of works without technical evaluation of bids – Rs. 1,116.766 million	Procurement related irregularities
21	Irregular expenditure on non-schedule item without approval from the competent authority – Rs.67.741 million	Procurement related irregularities
22	Irregular adopting of rate analysis approved for another division - Rs36.688 million	Procurement related irregularities
23	Bids accepted by the procuring agency without rates of non-schedule items quoted by the bidders –Rs. 82.097 million	Procurement related irregularities
24	Irregular execution of UPVC. Pipe below the Composite Schedule Rate – Rs.0.173 million	Procurement related irregularities
25	Irregular payment on same items of work at different rates – Rs.2.194 million	Procurement related irregularities
26	Irregular payment of secured advance – Rs.0.603 million	Procurement related irregularities
27	Unjustified expenditure on account of non-functional schemes- Rs.13.800 million	Procurement related irregularities
28	Mis-procurement due to irregular award of work on cancelled NIT – Rs. 83.208 million	Procurement related irregularities
29	Excess rate over and above the schedule rate-Rs1.529 million	Procurement related irregularities
30	Un-justified expenditure on distribution system-- 4.006 million.	Procurement related irregularities
31	Un-justified expenditure on purchase of machinery –Rs0.816 million	Procurement related irregularities
32	Unjustified payment on earth works and stone ballast - Rs.1.641 million	Procurement related irregularities
33	Excess payment on steel - Rs.2.592 million	Procurement related irregularities
34	Un-justified award of contracts on a single bid basis without market rates analysis – Rs. 1428.199 million	Procurement related irregularities
35	Non execution of components of works – Rs. 9.821 million	Procurement related irregularities
36	Irregular refund of security deposit – Rs.47.997 million	Procurement related irregularities
37	Variation in figure of Expenditure between monthly account and SAP Data -Rs.24.549 million	Management of Accounts with Commercial Banks
38	Un-justified expenditure against RO Plant without Land & Mutation of land-Rs.85.377 million	Others
39	Unauthorized Change of Diesel Generator Specification for Same RO Plant - Rs.2.549 million	Others
40	Irregular expenditure on RO plants – Rs 98.089 million	Others

Sr#	Name of Department & Observation	Nature of Observation
41	Non-imposition of penalty on delayed works – Rs.163.341 million	Others
42	Discrepancy in technical sanction amount and its cost of components – Rs. 5.080 million	Others
43	Irregular payment without recording of measurement – Rs.36.328 million	Others
44	Irregular expenditure on difference of cost without escalation chart – Rs17.263 million	Others
45	Irregular award of work without obtaining the performance Security-Rs 5.636 million	Others
46	Irregular expenditure on M&R works to previous year tender – Rs.0.884 million	Others
47	Irregular approval of district ADP schemes -Rs30.00 million	Others
48	Irregular payment to the contractor before execution of agreement - Rs.85.189 million	Others
49	Irregular allotment of vehicles	Others
50	Irregular expenditure on POL against the vehicles of other departments – Rs0.499 million	Others
51	Lack of interest in functioning the completed RO Plants	Others
52	Irregular expenditure on POL without maintenance of record – Rs.106.418 million	Others
53	Loss to government due to abandoning the work – Rs. 3.033 million	Others
54	Misclassification of expenditure – Rs. 81.440million	Others
55	Non-maintenance of security deposit register – Rs.32.028 million	Others
56	Non-functioning of public importance scheme – Rs. 20.618 million	Others
57	Slow progress in scheme resulted in delay in the achievements of objectives	Others
58	Non-recovery of stamp duty - Rs.6.171 million	Others
59	Excess payment over & above the release – Rs 4.367 million	Others
60	Un-justified award of contract without release– Rs.36.508 million	Others
61	Irregular payment of previous year’s liability – Rs27.366 million	Others
62	Non-preparation of feasibility studies/PC-IV/V of completed schemes	Others
63	Non-crediting of revenue into Government account – Rs.15.617 million	Others
64	Doubtful expenditure in closing month of June 2023 – Rs.39.774 million	Others
65	Non-adjustment of outstanding balance of deposit work– Rs.4.992 million	Others
66	Internal Audit not conducted	Others
67	Non-safeguard of government property against theft or other kind of deterioration	Others
Works & Services Department		
1	Non-preparation of PC-IV/V of completed schemes – Rs. 6,768.450 million	Non-production of record

Sr#	Name of Department & Observation	Nature of Observation
2	Unjustified payment of allowances without release of budget – Rs. 0.125 million	HR/Employees related irregularities
3	Unjustified payment of arrears of salary through adjustment bills – Rs. 0.589 million	HR/Employees related irregularities
4	Irregular payments on account of salary – Rs. 0.807 million	HR/Employees related irregularities
5	Unauthorized payment of Project Allowance – Rs. 0.120 million	HR/Employees related irregularities
6	Unauthorized payment against the item of work Compaction of Earth- Rs. 22.432 million	HR/Employees related irregularities
7	Irregular holding of an additional or dual charge	HR/Employees related irregularities
8	Un-justified payment of premium on paver blocks – Rs. 0.526 million	Procurement related irregularities
9	Excess payment against the quantity of cement & bricks – Rs. 0.051 million	Procurement related irregularities
10	Non-obtaining Call Deposits from successful bidders - Rs. 1.450 million	Procurement related irregularities
11	Unjustified inclusion of contractor's profit in the estimate – Rs. 1.108 million	Procurement related irregularities
12	Exorbitant payment to the contractors - Rs. 0.682 million	Procurement related irregularities
13	Irregular execution of items without approval in the technical sanction - Rs. 0.750 million	Procurement related irregularities
14	Non-invitation of open tenders – Rs. 0.710 million	Procurement related irregularities
15	Irregular expenditure on purchase of stationery-Rs. 0.171 million	Procurement related irregularities
16	Excess payment against item of work Excavation for pipelines – Rs. 0.509 million	Procurement related irregularities
17	Unjustified expenditure on items of works – Rs. 0.171 million	Procurement related irregularities
18	Irregular payment exceeding allowable limit of 20% premium – Rs.0.127 million	Procurement related irregularities
19	Award of works after expiry of bid validity period in violation of SPPRA rules - Rs193.378 million	Procurement related irregularities
20	Execution of earthwork through private contractors instead of Mechanical Division – Rs. 32.232 million	Procurement related irregularities
21	Irregular award of tender without technical evaluation-Rs. 436.959 million	Procurement related irregularities
22	Un-authorized payment on revised portion in the running bill without approval of design of elevated work Rs0.562 million	Procurement related irregularities
23	Un-justified execution of dual nature of work at the same location -Rs. 111.742 million	Procurement related irregularities
24	Less execution of items of works despite revised estimates – Rs. 5.987 million	Procurement related irregularities
25	Doubtful expenditure on M&R work -Rs. 5.023 million	Procurement related irregularities
26	Irregular expenditure on purchase of POL – Rs. 3.657 million	Procurement related irregularities

Sr#	Name of Department & Observation	Nature of Observation
27	Doubtful payment to irrelevant contractor on execution of work – Rs. 1.963 million	Procurement related irregularities
28	Unjustified Provision of ceilings in Maintenance & Repair estimates – Rs. 5.078 million	Procurement related irregularities
29	Unjustified payment for the item of work Cartage of material – Rs. 11.413 million	Procurement related irregularities
30	Irregular publication of advertisement in un-certified newspapers– Rs. 16.081 million	Procurement related irregularities
31	Excess payment on cement concrete plain item of work – Rs. 1.281 million	Procurement related irregularities
32	Doubtful expenditure in closing month of June 2023 – Rs. 20.779 million	Procurement related irregularities
33	Splitting up of work to avoid Technical Sanction from higher authority –Rs. 7.001 million	Procurement related irregularities
34	Unjustified execution of base course quantity more than sub-base quantity –Rs. 3.097 million	Procurement related irregularities
35	Non-transparent of tenders -Rs. 443.463million	Procurement related irregularities
36	Overpayment due to allowing excess rate in estimate of base course & sub base course – Rs. 1.211 million	Procurement related irregularities
37	Unauthorized payment on carriage of materials – Rs. 1.122 million	Procurement related irregularities
38	Double payment on account of item of work-Rs.3.829 million	Procurement related irregularities
39	Unjustified payment on account of sub-standard work-Rs.10.354 million	Procurement related irregularities
40	Unjustified execution of item of work– Rs. 5.379 million	Procurement related irregularities
41	Excess payment on Extra item of work – Rs. 1.935 million	Procurement related irregularities
42	Excess payment of differential cost of material –Rs. 0.880 million	Procurement related irregularities
43	Un-justified difference of cost of materials paid at higher rates -Rs.0.218 million	Procurement related irregularities
44	Un-justified modification in estimates - Rs. 4.310 million	Procurement related irregularities
45	Work awarded in deviation of estimates – Rs. 14.445 million	Procurement related irregularities
46	Unjustified execution of work by classifying schedule items as non-schedule – Rs. 44.687 million	Procurement related irregularities
47	Wastage of government funds on earth work without subsequent development –Rs. 2.488 million	Procurement related irregularities
48	Irregular execution of works without fulfillment of formalities – Rs. 27.987 million	Procurement related irregularities
49	Irregular expenditure without description of venue - Rs15.553 million	Procurement related irregularities
50	Irregular execution of work without Drawing and Design from competent authority - Rs. 949.497 million	Procurement related irregularities
51	Non-transparent award of work –Rs. 876.091million	Procurement related irregularities

Sr#	Name of Department & Observation	Nature of Observation
52	Dual payment of items in the same bills – Rs. 9.627 million	Procurement related irregularities
53	Non-transparent award of work - Rs. 50.237 million	Procurement related irregularities
54	Non-transparent tendering process – Rs. 136.340 million	Procurement related irregularities
55	Award of work by collusive tendering – Rs. 18.772 million	Procurement related irregularities
56	Irregular award of work on same call deposit – Rs. 2.979 million	Procurement related irregularities
57	Mis-procurement due to doubtful tendering process – Rs. 1.495 million	Procurement related irregularities
58	Unjustified award of work on same scheme at different rates	Procurement related irregularities
59	Irregular Award of work without observing formalities in tendering – Rs. 1.824 million	Procurement related irregularities
60	Unauthorized return of original call deposits to successful bidders – Rs. 296.159 million	Procurement related irregularities
61	Irregular approval of the scheme- Rs. 499.863million	Procurement related irregularities
62	Un-justified expenditure of M&R works charged from ADP Scheme – Rs. 4.036 million	Procurement related irregularities
63	Unjustified execution of works – Rs. 33.686 million	Procurement related irregularities
64	Excess execution of items of work without approval - Rs. 37.624 million	Procurement related irregularities
65	Irregular award of contract of incomplete works- Rs. 24.954 million	Procurement related irregularities
66	Un-justified approval of Technical Sanction before approval of Administrative Approval -Rs. 142.403 million	Procurement related irregularities
67	Unjustified expenditure on M&R work without mentioning last executed work – Rs. 244.654 million	Procurement related irregularities
68	Irregular payments without sanction of estimates - Rs. 37.500 million	Procurement related irregularities
69	Unjustified changes in scope of work – Rs. 63.118 million	Procurement related irregularities
70	unjustified split-up of work – Rs. 37.206 million	Procurement related irregularities
71	Contract agreements signed on Gazetted Holiday prior to work orders - Rs. 82.883 million	Procurement related irregularities
72	Irregular expenditure incurred without estimate - Rs. 100.084 million	Procurement related irregularities
73	Un-justified revision of estimate-Rs. 348.243 million	Procurement related irregularities
74	Unjustified splitting of the work – Rs. 249.410 million	Procurement related irregularities
75	Undue benefit to the contractor due to allowing extra item for steel - Rs. 6.858 million	Procurement related irregularities
76	Irregular payment on same items of work at different rates- Rs.75.404 million	Procurement related irregularities

Sr#	Name of Department & Observation	Nature of Observation
77	Irregular payment on reduced rates – Rs 18.627 million	Procurement related irregularities
78	Irregular payment on reduce rate - Rs.11.271 million	Procurement related irregularities
79	Excess premium allowed on cost of carriage of material – Rs.22.195 million	Procurement related irregularities
80	Suspicious execution of work and hasty payments Rs187.169 million Rs187.169 million	Procurement related irregularities
81	Irregular payment for earth compaction Rs4.094 million	Procurement related irregularities
82	Miss-procurement due to less submission of call deposit receipts –Rs7.673million	Procurement related irregularities
83	Overpayment due to allowing excess quantities in base course –Rs46.657 million.	Procurement related irregularities
84	Doubtful Execution of Special M&R works Rs103.088 Million	Procurement related irregularities
85	Unjustified recording of measurement of work before work order –Rs133.492million	Procurement related irregularities
86	Irregular execution of work beyond 15% of the original contract amount-Rs.7.294 million	Procurement related irregularities
87	Irregular acceptance of single bid without market analysis - Rs.483.645 million	Procurement related irregularities
88	Irregular expenditure against the compaction of earthwork - Rs140.852 million	Procurement related irregularities
89	Un-justified execution of road work without its excavation Rs.239.062 million.	Procurement related irregularities
90	Irregular execution of work beyond 15% of the original contract amount Rs434.791 million.	Procurement related irregularities
91	Doubtful payment to contractors within stipulated date of start-Rs. 71.320 million	Procurement related irregularities
92	Irregular expenditure on POL - Rs.0.630million	Procurement related irregularities
93	Excess execution of work in deviation of estimate - Rs.8.896 million	Procurement related irregularities
94	Irregular execution of work beyond 15% of the original contract – Rs.414.571 million	Procurement related irregularities
95	Doubtful payment on execution of earthwork-Rs.157.439 million	Procurement related irregularities
96	Excess payment on extra item of work-Rs.58.829 million	Procurement related irregularities
97	Overpayment due to allowing excess quantities in base course - Rs.37.120 million'	Procurement related irregularities
98	Excess execution of items beyond admissibility – Rs.68.348 million	Procurement related irregularities
99	Non-execution of work as per PWD specification due to reduced rate payment Rs80.531 million.	Procurement related irregularities
100	Un-justified interim relief paid without admissibility- Rs.4.149 million	Procurement related irregularities
101	Un-justified purchase of machinery items without specifications -Rs.3.902 million	Procurement related irregularities

Sr#	Name of Department & Observation	Nature of Observation
102	Unjustified payment of carriage-Rs. 0.408 Million	Procurement related irregularities
103	Doubtful MBs recorded by AEN in a Single day – Rs:62.273 million.	Procurement related irregularities
104	Irregular payment at reduced rates -Rs.1.719 Million	Procurement related irregularities
105	Irregular Acceptance of Less earnest money/Call Deposit – Rs. 91.142 million	Procurement related irregularities
106	Wastage of bulk stock of steel at site due to non-consumption since long against secured advance-Rs. 155.719 million	Procurement related irregularities
107	Irregular award of works without market rates analysis – Rs. 302.231 million	Procurement related irregularities
108	Irregular release of security deposit – Rs. 8.652 million	Procurement related irregularities
109	Un-justified expenditure of civil works without technical sanction– Rs. 33.807 million	Procurement related irregularities
110	Non obtaining of performance guarantee/ Bid Security – Rs.1.851 million	Procurement related irregularities
111	Irregular expenditure on payment of bitumen-Rs. 26.930 million	Procurement related irregularities
112	Un-authorized payment of premium – Rs. 0.666 million	Procurement related irregularities
113	Excess payment on account of stone metal – Rs. 0.343 million	Procurement related irregularities
114	Irregular expenditure on non-schedule items without rate analysis - Rs. 364.132 million	Procurement related irregularities
115	Excess payment without approval of the Standing Rates Committee – Rs. 0.201 million	Procurement related irregularities
116	Less deduction of Income Tax – Rs.14.548 million	Recoveries
117	Less recovery of Sindh Sales Tax - Rs.0.590 million	Recoveries
118	Non-recovery of sale proceeds of steel from dismantled RCC – Rs. 0.192 million	Recoveries
119	Non-adjustment of Road cutting/higher road charges - Rs. 3.697 million	Others
120	Unjustified completion of scheme with reduced scope – Rs. 1.733 million	Others
121	Non-execution of component of work – Rs. 2.346 million	Others
122	Non-maintenance of security deposit/stock registers	Others
123	Non-award of abandoned work -Rs. 5.554 million	Others
124	Claim of POL without entitlement of the officer - Rs. 0.723 million	Others
125	Irregular expenditure on account of repair of transport – Rs. 0.385 million	Others
126	Variation in expenditure between SAP data and Progress reports – Rs. 23.390 million	Others
127	Award of works to un-registered contractors in PEC – Rs. 190.645 million	Others
128	Payments without authorization of competent authority - Rs. 118.306 million	Others

Sr#	Name of Department & Observation	Nature of Observation
129	Non-maintenance of contractor ledger– Rs. 141.397 million	Others
130	Irregular expenditure on account of printing & publication - Rs. 0.052 million	Others
131	Misclassification of expenditure – Rs. 0.168 million	Others
132	Irregular expenditure on account of others - Rs. 1.425 million	Others
133	Non-functioning of division due to non-posting of Executive Engineer Buildings for the Year 2022-23	Others
134	Un-justified expenditure on plaster - Rs. 0.444 million	Others
135	Unjustified payment on item Fabrication of mild steel without its execution Rs. 0.089 million	Others
136	Non-execution of components of work – Rs. 0.869 million	Others
137	Non-utilization of provision available for tree plantation - Rs. 1.897 million	Others
138	Non-execution of agreement on development works – Rs. 16.081 million	Others
139	Irregular constitution of procurement committee for award of work – Rs. 4.970 million	Others
140	Wastage of resources on a non-functional division – Rs. 24.585 million	Others
141	Undue favor to the contractor – Rs. 0.297 million	Others
142	Doubtful payment on account of HPIT lights – Rs. 0.599 million	Others
143	Irregular payment on account of cartage – Rs. 0.181 million	Others
144	Undue favor to the contractor – Rs. 0.133 million	Others
145	Irregular payment to the contractor – Rs. 0.531 million	Others
146	Non-availability of bank statement of last three years of bidders	Others
147	Irregular payment to the contractors without recording detail of measurement – Rs. 22.434 million	Others
148	Unjustified expenditure without 10% check measurement – Rs. 106.145 million	Others
149	Non-maintenance of consumption account - Rs. 2.006 million	Others
150	Irregular payment on account of purchase of furniture and fixture without physical inspection – Rs. 2.639 million	Others
151	Loss to Government due to variation in rates – Rs. 0.300 million	Others
152	Unjustified execution of work – Rs4.800 million	Others
153	Irregular execution of Paver works beyond specification– Rs. 20.472 million	Others
154	Unjustified refund of Call deposit- Rs. 10.615 million	Others
155	Loss due to execution of works through private contractor instead of utilization of own machinery – Rs. 181.807 million	Others
156	Execution of work without obtaining unit-wise technical sanction – Rs. 4.614 million	Others
157	Un-justified execution of sub-base on reconstruction work – Rs. 2.090 million	Others
158	Non-conducting feasibility study -Rs. 950.841 million	Others

Sr#	Name of Department & Observation	Nature of Observation
159	Irregular and unauthorized payment of allowances -Rs. 1.824 million	Others
160	Irregular execution of special repairs & maintenance work – Rs. 33.738 million	Others
161	Unjustified payment before measurement-Rs. 4.165 Million	Others
162	Excess payment on account of excavated quantity of Earth – Rs. 0.448 million	Others
163	Loss due to inclusion of income tax & overhead amount in rates of non-schedule items- Rs29.216 million	Others
164	Excess refund of income tax – Rs. 3.760 million	Others
165	Irregular expenditure without approval of technical sanction – Rs. 774.555 million	Others
166	Irregular payment of previous liability on withheld amount – Rs. 3.775 million	Others
167	Irregular award of work by including contingency provision – Rs. 2.057 million	Others
168	Unauthorized creation of liabilities against M&R works – Rs. 1.903 million	Others
169	Excess expenditure over budget release- Rs. 11.721 million	Others
170	Non-adjustment of advances - Rs. 6.405 million	Others
171	Un-justified inclusion of SST in technical sanction –Rs. 4.685 million	Others
172	Non-reconciliation/ verification E- stamps duty –Rs. 0.601 million	Others
173	Irregular payment of item of work without conducting rate analysis – Rs. 16.004 million	Others
174	Rush of expenditure in the month of June – Rs. 207.911 million	Others
175	Unjustified withholding amount from payment of contractor – Rs. 4.248 million	Others
176	Un-justified withheld of security deposit despite completion of works - Rs2.289 million	Others
177	Non-verification of call deposit - Rs. 12.854 million	Others
178	Unjustified difference in cost in the financial progress and R.A bill- Rs72.440 million	Others
179	Non-deposit of recovery against dismantled material-Rs. 3.460 million	Others
180	Non-recovery of electricity and water charges – Rs. 3.333 million	Others
181	Non-adjustment of Advances-Rs. 11.037 million	Others
182	Unauthorized payment on account of rent of office building charges – Rs. 8.474 million	Others
183	Non-handing over of schemes despite completion -Rs. 8.998 million	Others
184	Opening of bid in the absence of Chairman Procurement Committee – Rs. 99.405 million	Others
185	Irregular execution of extra items of works without approval-Rs. 35.566 million	Others
186	Irregular award of remaining work without forfeiting security deposit –Rs. 18.150 million	Others

Sr#	Name of Department & Observation	Nature of Observation
187	Irregular award of remaining work without forfeiting security deposit – Rs. 22.278 million	Others
188	Excess payment on stone work and pavers - Rs. 13.981 million	Others
189	Irregular refund of security deposits during execution – Rs.29.428million	Others
190	Abnormal delay in completion of schemes - Rs.51.188 million	Others
191	Non-imposition of penalty due to delay in completion of the schemes – Rs.5.118 million	Others
192	Undue favor due to non-recovery / adjustment of mobilization advance – Rs.96.708 million	Others
193	Non-imposition of penalty on delayed works – Rs201.00 million	Others
194	Award of works without eligibility criteria Rs. 231.917 million	Others
195	Irregular acceptance of single bid without market analysis – Rs.459.182 million	Others
196	Irregular execution of work due to not recording of measurement on MBs Rs 136.073 million.	Others
197	Loss due to inclusion of premium ceiling of 10% as an overhead in estimates –Rs.11.223 million	Others
198	Irregular acceptance of tenders exceeding allowable limit of 20% premium - Rs.43.393 million	Others
199	Irregular award of contracts on a single bid basis without market rates analysis – Rs.93.923 million	Others
200	Partial execution of M&R works – Rs.41.729 million	Others
201	Wastage of funds due to abandoned development scheme - Rs510.086 million	Others
202	Non-imposition of liquidated damages on delayed works– Rs54.999 million	Others
203	Non-obtaining/performance security Rs35.560 million	Others
204	Irregular approval of the construction of bridge scheme- Rs. 330.447 million	Others
205	Irregular refund of security deposits – Rs. 28.018 million	Others
206	Unjustified execution of extra items of works – Rs.21.211 million	Others
207	Irregular payment without check measurement-Rs.2279.99 million	Others
208	Irregular execution of work without technical sanction Rs192.822 million	Others
209	Irregular award of work without submission of CDR - Rs189.491 million	Others
210	Non-execution of agreement – Rs.443.900 million	Others
211	Irregular execution of work due to not recording of measurement in MB- Rs.52.508 million	Others
212	Un-justified creation of liabilities due to award of tender on account of M&R	Others
213	Rush of expenditure in the month of June- Rs47.103 million	Others

Sr#	Name of Department & Observation	Nature of Observation
214	Tendering process without availability of funds-Rs 9.970 Million	Others
215	Non-deduction of earnest money-Rs. 0.199Million	Others
216	Un-Justified 50% withheld of security despite completion of work Rs.30.721 million.	Others
217	Un-justified execution of extra item of works without in the bid Rs62.788 million.	Others
218	Imprudent execution of work beyond operational jurisdiction—Rs.186.000 million	Others
219	Non-deduction of income tax– Rs2.305 million	Others
220	Un-justified inclusion of SST in technical sanction –Rs9.278 million	Others
221	Over estimate of length of road – Rs.53.856 million	Others
222	Less deduction of security deposit from contractors – Rs 1.157 million	Others
223	Less deduction of Security Deposit – Rs. 6.572 million	Others
224	Non-adjustment/clearance of Public Works advances – Rs. 8.389 million	Others
225	Non-execution of deposit work - Rs. 1,1918.184 million	Others
226	Unjustified delay in start of works after issuance of work order –Rs. 65.319 million	Others
227	Discrepancy in the balances of expenditure – Rs. 148.655 million	Others
228	Un-justified payment to SEPCO Sukkur- Rs. 47.590 million	Others
229	Irregular expenditure on remaining work -Rs. 0.306 million	Others
230	Irregular award of work without approval of PC-1-Rs. 17.997 million	Others
231	Constitution of procurement committees without required certifications - Rs.1,142.005 million	Others
232	Irregular payment of RCC work without laboratory test – Rs. 35.792 million	Others

Chapter-02 Section-I Annexes

Annex-1

2.2.6.1 Non-production of record

Department	Auditable record
Director Land Management	<ol style="list-style-type: none"> 1. Detail of outstanding dues against Industrial, Commercial, residential and amenity plot etc. 2. Details of KDA property encroached 3. Details of auctioned plots along with recovered amount and outstanding dues (Auctioneer wise). 4. Details of converted plots/alternate plots. 5. Details of mutations, pre-lease transfer, NUF, ground rent etc. files processed during audit period along-with challans.
Director, Charged Parking & Bachat Bazar	<ol style="list-style-type: none"> 1. Detail/record of Auctions (Charged parking & Bachat Bazar) along with files, locations during the year 2. Total no. of challans (revenue realized) 3. Approved rate list 4. Details of KDA property allotted to private persons on rent basis for business purpose.
Project Director, Lines area resettlement project	<ol style="list-style-type: none"> 1. Details of property encroached. 2. Details of auctioned plots along with recovered amount and outstanding dues (Auctioneer wise). 3. Details of mutations, pre-lease transfer, NUF, ground rent etc. files processed during audit period. 4. Receipt and expenditure statement for the year 2023-24 5. Bank statement for audit period. 6. Contingency/salary bills
Engineering	<p style="text-align: center;">Non-ADP</p> <ol style="list-style-type: none"> 1- Contract file of M/s Atif Nazar along-with bills (Rs. 14.876 million) 2- Contract file of M/s K. Construction along-with bills (Rs. 19.226 million) 3- Contract file of M/s S. Abdullah & Sons along-with bills (Rs. 82.999 million) 4- Contract file of M/s Al-Maryam Nursery along-with bills (Rs. 13.502 million)
Secretariat	H.R files

Annex-2

2.2.6.6 Defective execution of scheme – Rs. 37.223 million

(Rs. in Million)

Item	As per estimate	Qty executed	Excess Qty	Excess amount
Part-B (Paver) Earth excavation	Qty of excavation = cartage of material	167560	44530	0.474
Cartage		212090		
Due qty of cartage		167560		
Rate		1065 % cft		

(Rs. in Million)

Item	As per estimate	Qty executed	Excess Qty	Excess amount
Part-C (Sewerage work)				
Earth excavation	Qty of excavation = cartage of material	176058	63540	0.677
Cartage		239598		
Due qty of cartage		176058		
Rate		1065 % cft		
Total				1.151
Asphalt 2" thick		99580		
Sub base course (Offered rate 45)	66% of qty of Asphalt	123947	58,224	2.620
Base course (Offered rate 75)	--do--	197674	131951	9.896
Prime coat (Offered rate 44)	100% qty of Asphalt	180588	81008	3.564
Total				16.080
Item	Rate	Qty	Excess rate	Excess amount
P/L granular sub base course (Road work)	45	123947	26	3.223
P/L granular sub base course (Sewerage)	19	160967		
P/L asphalt binder course 3" thick	207	81008		16.769
Grand Total				37.223

Annex-3**2.2.6.7 Suspicious appointments in the Authority**

Sr.#	MR#	DOA	Name	Designation	Basic Pay
1	9864	2-Oct-94	Syed Manzar Abbas Rizvi	Sub Engineer	37,110
2	12651	1-Jan-08	Sultan Maqsood	Sub Engineer	37,110
3	13907	7-Aug-08	Syed Hashim Raza Rizvi	Sub Engineer	30,330
4	12052	5-Jan-09	Muhammad Raza Abbasi	Sub Engineer	39,370
5	13169	10-May-09	Shujat Kahn	Sub Engineer	32,590
6	12377	21-May-09	Zubair Ahmed Siddique	Sub Engineer	39,370
7	12196	22-May-09	Muhammad Kamran	Sub Engineer	30,330
8	12209	23-May-09	Kamran Jamil	Sub Engineer	32,590
9	12313	23-May-09	Muhammad Altaf Khan	Sub Engineer	37,110
10	13398	18-Jun-09	Rashid Iqbal	Sub Engineer	30,330
11	12170	6-Aug-09	Abdul Majeed	Sub Engineer	41,630
12	13311	14-Mar-10	Muhammad Farooq Khan	Sub Engineer	30,330
13	12423	23-Jul-10	Faizan Hussain	Sub Engineer	37,110
14	12436	26-Jul-10	Asim Jamil	Sub Engineer	30,330
15	12506	9-Jul-11	Naveed Siddique	Sub Engineer	39,370
16	12583	9-Jul-11	Muhammad Shahid Akhter	Sub Engineer	34,850
17	12600	9-Jul-11	Kashif Hussain Siddique	Sub Engineer	41,630

Sr.#	MR#	DOA	Name	Designation	Basic Pay
18	12601	9-Jul-11	Zeeshan Ali Khan	Sub Engineer	34,850
19	12648	9-Jul-11	Muhamad Suleman Khan	Sub Engineer	37,110
20	12649	9-Jul-11	Muhammad Fahad	Sub Engineer	39,370
21	12656	9-Jul-11	Raheel Raheem	Sub Engineer	39,370
22	12683	9-Jul-11	Syed Ahsan Ali	Sub Engineer	39,370
23	12689	9-Jul-11	Syed Rizwan Shah	Sub Engineer	37,110
24	12792	9-Jul-11	Piyar Ali Pathan	Sub Engineer	39,370
25	12970	9-Jul-11	Syed Shazaib Ali	Sub Engineer	30,330
26	12964	20-Jul-11	Mohsin Tanweer Siddiqui	Sub Engineer	32,590
27	12631	7-Sep-11	Yasir Ali Khan	Sub Engineer	41,630
28	12704	24-Sep-11	Muhammad Ahsan Ali	Sub Engineer	39,370
29	12859	28-Jun-12	Mohsin Siddiqui	Sub Engineer	37,110
30	12837	30-Jul-12	Nashit Taha	Sub Engineer	32,590
31	12847	29-Aug-12	Faizan Shahid	Sub Engineer	41,630
32	12993	10-Sep-12	Syed Wadood Hassan	Sub Engineer	34,850
33	12931	29-Apr-13	Zubair Ahmed	Sub Engineer	34,850
34	12966	30-Apr-13	Muhammad Kumail Abbas	Sub Engineer	34,850
35	12933	15-May-13	Syed Zafar Ali Shahid	Sub Engineer	37,110
36	13121	23-Jul-13	M.Tahir Khan	Sub Engineer	32,590
37	13498	22-Aug-13	Syed Muhammad Kashif	Sub Engineer	30,330
38	13142	12-Sep-13	Wajahat Khan	Sub Engineer	41,630
39	13665	8-Nov-13	Muhammad Raza	Sub Engineer	30,330
40	13631	14-Nov-13	Talha	Sub Engineer	32,590
41	12979	24-Feb-14	Ahmed Ali Khan	Sub Engineer	30,330
42	13187	3-Mar-14	Muhammad Rizwan Mirza	Sub Engineer	37,110
43	13174	4-Mar-14	Syed Usama Hussain	Sub Engineer	32,590
44	13650	11-Mar-14	Shahnshah	Sub Engineer	32,590
45	13228	13-Mar-14	Osama Shahroz Siddiqui	Sub Engineer	30,330
46	13195	15-Apr-14	Waqas Ahmed	Sub Engineer	32,590
47	13560	22-May-15	Muhammed Farooq	Sub Engineer	30,330

Annex-4

2.2.6.8 Doubtful payment of arrears of pay & allowance – Rs. 34.722 million (Part-A)

(Rs. in Million)

Sr.#	VR#	Chq#	Employees	Particular	Amount
1	62	18827	Nasir Khan	Arrear w.e.f 01/06/2018 to 31-01-2022	0.285
2	80	18876	Tarrab Alam Khan (P.S) KMTC (BS-19)	Arrear w,e,f 20/11/20 to 24/06/21	0.120
3	9	18740	Nasir Khan	Arrear w.e.f 01/06/2014 to 31-03-2017	0.295
4	108	3347	Muhammad Nadeem	Arrear w,e,f 26/04/16 to 16/9/17 and 01-12-2011 to 30-05-2014	0.316

(Rs. in Million)

Sr.#	VR#	Chq#	Employees	Particular	Amount
5	109	3348	Ikram Shabuddin	Arrear w.e.f 01/12/11 to 30/05/14 and 02-5-16 to sept 2017	0.316
6	188	18906	Syed Obaid Ahmed	Arrear 01/7/2007 to 30-11-2010(missing increment arrears)	0.272
7	305	19905		Arrear 1-6-2018 to 30-6-2019	0.253
8	251	19856	Muhammad Nasir	Arrears w.e.f 1-1-2015 to 30-9-2-16	0.247
9	90	18451	Zahid Abrar Siddiqui	Arrears w.e.f 30-6-22 to 30-4-24	0.257
10	105	18236	Kashif Siddiqui	Arrears w.e.f 01-12-2001 to 31-1-22	0.508
11	136	18596	Akram	Arrears w.e.f 26-04-16 TO 30-9-17 And 01-12-2011 to 31-05-14	0.316
12	123	18070	M.Pervaiz Khan	31-5-18 to 31-12-18(Upgradation as A.E.E From BS-14)	0.261
13	241	17473	Obaid Ahmed	Arrears w.e.f 23-12-12 to 30-6-2022	2.259
14	190	18186	Hassan Ahmed khan	promotion in BS-16	0.108
15	52	17627	Wajid Ali	Arrears w.e.f 3/1/21 to 22/4/22	0.316
16	54	17630	Abdul Qadeer Akhund	Arrears w.e.f 1-4-17 to 31-5-18 and 1-6-18 to 31-1-20	0.621
17	55	17630	Abdul Malik	Arrear 1-12-2018 to 30-6-20	0.334
18	102, 103	17731	Anwar Latif	Promotion from BPS-11 To BS-14 W.e.f Aug to Dec 2022	0.350
19	26	17310	Haroon Azam Khan		0.030
20	40	17282	Tariq Naseer	Arrears w.e.f Aug 14 to March 17	0.349
21	41	17282	Tariq Naseer	Arrears w.e.f June 18 to Jan 20	0.390
22	46	17298	Jamal Ahmed	Arrears w.e.f 15-5-20 to sept 21	0.366
23	53	17320	Wariyal Indhar	Arrears 15-5-21 to April 2022	0.298
24	125	3153	Zia Ahmed Alvi	Arrear w.e.f 9-10-15 to 31-10-17 (Zia Ahmed Alvi)(BS-16) Promotion	0.250
25	95	17366	Tariq Naseer	Arrear dec 14 to 18 and 2018 to 2020	0.738
26	96	17366	Tariq Naseer	Arrears w.e.f March 14 to oct 17	0.307
27	97	17366	Imdad Hussain	Arrears w.e.f 23-10-20 to Feb. 2022	0.276
28	92	17217	Muhammad Ali (Helper)	Arrear w.e.f 1-7-16 to May 23	0.143
29	64	16783	Arif Ahmed(Senior Auditor)(BS-16)	Arrears w.e.f 1-8-16 to 31-7-17	0.311
30	65	16773	Zeeshan Malik	Arrears w.e.f 04/1/21 to 31/1/23	0.217
31	66	16783	Arif Ali(Senior Auditor)(Bs-16)	Arrears w.e.f 01/9/20 to 31/3/21	0.282
32	85	16789	Amir Muhammad Khan	Arrear w.e.f 1/1/21 to 31/12/22	0.469
33	90	16846	Muhammad Arshad	Arrears w.e.f 1-12-2021 to 31-12-21 (Promoted in BS -16)	0.260
34	109	2993	Muhammad Ali Khan	Arrears w.e.f 01-4-20 to 31-3-21 Promoted in BS -17)	0.205
35	110	2993	Muhammad Ali Khan	Arrears w.e.f 01-4-21 to 31-4-23	0.205
				Total	12.532

**Doubtful payment of arrears of pay & allowance – Rs. 34.722 million
(Part-B)**

(Rs. in Million)

Sr.#	VR#	Chq no	Name of Employee	Designation	Amount
1	110	3349	Altaf Ahmed	Bs-17	0.306
2	6@7	19383	Mobin Ahmed	EE C, E (Dev dept) (BS-18)	1.176
3	195	18059	Mehtab Rizvi	A.E.E	0.950
4	201	54010006	Mr. Zia Ali		1.007
5	203	54010005	Waleed Ahmed		1.007
6	231	182105	Asad Baig	A.E.E	0.312
7	123	18070	Mr. Muhammad Khan	A.E Superintendent	0.261
8	48	17399	Shahzad Asif	AEE	0.196
9	44	17827	Wajid Ali	AEE	0.316
10	47	17298	Afzal Hussain	AEE	0.379
11	86	16761	Muhammad Saleem	Assistant	0.600
12	46	2961	Arshad Khan	Assistant	0.288
13	61	16638	Muhammad Hanif Khan	Superintendent	0.139
14	204	54010004	Javed Ali	ADO (W&S)	0.967
				Total	7.905

**Doubtful payment of arrears of pay & allowance – Rs. 34.722 million
(Part-C)**

(Rs. in Million)

Sr.#	VR#	Chq#	Date	Employee name	Designation	Amount
1	125	18055	8/1/2024	Muhammad Rafiq	A.O (BS-18)	1.200
2	126	18056	8/1/2024	Nadeem Taj	A.A.O	1.000
3	127	18051	8/1/2024	Muhammad waryar indhr	Director	1.000
4	128	18052	8/1/2024	Syed Musharaf Ali	A.O (BS-18)	1.000
5	129	18053	8/1/2024	M. Arif Khan	A.E.E (BS-17) (Korangi Div. 1)	1.000
6	200	5401000	12/1/2024	Muhammad Ali Khan	Director (W&S)	1.007
7	202	54010003	12/1/2024	Imran Ali	A.E.E	1.007
8	204	54010004	4/1/2024	Javed Ali	A.E.E	1.007
9	60	0003183	6/12/2023	Adil Ali	Director	0.550
10	81	17658	21/11/23	Adil Ali	BS-18	0.575
11	85	17658	21/11/23	Adil Ali	BS-18	0.575
12	195	18059	4/1/2024	Mehtab Rizvi	A.E.E	0.950
13	201	54010006	4/1/2024	Mr. Zia Ali		1.007
14	203	54010005	12/1/2024	Waleed Ahmed		1.007
15	204	54010004	4/1/2024	Javed Ali	ADO(W&S)	0.800
16	61	0003183	6/12/2023	Syed Obaid Ali	Director	0.600
						14.285

Annex-5

2.2.6.9 Unauthorized payment of salaries to retired employees – Rs. 20.931 million

Sr. #	MR #	Name	Designation	BP S	Department	Date of birth	Amount
1	7791	Shams-Ul-Haq Siddiqui	Director	20	DLM 1	29-May-64	0.517
2	3257	Gul Desh Khan	Mali	5	Regular Establishment (P&H)	24-May-64	0.082
3	3666	Dadou	Labor Hand	5	Surjani (P&H)	9-May-64	0.146
4	10591	Syed Tajamul Abbas Shah	AEN	17	Sch-33 Div-I	7-Apr-64	0.710
5	2741	Dad-Ur-Rehman	Assistant	16	SDP Section	1-Apr-64	0.373
6	9592	Shakeel Ahmed	Senior Clerk	14	Jauhar Div II	14-Mar-64	0.484
7	2669	Mumtaz Ali	Driver	9	Cash-D	1-Feb-64	0.655
8	3569	Muhammad Hanif	Head Mali	7	Road Staff (P&H)	1-Jan-64	0.527
9	4231	Syed Riaz Hussain Shah	Khallasi	5	RBF Zone-V	1-Jan-64	0.453
10	260	Muhammad Jawaid	Trailer Operator	13	Ministerial Staff	1-Jan-64	0.629
11	3569	Muhammad Hanif	Head Mali	7	Road Staff (P&H)	1-Jan-64	0.527
12	11086	Muhammad Raees	Naib Qasid	8	Beach Development Project	1-Jan-64	0.446
13	5317	Muhammad Amjad Ansari	Senior Clerk	14	Scheme-33 Circle	1-Aug-63	1.447
14	1174	Syed Ghazanfar Hussain Rizvi	Program Officer	18	Computer Deptt	23-Jul-63	2.974
15	12278	Shahid Wazeer	Naib Qasid	5	Finance Unit PHS	22-May-63	0.310
16	8186	Aftab Ahmed	Fire Master	15	Mech (Tel & Lift)	23-Mar-63	0.753
17	7252	Muhammad Ayub	Khallasi	5	(GJ) Division-II	1-Jan-63	0.973
18	7272	Fareed Ahmed Farooqi	Naib Qasid	5	PHS (Clifton) Div.-V	1-Jan-63	0.465
19	8970	Sardar Jung	Daftry	8	Secretariat	1-Jan-63	0.558
20	7659	Naseer ud Din Khan	Senior Clerk	14	Resettlement	16-Jul-62	1.471
21	10432	Amir Ahmed Khan	AEN	17	Sch-33 Div-II	1-Jan-62	2.756
22	1893	Kaleem Ahmad	Helper	5	Planning & Urban Design	1-Aug-59	0.973
23	8264	Muhammad Naseem	Sub Engineer	16	E&M	6-Apr-57	1.820
24	1170	Arshad Masih	Sweeper	2	Qasba Township	3-Sep-56	0.885
					Total		20.931

Annex-6

2.2.6.11 Unjustified payment made to employees – Rs. 36.599 million
Part-(A)

(Rs. in Million)

Sr. #	V.R#	Date	Paid to	Particulars	Amount
01	37	3/4/2024	M.S Arshad Abbas (Director E.E)	Advance of maintenance of mobile	0.300
02	22	1/2/2024	Ms. Hamdard Hospital	Temporary advance for Mrs. Huma	0.100
03	4	2/2/224	Mrs. Maira Azeem (A.s General)	Temporary advance for furniture	0.290
04	4	2/2/224	Maria Azeem A.S (IRC)	temporary advance for purchase of chair & tables	0.290
05	22	2/2/2024	Ms. Hamdard Hospital	Temporary advance Ms. Naimat Begm for medical	0.100
06	206	9/1/2024	M/s Shed Foundation	Advance for treatment of Abid hussain P.S	0.337
07	232	18/1/24	M.S Hashmani Hospital	Temporary advance for medical Razia Begum	0.250
08	134	19/12/23	M.S Hashmani Hospital	Temporary advance of hospitalization IRO Mr. Shams ul Haq	0.500
09	33A	5/10/2023	Muhammad Ali Khan (A.S General)	Temp Advance for purchase of Chairs	0.099
10	118	14/12/23	KDA officers Association	Renovation work of KDA Beach Hut	0.500
11	78	21/11/23	Qamar Abbas (Gen Sec)	Payment of Jashne Eid Miladul Nabi	0.500
12	3	5/3/2024	Muhammad Ali Khan (A.S General)	Advances for general elections	0.050
13	71	21/11/23	Muhammad Ali Khan (A.S General)	Advance for school	0.200
14	333	18-03-24	Security Supervisor	Temporary advances for iftar sahar for ramzan	0.200
15	116	19-04-24	Dir(E.E)	renovation of office	0.299
16	115	19-04-24	Dir(E.E)	Anti-Encroachment for diff scheme	0.299
17	16	6/5/2024	A.s (Gen)	Annual Examination of KDA School	0.050
18	207	3/6/2024	J.R	ISCS (M/s Rahim Hospital Pediatric Khi	0.055
19	138	1-Aug	A.S	temporary advances for tribute to late master Ghulam	0.100
20	267	25/1/24	A.S (IR)	Purchase of Sofa Set of CBA	0.298
21	271	15/1/24	A.s (Gen)	Payment of renovation of KDA Sports Complex	1.00
22	12	3/8/2023	A.O (Admin)	Purchase of Stationary Items	0.095
23	67	17/7/23	Operator (RTD)	Treatment of Cancer	0.120
24	129	24/8/23	CBA	Payment of Youme Hussain Organizing Committee	0.400
25	147	11/8/2023	Chairman(KDA Employees Union)	Independence Day 14 Aug 23	0.500

(Rs. in Million)

Sr. #	V.R#	Date	Paid to	Particulars	Amount
26	148	11/8/2023	A.s (Gen)	Celebration of 76th Jashane Azadi 13, 14 AU	2.00
27	2431	74155672	Syed Arshad Abbas, Dir. E&E	Temporary Advance for E&E Deptt.	0.500
28	2631	18677	S. Arshad Abbas, Dir. E&E	Temporary Advance for E&E Deptt.	0.500
29	2813	18897	Mr.shakeel Ahmed	Temporary Advance for Iftar-o-saher	0.200
30	2944	19012	Mr. Nasir Khan (Addl Dir P&R)	Term Advance	0.095
31	2240	19075	Mr. Arshad Abbas	Term Advance	0.300
32	2789	19077/78	M/s Aasif Autos	Term Advance Repair of Mobile Vehicle	0.298
33	3030	80	Mr. Arshad Abbas	Term Advance	0.299
34	3026	80	Mr. Arshad Abbas	Term Advance	0.299
				Total	11.425

Unjustified payment made to employees – Rs. 36.599 million (Part-B)

(Rs. in Million)

V.R#	Date	Chq#	Paid to	Amount
58	7/3/2024	18831	M/s Abid Mehmood	0.050
72	7/3/2024	18843	Muhammad Akram	0.250
73	7/3/2024	18777	Muhammad Akram	0.150
83	12/3/2024	18856	M/s Shahida Parveen (PS to DIR)	0.098
91	12/3/2024	18880	Mr. Naqeeb Ahmed Nadeem (Ao Admin)	0.025
92	12/3/2024	18879	Mr. Sarwat Hussain (AO Fund)	0.025
345	18/03/24	18901	Muhammad Akram	0.300
363	25/03/24	18951	Mr. Arshad Iftkhar (A.O Books)	0.099
378	25/03/24	18977	Nasir Khan (Director)	0.212
4	5/3/2024	18741	Muhammad Ali Khan (A.S General)	0.094
36	4/3/2024	18728	Muhammad Akram	0.300
6	21/03/24	19049	Syed Iftikhar Hassan (Law Officer)	0.148
22	28/03/24	19043	Muhammad Akram	0.300
23	28/03/24	19043	Muhammad Akram	0.200
39	3/4/2024	19302	Muhammad Wariyal Member (F)	0.299
51	3/4/2024	19087	Muhammad Wariyal Member (F)	0.200
74	9/4/2024	19181	Adv Iftikhar ul hassan Law officer	0.100
76	9/4/2024	19089	Muhammad Shamim (A.O)	0.099
77	9/4/2024	19089	Muhammad Shamim (A.O)	0.099
92	9/4/2024	19142	Muhammad Akram	0.150
101	9/4/2024	19226	Muhammad Akram	0.150
102	9/4/2024	19227	Muhammad Akram	0.110
117	19/4/24	19200	Shakeel Ahmed khan (Dir Admn)	0.099
119	19/4/24	34110088	Abbas Ali Khan(E. Engineer)	0.490
120	19/4/24	19099	Abbas Ali Khan(E. Engineer)	0.495

(Rs. in Million)				
V.R#	Date	Chq#	Paid to	Amount
8	6/5/2024	19343	Riaz Rashid (P.S to DG)	0.095
9	6/5/2024	19388	Muhammad Akram	0.200
11	6/5/2024	19364	Amir Muhammad khan	0.099
17	6/5/2024	19363	Muhammad Akram	0.100
31	10/5/2024	19472	Mr. Asad	0.098
47	9/5/2024	19435	Muhammad Ali Khan (A.S General)	0.099
135	16/5/24	19612	Muhammad Akram	0.090
195	20-4-24	19647	Ibrahim Khalid Khan	0.094
201	3/6/2024	19773	Syed Iftikhar Hassan (Law Officer)	0.083
209	3/6/2024	19800	Nasir Khan (Director	0.098
220	3/6/2024	19723	Mr. Nageeb Ahmed Nadeem (Ao Admin)	0.200
221	3/6/2024	19724	Muhammad Akram	0.099
229	3/6/2024	19816	Muhammad Akram	0.200
293	10/6/2024	19894	Shakeel Ahmed khan (Dir Admin)	0.099
260	10/6/2024	19875	Muhammad Akram	0.300
266	10/6/2024	19907	Nadeem Shabir	0.079
23	1/2/2024	18389	Muhammad Akram	0.200
150	23/2/24	18617	Mr. Wariyal Indhar (Member)	0.199
155	27/2/24	18613	Nasir Khan (Director)	0.081
96	14-2-24	18447	Muhammad Akram	0.050
100	14-2-24	18471	Muhammad Asghar Azeem (Joint Sect)	0.100
107	14-2-24	18490	Muhammad Akram	0.200
135	15-2-24	99000	Syed Iftikhar Hassan(Law Officer)	0.099
23	2/2/2024	18389	Muhammad Akram	0.200
144	8/1/2024	18126	Muhammad Akram	0.099
145	8/1/2024	18128	Muhammad Akram	0.085
148	8/1/2024	18108	Nasir Khan (Director	0.099
167	8/1/2024	18147	Muhammad Akram	0.099
212	11/1/2024	18170	Fareed Qureshi	0.050
216	18/1/24	18270	Muhammad Akram	0.099
247	15/1/24	18228	Nadeem Shabir Dept.	0.100
283	25/1/24	18336	Muhammad Akram	0.150
291	29/1/24	18356	Maria Azeem A.S (IRC)	0.299
297	26/1/24	18347	Osama sheroz (PS to C.E)	0.230
31	1/12/2023	17793	Muhammad Ali Khan (A.S General)	0.099
32	1/12/2023	17793	Muhammad Ali Khan (A.S General)	0.099
33	1/12/2023	17793	Muhammad Ali Khan (A.S General)	0.090
41	6/12/2023	17811	Muhammad Wariyal DFA	0.288
42	6/12/2023	17512	Muhammad Wariyal DFA	0.275
43	6/12/2023	17825	Noman Muzafar (D.D) Tax Section	0.083
50	6/12/2023	17835	Muhammad Akram	0.050
65	6/12/2023	17805	Abbas Ali Khan(E. Engineer)	0.291
127	18/12/23	17944	Muhammad Akram	0.300

(Rs. in Million)				
V.R#	Date	Chq#	Paid to	Amount
128	18/12/23	17940	Muhammad Asif Siddiqui(Add Dir)(L.M)	0.098
140	21/12/23	17974	Muhammad Junaid (A.O)	0.099
141	21/12/23	17974	Muhammad Junaid (A.O)	0.098
146	22/12/23	18011	Muhammad Fareed Qureshi(A.O)	0.100
149	22/12/23	18001	Mrs. Shahida Parveen (PS to Director)	0.095
75	8/12/2023	17866	Muhammad Akram	0.050
77	8/12/2023	17869	Syed Iftikhar Hassan (Law officer)	0.099
84	8/12/2023	17874	Muhammad Ali Khan (A.S General)	0.048
108	14/12/23	17929	Aziz Khan Naib Saddar (Employee CBA)	0.178
111	12/12/2023	17896	Muhammad Akram	0.200
14	1/11/2023	17564	Muhammad Akram	0.050
42	2/11/2023	74155656	Rafique Ahmed Khan	0.193
67	21/11/23	17705	Muhammad Akram	0.200
68	21/11/23	17671	Muhammad Jameel (D.A.O)	0.099
69	21/11/23	17667	Muhammad Ali Khan (A.S General)	0.125
70	21/11/23	17667	Muhammad Ali Khan (A.S General)	0.115
71	21/11/23	17667	Muhammad Ali Khan (A.S General)	0.200
72	21/11/23	17667	Muhammad Ali Khan (A.S General)	0.108
78	21/11/23	17319	Qamar Abbas (General Secretary)	0.500
106	29/11/23	17693	Syed Faizan	0.299
107	24/11/23	17693	Syed Faizan	0.100
108	28/11/23	17788	Muhammad Akram	0.250
18	4/10/2023	17223	Muhammad Junaid (A.O)	0.098
19	4/10/2023	17223	Muhammad Junaid (A.O)	0.099
20	4/10/2023	17723	Muhammad Junaid (A.O)	0.098
21	4/10/2023	17222	Syed faizan Jaffery (A.O)	0.098
22	4/10/2023	17222	Syed faizan Jaffery (A.O)	0.096
23	4/10/2023	17222	Syed faizan Jaffery (A.O)	0.098
152	26/10/23	17459	Muhammad Ali Khan (A.S General)	0.300
154	26/10/23	17485	Rafique Alana (A.O Establishment)	0.299
159	26/10/23	17459	Muhammad Ali Khan (A.S General)	0.300
74	10/10/2023	17342	Muhammad Wariyal DFA	0.093
110	16/10/23	17385	Syed faizan Jaffery (A.O) W.I.D	0.097
114	16/10/23	17386	Syed Iftikhar Hassan (Law officer)	0.100
1	6/9/2023	16977	Wajhat Insaf (Suprdnt Pension)	0.095
42	4/9/2023	16957	Muhammad Akram	0.050
61	14/9/23	17165	Riaz Rashid (P.S to DG)	0.069
69	14/9/23	17153	Riaz Rashid (P.S to DG)	0.089
80	14/9/23	17166	Muhammad Ali Khan (A.S General)	0.099
17	7/8/2023	16671	Riaz Rashid (P.S to DG)	0.140
32	7/6/2023	74155634	Sikandar Baloch	0.409
49	22/6/23	16595	Muhammad Kashif Khan	0.193
271	21.07.2023	16572	Mr. Muhammad Nasir Khan	0.298

(Rs. in Million)				
V.R#	Date	Chq#	Paid to	Amount
270	21.07.2023	16572	Mr. Muhammad Nasir Khan	0.299
3784	22.06.2023	16509	Mr. Muhammad Wariyal Indhar	0.299
3783	22.06.2023	16509	Mr. Muhammad Wariyal Indhar	0.109
86	11.07.2023	16607	Mr. Faizan Jafferri	0.095
3781	22.06.2023	16505	Mr. Muhammad Kashif Khan	0.193
3776	13.07.2023	16632	Zia Alvi	0.071
3779	13.07.2023	16632	Zia Alvi	0.100
3780	13.07.2023	16632	Zia Alvi	0.134
3782	17.07.2023	16646	Syed Muhammad Azeem	0.100
152	17.07.2023	16648	Mr. Muhammad Zubair	0.099
3572	17.07.2023	83455327	Mr. Ejaz Ahmed	0.298
595	23.08.2023	*000057	Mr. Khurram Shahbaz (Asst Dir Admin)	0.855
606	28.08.2023	16874	Mr. Faheem Ahmed	0.053
826	15.09.2023	17180	Muhammad Shakeel Siddiqui	0.099
827	15.09.2023	17181	Nasir Khan (Dy. Admin), Engineering	0.097
652	04.09.2023	16955	E&M (Fahim Ahmed)	0.044
653	04.09.2023	16955	E&M (Fahim Ahmed)	0.071
0091*	06.11.2023	17400	Muhammad Salman Superintendent	0.069
1342	03.10.2023	17573	Muhammad Ali Khan	0.297
1386	24.11.2023	17693	Syed Faizan Jafferri	0.299
1385	24.11.2023	17693	Syed Faizan Jafferri	0.100
1657	29.11.2023	17805	Abbas Ali Khan, Engg. Deptt.	0.291
3168	07.12.2023	17859	M. Nadeem, addl. Dir. Security Cell	0.295
1780	18.12.2023	17940	M. Asif Siddiqui, Addl. Dir. Land	0.098
1914	28.01.2024	18023	Mr. Muhmmad Akram	0.200
2086	05.01.2024	18116	Mr. Nasir Khan	0.097
1698	25.01.2024	18335	Mr. Imran Ilyas	0.097
2236	29.01.2024	18354/55	M/s Amin Ur Rehman	0.093
1699	29.01.2024	1836	Mr. Imran Ilyas	0.099
1700	28.02.2024	18665	M. Shakeel Siddiqui	0.011
1697	28.02.2024	18666	Shahzad Ahmed, Addl. Director (Admin)	0.065
2194	31.01.2024	18385	Osama Shahroz Siddiqui, P.S to C.E	0.430
2750	06.03.2024	18819	M. Zubair	0.095
2751	06.03.2024	18819	M. Zubair	0.096
2752	06.03.2024	18819	M. Zubair	0.096
2754	06.03.2024	18819	M. Zubair	0.095
1785	01.04.2023	19125	Mr. Nadeem Shabbir (Dy.Dir F&A)	0.299
1786	01.04.2023	19125	Mr. Nadeem Shabbir (Dy.Dir F&A)	0.100
3027	08.04.2024	34110038	Mr. Abbas Ali Khan	0.490
3031	16.04.2024	19099	Mr. Abbas Ali Khan	0.495
3190	09.04.2024	84134236	Mr. Abbas Ali Khan	0.298
3737	07.06.2024	19904	Mr. Jameel Ahmed Bloch	0.035
3569	24.05.2024	19757	Mr. Shoaib Ahmed Sayeed	0.093

(Rs. in Million)				
V.R#	Date	Chq#	Paid to	Amount
3570	23.05.2024	19742	Mr. Nasir Khan	0.098
3638	27.05.2024	19758	Mr. Arif Ahmed	0.183
3765	11.06.2024	19968	Mr. Shoaib Ahmed Sayeed	0.042
				25.174

Annex-7

2.2.6.19 Loss to the Authority by operating current bank accounts – Rs. 21.383 million

(Rs. in Million)

Account Number	Purpose Of Account	Bank	Type	Closing balance as on 30-6-24	10% Interest
00147900636703	Establishment/Works	HBL Civic Center	Current	57.362	5.736
00147900637203	Auction	HBL Civic Center	Current	0.346	0.035
00147900636803	Collection of Land Revenue Receipts	HBL Civic Center	Current	0.077	0.008
00147900636903	Special Recovery / Auction of Plots	HBL Civic Center	Current	0.115	0.012
00147900607903	Disbursement Of Salaries to Employees	HBL Civic Center	Current	4.752	0.475
00147900637303	Maintenance / Utilities Cc Building	HBL Civic Center	Current	3.078	0.308
237273204	Income Tax Account	UBL Civic Center	Current	15.376	1.538
238262795	Disbursement Of Salaries	UBL Civic Center	Current	5.021	0.502
237273198	Fund (Remittances and Payment of Advances)	UBL Civic Center	Current	91.081	9.108
237119973	Collection of Land Revenue Receipts	UBL Civic Center	Current	6.098	0.609
0010000364100081	Directorate Of Planning & Urban Design	ABL Civic Centre	Current	2.572	0.257
4134543543	P & R Nursery Rent	NBP Civic Centre	Current	3.169	0.317
4134543712	Charged Parking	NBP Civic Centre	Current	1.274	0.127
4134543721	Bachat Bazar	NBP Civic Centre	Current	2.119	0.212
4134543703	Electric Charges	NBP Civic Centre	Current	3.866	0.387
4141814148	Disbursement Of Salaries To KDA	NBP Civic Centre	Current	0.035	0.004
4093028410	Wing KMC old project of PHS	NBP Civic Centre	Current	11.357	1.136

Account Number	Purpose Of Account	Bank	Type	Closing balance as on 30-6-24	10% Interest
03693892231000	Current Account	Sindh Bank Civic Centre	Current	0.120	0.012
03695161361000	Road Cutting Charges	Sindh Bank Civic Centre	Current	6.001	0.600
Total				213,820,945	21.383

Annex-8

2.2.6.20 Doubtful payment to consultant – Rs. 49.618 million

(Rs. in Million)

Chq# Date	Work order dt:	PC-I Approval date	Name of Work	Consultant	Description	Amount
5123739 24-11-23	484 20-7-23	13.06.2022	Const: of bridge over Malir River near Goth Siddiqui Jokhyo	M/S Atif Nazar Pvt. Ltd	At submission conceptual drawing and design etc.	0.853
					At submission of detail design	2.218
					At submission of tender documents	0.341
					13% SST	0.444
5465627 14-6-24	350 3-5-23	03.06.2023	Const: of Sea wall i/c road from Dolmen mall to China port karachi.	M/S Atif Nazar Pvt Ltd	At submission conceptual drawing and design etc.	6.247
					At submission of detail design	16.243
					At submission of tender documents	2.499
					13% SST	1.150
5465570 24-6-24	483 20-7-23	03.06.2023	Imp: of Lal Qila Park Azizabad	M/S Atif Nazar Pvt Ltd	At submission conceptual drawing and design etc.	2.111
					At submission of detail design	5.489
					At submission of tender documents	0.844
					13% SST	1.098
5112927 12-10-23	530 6-7-23	11.01.2023	Imp: Const: Reh: of road from Murtaza chorangi to landhi graveyard Karachi	M/S Atif Nazar Pvt Ltd	At submission conceptual drawing and design etc.	2.624
					At submission of detail design	5.248
					At submission of tender documents	1.050
					13% SST	1.160
					Total	49.619

Annex-9

2.2.6.26 Irregular payment through employee on advertisement & publicity – Rs. 3.288 million

Sr.#	VR#	Date	Chq#	Paid to	Amount
1	72	7/3/2024	18843	Muhammad Akram	250,000
2	73	7/3/2024	18777	Muhammad Akram	150,000
3	345	18/03/24	18901	Muhammad Akram	300,000
4	101	9/4/2024	19226	Muhammad Akram	150,000
5	9	6/5/2024	19388	Muhammad Akram	200,000
6	135	16/5/24	19612	Muhammad Akram	90,000
7	221	3/6/2024	19724	Muhammad Akram	99,000
8	260	10/6/2024	19875	Muhammad Akram	300,000
9	270	10/6/2024	19897	Muhammad Akram	99,000
10	107	14-2-24	18490	Muhammad Akram	200,000
11	127	18/12/23	17944	Muhammad Akram	300,000
12	111	12/12/2023	17896	Muhammad Akram	200,000
13	42	4/9/2023	16957	Muhammad Akram	50,000
14	74	7/3/2024	18842	M/s Ways Adv	500,000
15	233	15/1/24	18080	M/s Ways Adv	300,000
16	144	20/12/23	17968	M/s Ways Adv	100,000
				Total	3,288,000

Chapter-02 Section-II Annexes

Annex-1

2.3.6.3 Unauthorized utilization of development fund on salaries –Rs. 123.109 million

ABL Gulistan-e-Sarmast I & II Housing Scheme (A/C NO.0010000983930307)					
S#	Cheque #	Dated	Pay to	Amount	Purpose
1	63242842	27/09/2023	P&DC	16,794,247	Salary Jun-23 & July-23 & Pension July-23
ABL Gulistan-e-Sarmast IV Housing Scheme (A/C No.0010000983931822)					
S#	Cheque #	Dated	Pay to	Amount	Purpose
1	72473336	27/09/2023	P.D Housing	19,155,413	Salary B-17& Above Jun-23&July-23 & Pension July-23
2	72473337	27/09/2023	Main Sectt:	14,388,007	Salary B-17& Above Jun-23&July-23 & Pension July-23
3	72473346	16/02/2024	P&DC	12,902,151	Salary Sep-23 & Oct-23
4	72473348	16/02/2024	Main Sectt:	15,265,607	Salary Sep-23 & Oct-23
5	72473349	16/02/2024	P.D Housing	1,394,916	Salary Sep-23 & Oct-23

6	72473351	01/04/2024	Main Sectt:	10,998,041	Salary Dec-23
7	72473352	01/04/2024	P.D Housing	9,877,203	Salary Dec-23
8	72473353	01/04/2024	P&DC	8,848,489	Salary Dec-23
Total				92,829,827	
ABL Gulistan-e-Sarmast I &II Housing Scheme (Misc. A/C No.0010000984030024)					
S#	Cheque #	Dated	Pay to	Amount	Purpose
	75613690	21/09/2023	P&DC	870,000	Pension (Part Payment)
	75613692	24/10/2023	P&DC	450,000	Salary Aug-23 (B-1 to B-16)
	75613694	10/06/2024	P&DC	1,900,000	Salary Jan-24
Total				3,220,000	
ABL Gulistan-e-Sarmast III Housing Scheme (A/C No.0010000983931504)					
S#	Cheque #	Dated	Pay to	Amount	Purpose
	4373649	27/09/2023	Main Sectt:	10,264,711	Pension (July-23)
Total A+B+C+D				123,108,785	

Annex-2

2.3.6.4 Loss of millions of Rupees due to non-determination of fair market value of commercial property

(Rs. in Million)

Shop No.	Area of shops (Sq. Ft.)	Rent /Month at the time of auction	Rate Per Sq.Ft at the time of auction	Estimated Market Rent for 2023-24	Est. Rate Per Sq.Ft	Est. Yearly Collection	Rent collected from shops / Month in 2023-24	Yearly recovery from the rented shops	Loss to authority during 2023-24
1	124	725	5.85	20,000	161	240,000	1,565	18,780	0.226
2	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
3	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
4	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
5	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
6	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
7	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
8	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
9	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
10	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
11	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
12	140	700	5.00	19,300	138	231,600	1,510	18,120	0.213
13	175	1100	6.29	30,400	174	364,800	2,370	28,440	0.337
Total									2.906

2.3.6.8 Non refund of payment to allottees of Gulistan-e-Sarmast Housing Scheme – Rs. 5.216 million

S #	Date of Application	Name of scheme	Name of allottee	Plot No.	Area (Sq. yards.)	Paid Up amount	Ded: at 10%	Refund Amount
1	11/01/2024	Gulistan-e-Sarmast (Stage-III)	Syed Rafi Alam	44824	120	0.050	0.005	0.045
2	11/01/2024	Gulistan-e-Sarmast (Stage-IV)	Syed Shahab Uddin	52349	120	0.205	0.021	0.185
3	22/02/2024	Gulistan-e-Sarmast (Stage-IV)	Noor Rehman	53350	240	0.273	0.027	0.246
4	07/12/2023	Gulistan-e-Sarmast (Stage-IV)	Sikandar Ali	53712	120	0.068	0.007	0.062
5	29/01/2024	Gulistan-e-Sarmast (Stage-IV)	Nazneen begum	51599	120	0.205	0.021	0.185
6	29/08/2024	Gulistan-e-Sarmast (Stage-IV)	Muqet Ur Rehman	53410	120	0.205	0.021	0.185
7	22/04/2024	Gulistan-e-Sarmast (Stage-IV)	Syed Tahir Ali	52072	400	0.684	0.068	0.616
8	27/10/2023	Gulistan-e-Sarmast (Stage-IV)	Shahzaib	53114	400	0.684	0.068	0.616
9	27/10/2023	Gulistan-e-Sarmast (Stage-IV)	Muhammad Usama	53112	400	0.684	0.068	0.616
10	27/10/2023	Gulistan-e-Sarmast (Stage-IV)	Mehreen Shaikh	53110	400	0.684	0.068	0.616
11	27/10/2023	Gulistan-e-Sarmast (Stage-IV)	Muhammad Imran	53726	400	0.684	0.068	0.616
12	27/10/2023	Gulistan-e-Sarmast (Stage-IV)	Syed Kashif Ali	52485	400	0.684	0.068	0.616
13	27/10/2023	Gulistan-e-Sarmast (Stage-IV)	Muhammad Akram	53673	400	0.684	0.068	0.616
Total						5.795	0.580	5.216

2.3.6.10 Split up of expenditure to avoid open tender – Rs. 4.268 million

(Rs. in Million)

Description	Item	Vendor	W/O	W/O Date	Chq. No.	Chq. Date	Gross Amount
Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	S.R Enterprises	2180	31/07/2023	-	07/09/2023	0.273
Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	S.R Enterprises	2184	31/07/2023	-	15/09/2023	0.263
Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	S.R Enterprises	2181	31/07/2023	78334337	20/10/2023	0.273
Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	S.R Enterprises	2182	31/07/2023	78334337	20/10/2023	0.273
Repair of M.S Pipe 20" dia by providing	Repair of M.S Pipe 20" dia by providing	Abdul Nazim	3227	22/11/2023	82587461	12/01/2024	0.300

(Rs. in Million)

Description	Item	Vendor	W/O	W/O Date	Chq. No.	Chq. Date	Gross Amount
excavator machine and skilled labour	excavator machine and skilled labour						
Repair of M.S Pipe 20" dia by providing excavator machine and skilled labour	Repair of M.S Pipe 20" dia by providing excavator machine and skilled labour	Abdul Nazim	3228	22/11/2023	82587461	12/01/2024	0.300
Repair of M.S Pipe 20" dia by providing excavator machine and skilled labour	Repair of M.S Pipe 20" dia by providing excavator machine and skilled labour	Abdul Nazim	3229	22/11/2023	82587461	12/01/2024	0.300
Engaging sewerman Labour on daily basis labour charges for desilting / cleaning of different areas west of wadu wah qasiamabad	Engaging sewerman Labour on daily basis labour charges for desilting / cleaning of different areas west of wadu wah qasiamabad	Yaqoob Aziz	69	30/01/2023	82587458	17/01/2024	0.294
Engaging sewerman Labour on daily basis labour charges for desilting / cleaning of different areas west of wadu wah qasiamabad	Engaging sewerman Labour on daily basis labour charges for desilting / cleaning of different areas west of wadu wah qasiamabad	Yaqoob Aziz	73	30/01/2023	82587458	12/01/2024	0.294
Engaging Sewerman Labour for Desilting / Cleaning of sewer lines in Goth vikio palari Qasimabad	Engaging Sewerman Labour for Desilting / Cleaning of sewer lines in Goth vikio palari Qasimabad	Yaqoob Aziz	25	09/01/2023	-	07/09/2023	0.290
Engaging sewerman Labour on daily basis	Engaging sewerman Labour on daily basis	Yaqoob Aziz	1014	19/09/2022	-	20/10/2023	0.300

(Rs. in Million)

Description	Item	Vendor	W/O	W/O Date	Chq. No.	Chq. Date	Gross Amount
labour charges for desilting / cleaning	labour charges for desilting / cleaning						
Engaging sewerman Labour on daily basis labour charges for desilting / cleaning	Engaging sewerman Labour on daily basis labour charges for desilting / cleaning	Yaqoob Aziz	964	09/09/2022	-	20/10/2023	0.300
Hire charges for installation of 60 KVA 3 phase 4 wire Diesel Generator set equipped in canopy	Hire charges for installation of 60 KVA 3 phase 4 wire Diesel Generator set equipped in canopy	M.K Enterprises	383	28/03/2022	-	20/10/2023	0.233
Hire charges for installation of 90 KVA 3 phase 4 wire Diesel Generator set equipped in canopy	Hire charges for installation of 90 KVA 3 phase 4 wire Diesel Generator set equipped in canopy	M.K Enterprises	335	14/03/2022	-	20/10/2023	0.266
Rewinding of 50 BHP motor etc. complete in all respect	Rewinding of 50 BHP motor etc. complete in all respect	Famous Electric	96	02/02/2021	-	10/09/2023	0.072
Rewinding of 50 BHP motor etc. complete in all respect	Rewinding of 50 BHP motor etc. complete in all respect	Famous Electric	94	02/02/2021	-	10/09/2023	0.240
Total							4.2685

Annex-5

2.3.6.11 Irregular clearance of liabilities without approval – Rs. 5.977 million

(Rs. in Million)

Name of work	Vendor	W/O	W/O Date	Chq. No.	Chq. Date	Gross
Desilting of removing of choked sewer line by manual	Tariq Enterprises	118	10/02/2016	76346775	01/08/2023	0.039
Desilting of removing of choked sewer line by manual	Tariq Enterprises	119	10/02/2016	76346775	01/08/2023	0.009
Desilting of removing of choked sewer line by manual	Tariq Enterprises	120	10/02/2016	76346775	01/08/2023	0.039
M/F M.S Shade over electric Motors at Zeeshan Sewerage pumping station Qasimabad Hyd.	Hussaini & Brothers	332	17/05/2023	-	08/08/2023	0.295
Repair of 2000 KVA transformer for burnt out, incl. (2 HT Coil with 2 Bush) &	A.M Traders	405	03/05/2023	-	08/08/2023	0.300
S/Inst. 125 BHP ASD starter, 3 Nos contractor, 1. No. Timer with bace 1.No. OCR	Karachi Electric & Power Protector	27	30/03/2023	-	18/09/2023	0.290
Rewinding of 100 BHP RPM 1400 (Red phase) volt 400 cycle 50	Pakistan Engineerin g works	265	30/03/2023	-	10/09/2023	0.183
Engaging sewerman Labour on daily basis labour charges for desilting / cleaning of different areas west of wadu wah qasiamabad	Yaqoob Aziz	69	30/01/2023	-	17/01/2023	0.294
Engaging sewerman Labour on daily basis labour charges for desilting / cleaning of different areas west of wadu wah qasiamabad	Yaqoob Aziz	73	30/01/2023	-	12/01/2023	0.294

(Rs. in Million)

Name of work	Vendor	W/O	W/O Date	Chq. No.	Chq. Date	Gross
Engaging Sewerman Labour for Desilting / Cleaning of sewer lines in Goth vikio palari Qasimabad	Yaqoob Aziz	25	09/01/2023	-	07/09/2023	0.290
Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	A.A Enterprises	2	27/10/2022	-	07/09/2023	0.210
Engaging sewerman labour for smooth disposal of Sewage / Rainy water in different areas of west wadu wah qasimabad	Yaqoob Aziz	67	04/10/2022	-	10/09/2023	0.300
Engaging Sewerman Labour for Desilting / Cleaning of sewer lines in Gul e latif colony & Lal quarter Qasimabad	Young Star Worker	1060	30/09/2022	76346803	08/08/2023	0.293
Hire charges for installation of 150 KVA 3 phase 4 wire Diesel Generator set equipped in canopy	M.K Enterprises	1037	26/09/2022	-	20/10/2023	0.295
Engaging sewerman Labour on daily basis labour charges for desilting / cleaning	Yaqoob Aziz	1014	19/09/2022	-	20/10/2023	0.300
Engaging sewerman Labour on daily basis labour charges for desilting / cleaning	Yaqoob Aziz	964	09/09/2022	-	20/10/2023	0.300
Providing Special Labor like sewer man / sweeper on daily wages basis for removing choked material	D&A Enterprises	2184	31/08/2022	-	16/08/2023	0.252
Making providing circular wooden	A.M Traders	1796	29/07/2022	-	08/08/2023	0.116

(Rs. in Million)

Name of work	Vendor	W/O	W/O Date	Chq. No.	Chq. Date	Gross
manhole covers made out of Kiker wood in 2 to 3 pieces						
Hire charges for installation of 60 KVA 3 phase 4 wire Diesel Generator set equipped in canopy	M.K Enterprises	383	28/03/2022	-	20/10/2023	0.233
Hire charges for installation of 90 KVA 3 phase 4 wire Diesel Generator set equipped in canopy	M.K Enterprises	335	14/03/2022	-	20/10/2023	0.266
Construction of RCC manhole covers with cement concrete ration 1:2:4	A.M Traders	1478	07/07/2021	-	08/08/2023	0.299
Rewinding of 50 BHP motor etc. complete in all respect	Famous Electric	96	02/02/2021	-	10/09/2023	0.072
Rewinding of 50 BHP motor etc. complete in all respect	Famous Electric	94	02/02/2021	-	10/09/2023	0.240
Supply & fixing of vacuum pump	Huzaifa Traders	1853	01/09/2020	-	12/01/2023	0.300
Hire charges for Excavator for desilting of Katcha Nallah i/c all charges	Tariq Enterprises	36	08/04/2016	-	10/09/2023	0.040
Desilting Nallah by manual means	Tariq Enterprises	348	08/04/2017	7900801	11/07/2023	0.050
Desilting of Nallah along at Tulsidas Nallah	Tariq Enterprises	1128	26/12/2016	7900801	11/07/2023	0.060
Desilting of Nallah along at Tulsidas Nallah by manual means i.c. charges of jungle	Tariq Enterprises	1127	26/12/2016	7900801	11/07/2023	0.050
Desilting of Nallah along at Tulsidas Nallah by manual	Tariq Enterprises	1126	26/12/2016	7900801	11/07/2023	0.050

(Rs. in Million)

Name of work	Vendor	W/O	W/O Date	Chq. No.	Chq. Date	Gross
means i.c. charges of jungle						
Desilting of Nallah along at Tulsidas Nallah by manual means i.c. charges of jungle	Tariq Enterprises	1125	26/12/2016	7900801	11/07/2023	0.050
Hire charges of excavator for desilting of katcha nallah	Tariq Enterprises	1124	26/12/2016	7900801	11/07/2023	0.040
Desilting Nallah by manual means i.c charges of jungle cutting jute	Tariq Enterprises	348	8/4/20217	7900801	11/07/2023	0.050
Desilting Nallah by manual means i.c charges of jungle cutting jute	Tariq Enterprises	350	08/04/2016	7900801	11/07/2023	0.050
Total						5.977

2.4.6.1 Non-production of record

Detail of record as per PDP # 01:

1. Detail of land owned by MDA from Board of Revenue with payment details.
2. Details of jurisdiction of MDA.
3. Master plan scheme wise & revised/amended plans (if any).
4. Record of re-consolidation of land.
5. Details of conversion plots into commercial/residence if any.
6. Record of hiring of consultants including Maxim Marketing consultants' payments Rs.6,065,354
7. Notifications of Rates /revised rate of various charges and penalties.
8. Personal Files and Services Books
9. List of schemes & details of Housing schemes (total area, developed areas, total Nos. of plots and allotment there off & record of fully paid allotted plots of the schemes.
10. Detail record of Auctions, Balloting of plots scheme wise and allotment record of amenity plots in schemes and total plots in each scheme.
11. Record pertaining to land allotted to Bahria town and receipt of such allotment.
12. Detail record of land allotted to Builders, Government/non-government bodies.
13. Recovery position on account of Surcharges, NUF & EDC to be collected, total collected & outstanding.
14. Consolidated Factual /site position reports of Plots scheme wise.
15. Encroachments reports duly issued by Estate & Encroachment Department & steps to be taken by the management and expenditure of Rs. 1,309,500 & Rs. 4,086,125 incurred on encroachment.
16. Details of activities in term of services delivery, allotment, mutation, leases, transfer & possession of plots to the public.
17. Complete record of PC-I, II, III, IV along with administrative approval, T.S
18. Complete record pertaining to consultants with agreements.
19. Tender files including tender advertised for Public Housing Schemes in June 2023, contractor case files & payments vouchers of all development schemes and record refund of PHS flats payment of Rs.2,200,000
20. Progress reports of the schemes.

21. Statement showing sanctioned and working strength of employees
22. Detail of employees appointed, promoted, retired.
23. Details of cancellation of lay out plans of non-responsive owners of land/developer of projects/builders.
24. Record of consolidation of lands maintained by Town Planning Department, MDA & land allotted through consolidation to Bahria Town, Karachi
25. Lay out plan of scheme and supporting vouchers of Road Work Rs. 4,543,930, Security Deposit Rs. 926,661, Performance Bond Rs. 769,969, Sewerage System Rs. 3,700,000, Temporary Advance Rs. 7,365,000 and Sign Board Rs. 400,000 and vouchers of Refund of Taiser Town Plots Rs. 6,819,917.
26. Record pertaining to division of land into blocks and blocks into plots & layout of sectors & procedure adopted in planning of schemes
27. Master plan for development, improvement, expansion and beautification of areas of Shah Latif Town, Taiser Town & New Malir Housing Society
28. Consultant's agreements and payments made to following consultants
 - (a) M/s Paragon city (Pvt.) Ltd
 - (b) ECIL Rs. 25.892 million
 - (c) Maximum Marketing
 - (d) Hussain Pvt Rs.3 ,830,210

The following record was not produced (PDP # 39):

S#	Description/ Name Scheme/NOCs	No of cases Approved	Amount of Public Notices/NOCs
01	NMHP	37	7.200
02	Shah Latif Town	19	3.000
03	Taiser Town	29	2.600
04	Petrol Pump NoCs	06	1.800
Total		91	14.600

1. Title of Land in Form-II along with notification of BOR.
2. NOC of Sale from Sindh Building Control Authority.
3. Lay out plan.
4. Proof of utility service provided.
5. Demarcation reports.
6. Details of car parking/amenities (covered/open).
7. Other condition for permission mentioned in Town planning regulations of 2015.

Annex-2**2.4.6.2 Irregular allotment of plots other than balloting /auction –
Rs.1,104.527 million**

(Rs. in Million)

Particulars	Category	No of Plots	Total Cost
Members(BoG)	A	335	28.374
	B	301	49.887
	R	313	13.934
MDA Employees	A	104	12.480
	B	37	8.400
	R	125	7.380
Nazim Employees	A	15	1.800
	B	4	0.960
	R	59	3.540
Local Government	A	47	5.520
	B	46	10.320
	R	339	20.340
Press Club	A	201	24.120
Governor House	A	44	5.280
	B	46	11.040
	R	439	26.340
Commissioner Karachi	A	16	1.920
	B	11	2.640
	R	200	0.012
CDGK	A	804	241.200
	B	696	556.800
	R	903	72.240
	Total	5085	1,104.527

2.4.6.7 Non-investment of savings / surplus during a financial year-

Rs. 1,912.493 million

ALL MDA'S BANK ACCOUNTS CLOSING BALANCE JULY-2022 TO JUNE-2023					
S#	Accounts	A/c	Bank	Particulars	Bank Stat Closing-2023
1	2000384348	Current	Silk Bank	80 Sq Yds collections G. Public/G. Emp	14,957,305
2	2000384243	Current	Silk Bank	80 Sq Yds Widows - Orphans BPS 1 To 15	32,002
3	2000384359	Current	Silk Bank	120 Sq Yds Collections General Public	48,826,018
4	2000384437	Current	Silk Bank	120 Sq Yds Regular Emp BPS 8 To 15	254,253
5	2000384308	Current	Silk Bank	120 Sq Yds Retired Emp BPS 8 To 15	97,908
6	2000384464	Current	Silk Bank	120 Sq Yds Widows-Orphans (8 To 15)	65,526
7	2000384146	Saving	Silk Bank	Taiser Town Commercial Plots	454,348,309
8	2000384828	Current	Silk Bank	240 Sq Yds collections General Public	39,076,706
9	2000384448	Current	Silk Bank	240 Sq Yds Regular Emp BPS 16 & above	4,730,930
10	2000384456	Current	Silk Bank	240 Sq Yds Retired Emp BPS 16 & above	36,243
11	2000384472	Current	Silk Bank	240 Sq Yds Widows-Orphans 16 & above	530,100
12	2000384383	Current	Silk Bank	400 Sq Yds collections General Public	61,572,157
13	2000384391	Current	Silk Bank	400 Sq Yds Regular Emp BPS 16 & above	6,601,234
14	2000383964	Current	Silk Bank	400 Sq Yds Retired Emp BPS 16 & above	48,552
15	2000384057	Saving	Silk Bank	Misc. Collection for Transfer Fee	216,945
16	2000384022	Saving	Silk Bank	New Balloting in Taiser Town Collection	42,378,077
17	2000384081	Saving	Silk Bank	New Balloting in Taiser Town Collection	22,779,138
18	2000384097	Saving	Silk Bank	New Balloting in Taiser Town Collection	144,070,466
19	2000384332	Current	Silk Bank	Utilities Of 80 Sq.yds	18,864
20	2000384324	Current	Silk Bank	Utilities Of 120 Sq.yds	22,707
21	2000384278	Current	Silk Bank	Utilities of 240 Sq.yds	202,196
22	2000384375	Current	Silk Bank	Utilities of 400 Sq.yds	5,016
23	2000384103	Saving	Silk Bank	Utilities of 400 Sq.yds	15,854,952
24	2000384154	Current	Silk Bank	(Refund Process of Cdgg) Super Saver A/C	69,048
25	2000384488	Current	Silk Bank	Garden City Odc	3,287,097
26	2000384073	Saving	Silk Bank	400 Sq Yds for General Public& S.L.T	37,689,667

ALL MDA'S BANK ACCOUNTS CLOSING BALANCE JULY-2022 TO JUNE-2023					
S#	Accounts	A/c	Bank	Particulars	Bank Stat Closing-2023
27	2000384197	Current	Silk Bank	240 Sq Yds Overseas Pakistan (Dollor)\$	56,263
28	2000384127	Current	Silk Bank	400 Sq Yds Overseas Pakistan (Dollor)\$	51,631
29	2000384049	Saving	Silk Bank	Collection Of SALT Commercial	89,745,263
30	2000384693	Current	Silk Bank	Collection Of N.M.H.P Commercial	161,862
31	20066058	Saving	Silk Bank	Master Program , T.T, S.L.T	761,199,139
32	,000211575 2	Saving	JS Bank	JS Bank(Bahria Town Branch) (New Account)	15,421,010
33	,000211576 7	Saving	JS Bank	JS Bank(Bahria Town Branch) (New Account)	21,201,853
34	1004554	Saving	MCB	Cottage Industry Collection	67,216,126
35	1662-36	Current	HBL	N.M.H.P Collection	24,399,430
36	SSD6-4	Saving	HBL	N.M.H.P Auction	11,120,879
37	4107846517	Current	NBP	NBP Malir City Branch	7,794,446
38	3107750924	Saving	NBP	NBP Malir City Branch	7,734,770
39	1004216865	Saving	Al-Falah	Bank Al-Falah Gulshan Chowrangi Branch	8,619,798
Total					1,912,493,888

Annex-4

2.4.6.14 Doubtful expenditure on account of Jungle clearance – Rs. 3.050 million

Sr #	Particular	DATE	CHEQUE	TAISER TOWN	N.M.H.P	S.L.T	Remarks
1	Mr. Muhammad Zahid Khan	13-2-2023	25275155	0	0	750,000	Payment Of Jungle Cutting Purpose on Few Sectors MDA SLT
2	Mr. Muhammad Zahid Khan	13-2-2023	25275156	0	750,000	0	Payment Of Jungle Cutting Purpose on

Sr #	Particular	DATE	CHEQUE	TAISER TOWN	N.M.H.P	S.L.T	Remarks
							Few Sectors MDA NMHP
3	Syed Muhammad Arif EE.TT	29-3-2023	26048992	250,000	0	0	Jungle Cutting TT
4	Syed Muhammad Arif EE.TT	30-3-2023	26048993	200,000	0	0	Jungle Cutting TT
5	Mr. Syed Muhammad Arif EE.TT	6/4/2023	26306884	300,000	0	0	Temporary Advance Against Jungle Cutting T.T MDA
6	Mr. Muhammad Zahid	6/4/2023	26306886	0	0	250,000	Temporary Advance Against Jungle Cutting SLT MDA
7	Mr. Muhammad Zahid	6/4/2023	26306887	0	250,000	0	Temporary Advance Against Jungle Cutting NMHP MDA
8	Mr. Syed Muhammad Arif	6/4/2023	26306885	300,000	0	0	Temporary Advance Against Jungle Cutting T.T MDA
			Total	1,050,000	1,000,000	1,000,000	

2.4.6.15 Un-authorized payment made to employees instead of actual payee– Rs.6.739 million

S. NO	Particulars	Bank	Date	Cheque	Amount	Head of accounts
1	Mr. Shahid Mohsin	SILK	8/1/2022	25332011	122,400	Pur Of Computer
2	Mr. Shahid Mohsin (Dir T.P)	silk	9/7/2022	25084858	174,800	Purchase Of Computer
3	M/s. Shahid Mohsin (Dir T& P)	silk	9/21/2022	25362523	174,800	Purchase Of Computer
4	Mr. Shahid Mohsin Dir T& P	silk	9/27/2022	25362551	127,900	Repair Of Vehicle
5	Mr. Laiq Ahmed Dir T.& P	SILK	10/21/2022	25097849	178,529	Reimbursement
6	Mr. Laiq Ahmed	SILK	11/2/2022	25097883	95,000	Repair Of Vehicle
7	Mr. Laiq Ahmed	SILK	29-3-2023	26048984	22,500	Repair Of Vehicle
8	Mr. Laiq Hamed Dir T/P	SILK	5/4/2023	26048984	22,500.00	Repair Of Vehicle
9	Mr. Laiq Hamed Dir T/P	SILK	12/4/2023	26306922	20,155.00	Printing
10	Mr. Laiq Ahmed	SILK	31-5-23	26640826	17,254	Reimbursement
11	Mr. Laiq Ahmed	BFA 6865	14-8-2023	92686004	150000	Repair Of Vehicle
12	Mr. Ali Asad Baloch (D Fa)	SILK	10/21/2022	25097850	400,000	Pur Of Com
13	Mr. Ali Asad Khan	SILK	10/25/2022	25097853	173,800	Repair Of Vehicle
14	Mr. Ali Asad Khan	SILK	11/1/2022	25097866	705,000	Reimbursement
15	Mr. Ali Asad Khan	SILK	1/3/2023	25404071	560,000	Reimbursement
16	Mr. Ali Asad Khan	SILK	6/4/2023	26306888	59,050.00	Reimbursement
17	Mr. Ali Asad Khan	SILK	3/5/2023	26640751	44,500	Repair Of Vehicle
18	Mr. Ali Asad Khan	SILK	12/5/2023	26640764	550,000	Reimbursement
19	Mr. Ali Asad Khan	SILK	17-5-23	26640802	165,000	Pur Of Comp
21	Mr. Ali Asad Khan	SILK	31-5-23	26831291	25,000	Rep Of Vehicle
22	Mr. Ali Asad Khan	SILK	12/2/2022	25110530	32,400	Maintenance
23	Mr. Ali Asad Khan	SILK	12/15/2022	25132800	115,000	Repair Of Vehicle
24	M.R Muhammad Irfan	SILK	20-2-23	25275188	53,800	Misc. Exp
25	Mr. Muhammad Irfan Secretary	SILK	5/4/2023	26049018	138,300	Repair Of Vehicle

S. NO	Particulars	Bank	Date	Cheque	Amount	Head of accounts
26	Mr. Muhammad Irfan Dir Legal	SILK	22-3-2023	26640807	165,200	Repair Of Vehicle
27	Mr. Muhammad	SILK	5/6/2023	26831296	19,990	Reimbursement
28	Mr. Amim Siddiqui Dy Dir.	SILK	7/5/2022	25132725	9,960	Misc. Exp
29	Mr. Muhammad Amim Siddiqui (A.O Maintenance)	SILK	7/18/2022	25331921	212,500	Maintenance
30	Mr. Muhammad Amim Siddiqui (A.O Maintenance)	SILK	7/18/2022	25331920	212,500	Maintenance
31	Mr. Muhammad Amim Siddiqui Ao Maintenance	SILK	7/19/2022	25331929	174,955	Repair Of Generator
32	Mr. Muhammad Amim Siddiqui Ao Maintenance	SILK	7/21/2022	25331937	74,960	Maintenance
33	Mr . Muhammad Amim Siddiqui A.O Maintenance	SILK	7/22/2022	25331943	212,500	Maintenance
34	Mr . Muhammad Amim Siddiqui A.O Maintenance	SILK	7/22/2022	25331944	212,500	Maintenance
35	Mr. Myhammad Amim Siddiqui A/O Maintenance	SILK	8/2/2022	25332014	483,800	Maintenance
36	Mr. Myhammad Amim Siddiqui A/O Maintenance	SILK	8/2/2022	25332015	305,680	Maintenance
37	Mr. Muhammad Amim Siddique	silk	9/7/2022	25331995	181,660	Maintenance
38	Mr. Amim Siddiqui A.O Engg	HBL 1662-36	9/21/2022	1369	270,841	Maintenance
39	Mr. Amim Siddique (A,O Maintenance Cell)	HBL 1662-36	9/21/2022	1370	74,991	Maintenance
				Total	6,739,725	

Chapter-02 Section-IV Annexes

Annex-1

2.5.6.7 Irregular payment on extra item–Rs. 13.462 million

(Rs. in Million)

Bill No. & Dated	Name of Work & Contractor	Name of Item	Dia	CSR, 2012 rate			Rate allowed	Excess rate	Qty.	Excess payment
				Unit	Rate	Cost of item				
24 th Dated 13-04- 2023	Construction of 24 ft. wide single track on Boulevard-H of Hawksbay Housing Scheme-42 (From 5th Avenue to Mubarak Village Road), (M/s. Indusmens Corporation)	Providing, Laying Prestressed R.C.C pipes (without steel core) and fitting in trench i/c cutting, fitting and jointing with rubber ring i/c testing with water to a head of 122 meter or 400 ft.	1050 mm (42" dia)	Rft.	4,627	5,554.03	42,950	37,395.97	360	13.462
		Cartage of R.C.C pipes any class/ASTM/Prestressed with collars by mechanical transport i/c loading unloading and stacking at site.	7 th & subsequent mile	-	1.360					
Total									13.462	

Chapter-03 Annexes

Annex-1

3.5.2 Inordinate delay in execution of public importance schemes - Rs. 2,472.685 million

Status of Work: Work in Progress

(Rs. in Million)

Sr. #	Name of Office	Year	PD P	AI R #	Remarks	Start Year	Completion Year	Delay (Years)	Exp
1	Education Works Division, Sukkur	2022-23	7	9	143 schools not started in 14 years	2008	2008-09 to 2013-14	10	1,001.15
2	Education Works Division, Ghotki	2022-23		8	66 schools not completed	2007-08	2008-09 to 2013-14	10	243.193
3	Electrical Education Works Division, Mirpurkhas	2022-23		4	6 schemes started in 2018 not completed	2018-22	2022	2	4.482
4	Education Works Division, Sukkur	2022-23		5	30 out of 43 schools incomplete (2021-22)	2021-22	2021-22	2	191.285
5	Electric Education Works Division, Sukkur	2022-23		3	17 schools started in 2007-08	2007-09	2008-09 to 2013-14	10	61.655
6	Electric Education Works Division-I, Karachi	2022-23		2	7 schemes started in 2007-08	2007-09	2008-09 to 2013-14	10	98.095
7	Education Works Electric Division, Larkana	2022-23		3	11 schemes abandoned	2007-08	2008-09 to 2013-14	10	43.498
8	Education Works Division-III, Karachi (East)	2023-24	90	1	5 schemes started in 2007-08	2007-09	2008-09 to 2013-14	10	93.932
9	Education Works Division-IV, Karachi (South)	2023-24	105	10	3 schemes started in 2022	2022-23	2023-24	1	29.956

Status of Work: Work in Progress

(Rs. in Million)

Sr. #	Name of Office	Year	PD P	AI R #	Remarks	Start Year	Completion Year	Delay (Years)	Exp
10	Education Works Division Thatta	2023-24	124	17	2 schemes started in 2010-11	2010-11	2012-13 to 2013-14	10	32.21
11	Education Works Division Thatta	2023-24	127	28	1 scheme started in 2007-08	2007-08	2008-09 to 2013-14	10	26.88
12	Education Works Division-VI, Karachi (Malir)	2023-24	139	1	4 schemes started in 2007-08	2007-09	2008-09 to 2013-14	10	187.574
13	Education Works Division West, Karachi	2023-24	150	2	2 schemes started in 2021-22	2021-22	2021-22 to 2022-23	2	91.096
14	Education Works Division, Khairpur	2023-24	159	11	35 schemes started in 2021-22	2021-22	2021-22 to 2022-23	2	279.485
15	Education Works Division, Hyderabad	2023-24	200	2	3 schemes started in 2007-08	2007-08	2008-09 to 2013-14	10	20.917
16	Education Works Division, Jamshoro	2023-24	214	6	1 scheme started in 2016	2015-16	2016-17	8	44.627
17	Electric Education Works Division, Sukkur	2022-23	166	4	10 schemes started in 2007-08	2007-08	2008-09 to 2013-14	10	22.65
Total									2,472.685

Annex-2

3.5.6 Unauthorized initiation of the procurement process for unapproved schemes - Rs. 395.950 million.

(Rs. in Million)

ADP #	Name of ADP scheme (Un-approved)	Nos. of Units	Estimate Cost
612 of FY 2023-24	Repair/Rehabilitation of existing High/Higher Secondary Schools (i)GBHS Gul Manda (ii) GGHS Ghulamullah (Campus) (iii) GGHS Pump House Dhabeji (03 units)	3-Aug	61.89
355 of FY 2023-24	Repair/Rehabilitation of existing Primary/Elementary Schools(Rain/Flood Affected 2022))(i)GGPS Haroon Panwhar (ii) GGPS Achar Jokhio (iii) GGPS Piniladhro Khaskheli (iv) GGPS Ali Murad Dars (v) GGPS Shafi Muhammad Jokhio (vi) GBPS Habib Khaskheli (vii) GGPS Ladho Othar (viii) GBPS M.Hasan Juman Subhani (ix) GBPS Sher Muhammad Baloch (x) GBPS Haji Mehr Kapoorani (xi) GBPS Wahid Bux Jalbani (xii) GBPS Juman Hingoro (xiii) GBPS Muradani (xiv) GBPS Dawood Bhatti (14 units)	14	62.69
683 of FY 2023-24	Repair/Rehabilitation of Elementary Colleges of Education (05 units) @ GECE (W&M) Thatta, Taluka & District Thatta	05/001	18.647
817 of FY 2023-24	Programme, Provision of School Building/Repair/Rehabilitation/Improvement of various schools, Taluka Mirpur Sakro (16 units) District Thatta	16	100
386 of FY 2023-24	Programme Construction/Reconstruction of Existing Schools (10 units) (Rain/Flood Affected 2022) District Thatta	10	78.9
667 of FY 2023-24	Up-lifting / Provision of Essential amenities in Existing Govt High School (Campus School) Thatta	1	73.825
Total			395.952

Annex-3

3.5.13 Mis-procurement due to violation of SPPRA Rules - Rs. 770.175 million

Sr.#	Name of office	Violations	Financial Years	PDP#	AIR Para#	Amount
1	Electrical Education Works Division, Mirpurkhas	During procurement process one member from other department was not involve during tendering process. All bid evaluation reports remained unsigned.	2022-23	17	1	3.750
2	Electrical Education Works Division, Mirpurkhas	Contractors were awarded the works amounting To Rs1.069 million, however, bid security Rs 0.054 million was not obtained.	2022-23		5	1.069
3	Electrical Education Works Division, Mirpurkhas	Contractors were allowed to start work amounting to Rs.10.058 million without execution contract agreements.	2022-23		9	10.058
4	Education Works Division, Ghotki	Various mandatory requirements like registration with Pakistan Engineering Council, Sindh Revenue Board and relevant experience were not fulfilled before award of works,	2022-23		9	131.306
5	Education Works, division Larkana	Whereas the less call deposit of Rs.3.045 million was obtained from the contractor instead of Rs.3.890 million as required in NIT	2022-23		5	0.845
6	Education Works Division, Shikarpur	Management accepted bids of Rs. 2.090 million prior to the approval of the estimate from the competent forum.	2022-23		6	2.090
7	Education Works Division-II,(Central), Karachi	Due to non-execution of the contract agreements, Stamp Duty against the works was also not realized	2022-23	60	8	12.699
8	Electric Education works Division, Sukkur	Non-obtaining of the performance Security -Rs. 0.869 million	2021-22 & 2022-23	76	9	0.869
9	Education Works Tando Allahyar	Schedule of prices submitted by the contractor was found blank.	2022-23	42	4	3.842
10	Education Works Division. Thatta	Only contractor and XEN signed, the bid opening proceedings, not the bid opening committee	2023-24	117	4	25.86
11	Education Works Division, Thatta	Bid evaluation process was not completed.	2023-24	116	3	112.947
12	Education Works Division, West, Karachi	The management accepted bid of Rs. 33.589 million without submission of the valid bid security which shows that tendering process was non-transparent.	2023-24	151	5	33.589
13	Education Works Division, Sanghar	The procuring awarded 2 schemes to same contractors.	2023-24	237	7	138.557
14	Education Works Division, Khairpur	Contract was awarded to the contractors without registration GST on FBR.	2023-24	259	2	168.808

Sr.#	Name of office	Violations	Financial Years	PDP#	AIR Para#	Amount
15	Education Works Division, Khairpur	Short receipt of earnest money amounting to Rs.1.890 million	2023-24	154	3	59,230
16	Education Works Division, Thatta	Tender amounting to Rs.51.790 million were laying under scrutiny since April 2023 and no contact award have been published.	2023-24	265	5	51,790
17	Education Works Division, Thatta	The approve bid does not clear without detailed breakdown of differential cost under bid submitted by contractor	2023-24	264	2	12,866
Total						770,175

Annex-4

3.5.15 Splitting of expenditure to avoid open tenders - Rs. 49.690 million

Name Of Contractor	Name of scheme	w/o#	Date	Amount
M/S Wms & Co	GBHS karampur	294	11.04.23	299,319
M/S Wms & Co	GBHS karampur	293	11.04.23	299,315
M/S Wms & Co	GGPS Maseeti	317	14.04.23	199,483
M/S Wms & Co	GBPS Soomra muhalla	313	14.04.23	298,766
M/S Asif Electric Works	GBPS Naudero No.1	295	11.4.23	296,952
M/S Asif Electric Works	GBPS Saro Burdi	124	10.3.23	199,068
M/S Zebdin Engineer Civil & E	GGPS Seelra Tal: Miro Khan	260	7.4.23	247,694
M/S Zebdin Engineer Civil & E	GBPS Jalal Mastoi @ Sarmast Tal: Miro Khan	259	7.4.23	198,893
M/S Zebdin Engineer Civil & E	GBPS Jagirani, GBPS Sahib Khan Gorar	296	10.4.23	298,141
M/S Zebdin Engineer Civil & E	GGBHS Tharo Wadho Tal: Sijawal	283	10.4.23	298,177
M/S Zebdin Engineer Civil & E	GBPS Balach Khan Mastoi Tal: Sijawal	258	10.4.23	249,199
M/S Zebdin Engineer Civil & E	GGPS Seelra Tal: Miro Khan	280	10.4.23	197,916
M/S Zebdin Engineer Civil & E	GGPS Seelra Tal: Miro Khan	279	10.4.23	247,974
M/S Zebdin Engineer Civil & E	GGHS Shahdadtal: Shahdadtal	282	10.4.23	299,007
M/S Zebdin Engineer Civil & E	GBLSS Sharif Bhutto Tal: Kamber	281	10.4.23	297,036
M/S Zebdin Engineer Civil & E	GBHS Warah old building Tal: Warah	285	10.4.23	247,529
M/S Zebdin Engineer Civil & E	GBHS Warah old building Tal: Warah	284	10.4.23	249,373
M/S Zebdin Engineer Civil & E	GBPS Warah Tal: Warah	289	10.4.23	198,915
M/S Zebdin Engineer Civil & E	GBPS Wrah Tal: Warah	289	10.4.23	299,417
M/S Zebdin Engineer Civil & E	GBPS Warah Tal: Warah	288	10.4.23	262,230
M/S Waseem & Co: Govt: Contractor	GGPS Nihal Tunio			298,023
M/S Waseem & Co: Govt: Contractor	GBPS Khandu No.1	366	18.4.23	199,397
M/S Waseem & Co: Govt: Contractor	GBPS M. Khatian	364	18.4.23	198,550

Name Of Contractor	Name of scheme	w/o#	Date	Amount
M/S Al-Qayoom Enterprizes Civil &	GBPS Wasrio Memon	257	7.4.23	298,460
M/S Al-Qayoom Enterprizes Civil &	GBPS Bhada	256	7.4.23	199,737
M/S Arz Mohammad & Co	GGPS Moorani	491	8.5.23	299,905
M/S Arz Mohammad & Co	GGPS Sanjar Mahar	492	8.5.23	299,846
M/S Wms & Co	GBPS Darghai Panhwar	493	8.5.23	299,971
M/S Wms & Co	GBPS Sher Brohi	494	8.5.23	299,573
M/S Wms & Co	XEN Edu Shikarpur	915	8.6.22	199,760
M/S Wms & Co	XEN Edu Shikarpur	914	8.6.22	300,000
M/S Wms & Co	XEN Edu Shikarpur	913	8.6.22	299,997
M/S Ghulam Mustafa Shaikh	SMBB College of Edu	509	10.5.23	299,811
M/S Ghulam Mustafa Shaikh	BNB GDC	523	10.5.23	299,080
M/S Ghulam Mustafa Shaikh	BNB GDC	528	10.5.23	299,458
M/S Ghulam Mustafa Shaikh	BNB GDC	527	10.5.23	299,458
M/S Ghulam Mustafa Shaikh	BNB GDC	526	10.5.23	299,359
M/S Ghulam Mustafa Shaikh	SMBB College of Edu	507	10.5.23	299,867
M/S Ghulam Mustafa Shaikh	SMBB College of Edu	508	10.5.23	299,642
M/S Ghulam Mustafa Shaikh	BNB GDC	524	10.5.23	299,516
M/S Ghulam Mustafa Shaikh	SMBB College of Edu	510	10.5.23	298,765
M/S Ghulam Mustafa Shaikh	SMBB College of Edu	511	10.5.23	299,857
M/S Ghulam Mustafa Shaikh	GBPS Sukhpur-B	515	10.5.23	199,786
M/S Ghulam Mustafa Shaikh	GBPS Nago Shah	516	10.5.23	299,106
M/S Ghulam Mustafa Shaikh	GBPS Sukhpur-A	514	10.5.23	199,004
M/S Wms & Co	GGPS Rasheed Waggan-B	119	10.3.23	299,239
M/S Wms & Co	GBPS Rasheed Waggan-A	118	10.3.23	299,229
M/S M.A.D.S Enterprises	GBPS Nazar M. Detho	127	10.3.23	199,727
M/S M.A.D.S Enterprises	GBPS Tahir Hullio	136	10.3.23	299,098
M/S M.A.D.S Enterprises	GBPS Fazal M. Shaikh	349	18.4.23	199,559
M/S M.A.D.S Enterprises	GBPS Gul M. Megheri	350	18.4.23	199,887
M/S Waseem & Co: Govt: Contractor	GBPS G. Shah-B	522	10.5.23	199,309
M/S Waseem & Co: Govt: Contractor	GBPS Kolachi-B	513	10.5.23	199,863
M/S Waseem & Co: Govt: Contractor	GBPS Chatto Wahan-B	519	10.5.23	199,873
M/S Waseem & Co: Govt: Contractor	GBPS Sher M. Arbani-B	518	10.5.23	199,003
M/S Waseem & Co: Govt: Contractor	GBPS Chatto Wahan-A	520	10.5.23	197,692
M/S Waseem & Co: Govt: Contractor	GBPS G. Shah-A	521	10.5.23	199,605
M/S Waseem & Co: Govt: Contractor	GBPS Sher M. Arbani-A	517	10.5.23	199,408
M/S Waseem & Co: Govt: Contractor	GBPS Kolachi-A	512	10.5.23	199,703
M/S Rasheed Traders	GBPS Ali Bux Chandio	359	18.4.23	198,817
M/S Rasheed Traders	GBPS Qaim Khan Mugheri	357	18.4.23	298,775
M/S Rasheed Traders	GBPS Urdu	348	18.4.23	299,591

Name Of Contractor	Name of scheme	w/o#	Date	Amount
M/S Arsalan Traders Govt Contractor	GBPS Miandad Gurmani	345	18.4.23	298,483
M/S Arsalan Traders Govt Contractor	GBPS Khahi Meehon	347	18.4.23	249,155
M/S Arsalan Traders Govt Contractor	GBPS Beehram-C	358	18.4.23	198,915
M/S Arsalan Traders Govt Contractor	GBPS Beehram-B	356	18.4.23	248,230
M/S Arsalan Traders Govt Contractor	GBPS Beehram-A	355	18.4.23	248,285
M/S Arsalan Traders Govt Contractor	GBPS Bhuthi Lashkar Khan	346	18.4.23	249,477
M/S Muhammadi Traders	GBPS Faiz M. Kharal-III	354	18.4.23	299,279
M/S Muhammadi Traders	GBPS Abra	353	18.4.23	199,537
M/S Muhammadi Traders	GBPS Main Naseerabad	351	18.4.23	149,188
M/S Asif Electric Works	GBPS Punhal Khan jamail	365	18.4.23	298,648
M/S Asif Electric Works	GBPS Bujrani	360	18.4.23	198,468
M/S Aijaz Traders Govt: Contractor	GBHSS Waggan	332	17.4.23	249,267
M/S Aijaz Traders Govt: Contractor	GBHSS Waggan	331	17.4.23	249,433
M/S Wms & Co	GBPS Rohal khan	86	08.03.23	198,319
M/S Wms & Co	GBMS Wakro	510	10.5.23	199,829
M/S Wms & Co	GBMS Wakro	509	10.5.23	199,502
M/S Nsb & Co Civil Mechanical & Ele	GBPS Bungul Dero	94	8.3.23	199,357
M/S Nsb & Co Civil Mechanical & Ele	GBPS Bungul Dero	116	10.3.23	199,583
M/S Ghulam Mustafa Shaikh	GBHS Khanpur	Nil	Nil	299,445
M/S Ghulam Mustafa Shaikh	GBHS Kashmore	Nil	Nil	299,418
M/S Akhtar Ali Abro Govt: Contract	GGPS Bungul Dero	117	10.3.23	199,684
M/S Akhtar Ali Abro Govt: Contract	GBPS Syed Zulfiqar Shah	110	10.3.23	299,652
M/S Universal Engineering Services	GBPS Gokhal Das	144	10.3.23	199,302
M/S Universal Engineering Services	GBPS Gokhal Das	143	10.3.23	198,623
M/S Abdul Razzaque Mazari	GPS Ali Dad Mazari	569	11.5.23	175,693
M/S Abdul Razzaque Mazari	GBPS Din M. Naich	568	11.5.23	174,912
M/S Abdul Razzaque Mazari	GPS Pandhi Kalwar	567	11.5.23	173,741
M/S Abdul Razzaque Mazari	GBPS Mootan Mahar female	566	11.5.23	177,691
M/S Abdul Razzaque Mazari	GBPS Marik Chachar	565	11.5.23	179,598
M/S Abdul Razzaque Mazari	GBPS Sher M. Naich	564	11.5.23	184,306
M/S Abdul Razzaque Mazari	GBPS Lal Baig Mazari	563	11.5.23	173,501
M/S Abdul Razzaque Mazari	GBPS Raees M. Yousuf Mashi	562	11.5.23	174,155
M/S Abdul Razzaque Mazari	GBPS Naich	561	11.5.23	174,149
M/S Abdul Razzaque Mazari	GBPS Asghar Khoso	573	11.5.23	199,635
M/S Abdul Razzaque Mazari	GPS Dur M. Nahar	572	11.5.23	185,695
M/S Abdul Razzaque Mazari	GPS Abdullah Bhatti	571	11.5.23	175,153

Name Of Contractor	Name of scheme	w/o#	Date	Amount
M/S Abdul Razzaque Mazari	GPS Guddu	570	11.5.23	179,343
M/S Abdul Razzaque Mazari	GBPS Seri Allah Dad	582	11.5.23	199,446
M/S Abdul Razzaque Mazari	GBPS Seri Allah Dad	581	11.5.23	199,450
M/S Sher Muhammad	GBPS Qadir Bux Golo Female	685	19.5.23	199,723
M/S Sher Muhammad	GBPS Qadir Bux Golo Male	684	19.5.23	199,792
M/S Sher Muhammad	GBPS Shahzado Golo	683		199,792
M/S Sher Muhammad	GBPS Rasool Bux Chachar	682	19.5.23	299,667
M/S Indus Valley Construction &	GBPS Gul M. Tunio	147	13.3.23	199,186
M/S Indus Valley Construction &	GBPS Gul M. Tunio	148	13.5.23	199,629
M/S New Nawab Ali Soomro	GBPS Noor M. Mazari	391	18.4.23	185,638
M/S New Nawab Ali Soomro	GHS Badani	372	18.4.23	174,129
M/S New Nawab Ali Soomro	GHS Badani	373	18.4.23	194,290
M/S New Nawab Ali Soomro	GBPS Raees Sijawal Khan Mazari	395	18.4.23	175,564
M/S New Nawab Ali Soomro	GBPS Chairman Kosh	380	18.4.23	184,058
M/S New Nawab Ali Soomro	GBPS Din M. Kosh	377	18.4.23	173,430
M/S New Nawab Ali Soomro	GBPS G.M Mazari	401	18.4.23	199,903
M/S New Nawab Ali Soomro	TCF School Buxapur	400	18.4.23	174,088
M/S New Nawab Ali Soomro	GGPS Badani	399	18.4.23	179,663
M/S New Nawab Ali Soomro	GGMS Khaee	398	18.4.23	174,529
M/S New Nawab Ali Soomro	GBPS Sanwal Khan Mazari	397	18.4.23	180,886
M/S New Nawab Ali Soomro	GBPS Salman Mazari	396	18.4.23	180,861
M/S New Nawab Ali Soomro	GBPS Dur M. Sangi	394	18.4.23	184,668
M/S New Nawab Ali Soomro	GBPS Dur M. Sangi	393	18.4.23	179,665
M/S New Nawab Ali Soomro	GBPS Raees Khan Mazari	392	18.4.23	187,008
M/S Aneel Kumar Lalwani Govt:Contra	GBPS Ganhwar sheikh-B	154	16.3.23	199,499
M/S Aneel Kumar Lalwani Govt:Contra	GGHS larkana	155	16.3.23	199,300
M/S Aneel Kumar Lalwani Govt:Contra	GBPS Ganhwar sheikh-A	153	16.3.23	199,251
M/S Ghulam Mustafa Shaikh	GBPS Bakhshal khan Magsi	362	18.4.23	249,469
M/S Ghulam Mustafa Shaikh	GBPS Mir Haibat khan Magsi	352	18.4.23	249,090
M/S Abid Hussain Qureshi	GBPS Rahim Bhugio	579	11.5.23	199,814
M/S Abid Hussain Qureshi	GGPS Veehar	580	11.5.23	299,383
M/S Bismillah Electric Service	GBPS Dari	670	17.05.23	199,765
M/S Bismillah Electric Service	GGPS Dari	671	17.05.23	199,766
M/S Bismillah Electric Service	GBPS Ghouspur	673	17.05.23	199,779
M/S Bismillah Electric Service	GGPS Ghouspur	673	17.05.23	199,779
M/S Bismillah Electric Service	GBPS Sheral bad	674	17.05.23	199,812
M/S Bismillah Electric Service	GBPS Karampur	675	17.05.23	299,775
M/S Bismillah Electric Service	GGPS Karampur	676	17.05.23	299,775
M/S Bismillah Electric Service	GBHSS Tangwani	677	17.05.23	299,630
M/S Bismillah Electric Service	GGHSS Tangwani	678	17.05.23	299,800
M/S Bismillah Electric Service	GBPS M.Hayat khoso	679	17.05.23	249,963
M/S New Nawab Ali Soomro	GBPS Dakhan	379	18.4.23	169,662
M/S New Nawab Ali Soomro	GBPS Gajjan Dashti	378	18.4.23	179,653

Name Of Contractor	Name of scheme	w/o#	Date	Amount
M/S New Nawab Ali Soomro	GBPS Mohabat Mazari	376	18.4.23	178,677
M/S New Nawab Ali Soomro	GPS Haji Sawal Malik	385	18.4.23	174,706
M/S New Nawab Ali Soomro	GBPS Chutto Domki	382	18.4.23	172,698
M/S New Nawab Ali Soomro	GBPS Qadir Bux Kalwar	381	18.4.23	179,655
M/S New Nawab Ali Soomro	GBPS M. Bux Mazari	389	18.4.23	177,633
M/S New Nawab Ali Soomro	GBPS G. Yaseen Jakrani	388	18.4.23	199,528
M/S New Nawab Ali Soomro	GBPS Jam Khan Golato	386	18.4.23	174,682
M/S New Nawab Ali Soomro	GBPS M. Siddique Chijjan	390	18.4.23	174,641
M/S New Nawab Ali Soomro	GBPS Landu Mazari	387	18.4.23	199,393
M/S New Nawab Ali Soomro	GBPS Mehar Samejo Male-I	374	18.4.23	178,988
M/S New Nawab Ali Soomro	GBPS Mehar Samejo Female-I	375	18.4.23	173,557
M/S New Nawab Ali Soomro	GBPS G.H khoso	383	18.4.23	174,573
M/S New Nawab Ali Soomro	GBPS G.M Mazari	384	18.4.23	198,722
M/S Mehran Electric Service	GBLSS M.Hayat Khand	626	17.05.23	299,138
M/S Mehran Electric Service	GBPS Noorabad	614	13.05.23	293,621
M/S H.K Construction	GBPS Pandhi Laghari	613	13.05.23	299,478
M/S H.K Construction	GBPS Illahi Bux Buriro	616	13.5.23	299,023
M/S Latif Electric & Electronics	GBPS Mir Arz M. jakrani	623	13.5.23	299,180
M/S Latif Electric & Electronics	GBPS Adam khan Panhwar	612	13.5.23	297,121
M/S Sindhu Electric Store	GBPS Turul Ali Banglani	622	13.5.23	299,858
M/S Sindhu Electric Store	GBPS Bungul Khan Khoso	624	13.5.23	299,318
M/S Sindhu Electric Store	GBPS Noor M. Malik	619	13.5.23	299,429
M/S Sindhu Electric Store	GGHS Mubarakpur	621	13.5.23	299,131
M/S Sindhu Electric Store	GBMS G.M Jakrani	615	13.5.23	298,143
M/S Sindhu Electric Store	GBPS Saleempur	618	13.5.23	298,181
M/S Dastageer Electric Services	GBPS M. Ramzan Ghunio	625	13.5.23	248,246
M/S Dastageer Electric Services	GBPS Gaindal Khan Buriro	617	13.5.23	299,426
M/S Dastageer Electric Services	GBPS Atta M. Sarki	626	13.5.23	299,878
M/S Hakim Ali A/C Ubl 0037100788	GBPS Abdul Baqi	650	15.5.23	174,837
M/S Hakim Ali A/C Ubl 0037100788	GBPS Abdullah Bhatti	651	15.5.23	178,977
M/S Hakim Ali A/C Ubl 0037100788	GBPS Fateh M. Mashi	655	15.5.23	173,118
M/S Hakim Ali A/C Ubl 0037100788	GGPS Akbarabad	660	15.5.23	174,107
M/S Hakim Ali A/C Ubl 0037100788	GHS G. Kot	661	15.5.23	174,107
M/S Hakim Ali A/C Ubl 0037100788	GBPS Jalaluddin Khoso	663	15.5.23	199,584
M/S Hakim Ali A/C Ubl 0037100788	GBPS Mir Hassan Khoso	658	15.5.23	179,842
M/S Hakim Ali A/C Ubl 0037100788	GBPS Ali Nawaz Mazari	653	15.5.23	177,123
M/S Decent Engineering	GBPS Shaikh Zaid	577	11.5.23	199,730
M/S Decent Engineering	GBPS Razi Jagirani	576	11.5.23	298,856
M/S Ilyas & Company Kandhkot	GBDC Karampur	790	5.6.23	199,595
M/S Ilyas & Company Kandhkot	GBDC Karampur	791	5.6.23	199,509
M/S Faheem & Ilyas Contractors	GHSS Ghouspur	785	5.6.23	149,596
M/S Faheem & Ilyas Contractors	GBPS Syed Ibrahim Shah	776	5.6.23	149,833

Name Of Contractor	Name of scheme	w/o#	Date	Amount
M/S Faheem & Ilyas Contractors	GBPS Mir Tariq Khan Domki	772	5.6.23	99,770
M/S Faheem & Ilyas Contractors	GBPS Huzoor Bux Golo	779	5.6.23	99,436
M/S Faheem & Ilyas Contractors	GBPS Bhanwar	780	5.6.23	98,668
M/S Faheem & Ilyas Contractors	GMS old Abdul Haq at Mushtaq Khan UC Karampur	784	5.6.23	294,694
M/S Faheem & Ilyas Contractors	GBPS Wahid Bux Golo	785	5.6.23	149,709
M/S Faheem & Ilyas Contractors	GBPS Ali Abar Golo	775	5.6.23	99,624
M/S Faheem & Ilyas Contractors	Quaid e Azam Ranger School PPL Unit	781	5.6.23	199,445
M/S Abdul Razzaque Mazari	GBPS M.Fazal Oghahi	801	5.6.23	99,624
M/S Abdul Razzaque Mazari	GBPS M.Bux Banghwar	803	5.6.23	99,662
M/S Abdul Razzaque Mazari	GBPS Buxio Banghwar	804	5.6.23	99,804
M/S Abdul Razzaque Mazari	GBHSS Badani	806	5.6.23	99,404
M/S Abdul Razzaque Mazari	Primary 109 RD Rangers School	805	5.6.23	199,197
M/S Abdul Razzaque Mazari	GBHSS Badani	807	5.6.23	299,256
M/S Abdul Razzaque Mazari	GBPS Ishaq Mazari	811	5.6.23	174,655
M/S Abdul Razzaque Mazari	GBPS Gada Ali Bajkhani	808	5.6.23	99,394
M/S Abdul Razzaque Mazari	GBPS Sabzal Gabol	802	5.6.23	99,217
M/S Saif Enterprises Govt:Contracto	GGPS Halepota	Nil	Nil	189,755
M/S Saif Enterprises Govt:Contracto	GGPS Asad Kot	Nil	Nil	189,890
M/S Saif Enterprises Govt:Contracto	GBPS Lal Bux Brohi	Nil	Nil	188,467
M/S Saif Enterprises Govt:Contracto	GGPS Pir Jubair	Nil	Nil	189,769
M/S Ahmed Nawaz Khan Teghani	GBPS Bakhat Jagirani	885	9.6.23	349,381
M/S Ahmed Nawaz Khan Teghani	GBPS Chak Pahore, Garhi Tego, Karim Bhayo	883	9.6.23	349,517
M/S Ahmed Nawaz Khan Teghani	GBPS Alif Shah Shaheed	884	9.6.23	374,870
M/S Hakim Ali A/C Ubl 0037100788	#NAME?	654	15.5.23	169,661
M/S Hakim Ali A/C Ubl 0037100788	GBPS Ishaq Mazari	659	15.5.23	171,653
M/S Hakim Ali A/C Ubl 0037100788	GBPS Lalro Mazari	657	15.5.23	169,547
M/S Hakim Ali A/C Ubl 0037100788	GMS M. Yaqoob Soomro	662	15.5.23	169,586
M/S Hakim Ali A/C Ubl 0037100788	GBPS Taj M. Bahalkani	Nil	Nil	199,530
M/S Hakim Ali A/C Ubl 0037100788	GBPS Haji Abdul Rauf Khoso	656	15.5.23	194,481
M/S Hakim Ali A/C Ubl 0037100788	GBPS Ali Bux Chachar	652	15.5.23	112,880
M/S Khan Mohammad Mahar	GBPS Kazi Muhalla	891	9.6.23	398,391
M/S Khan Mohammad Mahar	GBPS Chak	820	5.6.23	194,883
M/S Khan Mohammad Mahar	GBPS Masitee	819	5.6.23	144,116

Name Of Contractor	Name of scheme	w/o#	Date	Amount
M/S Khan Mohammad Mahar	GBPS A. Karim Mahar	817	5.6.23	202,425
M/S Khan Mohammad Mahar	GBPS Shah Bux Jaferi	818	5.6.23	144,484
M/S Bismillah Electric Service	GBPS Karampur	Nil	Nil	136,267
M/S Bismillah Electric Service	GBPA Allahabad, M. Khan Brohi, Shahnawaz Brohi	894	9.6.23	399,657
M/S Alvi Electric Works	High Priority			216,000
M/S Alvi Electric Works	GBPS Shafi M. Brohi	897	9.6.23	374,042
Total				49,689,640

Annex-5

3.5.18 Irregular payment of secured advance – Rs. 131.060 million

(Rs. in Million)

Sr. #	Name of office	Year	PDP	AIR Para #	Remarks	Amount
1	Education Works Division, Umerkot	2022-23	5	3	Not recovered / adjusted in the subsequent running account.	5.055
2	Education Works Division, Jacobabad,	2022-23		2	Paid without verification and certification of quantity.	0.588
3	Education Works Division Ghotki	2022-23		1	Paid without indenture bonds.	29.506
4	Education Works Division, Sujawal	2022-23		9	Paid without mentioning details of material brought at site.	5.087
5	Education Works Division-II (Central), Karachi	2022-23		4	Paid without mentioning details of material brought at site.	2.314
6	Education Works Division-II (Central), Karachi	2022-23		5	In excess to the quantity of the items (steel).	0.583
7	Education Works Division, Larkana	2022-23		2	Paid without verification and certification of quantity.	19.483
8	Executive Engineer, Education Works Division-V, Korangi, Karachi	2023-24	81	3	Not recovered / adjusted in the subsequent running account.	11.392

(Rs. in Million)

Sr. #	Name of office	Year	PDP	AIR Para #	Remarks	Amount
9	Executive Engineer, Education Works Division-IV, Karachi (South)	2023-24	103	6	Not recovered / adjusted in the subsequent running account.	42.372
10	Executive Engineer, Education Works Division, Sujawal	2023-24	189	1	Not recovered / adjusted in the subsequent running account.	5.170
11	Executive Engineer, Education Works Division, Badin	2023-24	220	2	Not recovered / adjusted in the subsequent running account.	0.924
12	Executive Engineer, Education works division, Sukkur	2023-24	230	5	Not recovered / adjusted in the subsequent running account.	0.899
13	Executive Engineer, Education Works Division, Badin	2023-24	221	3	Not recovered / adjusted in the subsequent running account.	0.591
14	Education Works Division-(South), Karachi	2022-23	243	2	Not recovered / adjusted in the subsequent running account.	3.000
15	Education work Division, Sukkur	2022-23	168	10	Payment allowed without execution of work against supply of material in the first running account bill.	4.096
Total						131.060

Annex-6

3.5.20 Irregular refund of security deposits – Rs. 16.330 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	PDP#	AIR Para	Scheme & Contractor	SDOS	SDOC	Status	Cheque/Payment date	Amount
1	Education Works Division, Jacobabad,	2022-23	2	6	(Work name Nil)Abrar Ahmed	Nil	Nil	WIP	4874429 dt: 16-06-2023	5.158
2	Education Works Division-II (Central), Karachi	2022-23		6	Estb. Of SZAB Engineering college at Memon Goth GadapMAFHH Enterprises	05/06/2015	05/05/2016	WIP	4989796 dt: 14-06-2023	4
3	Education Works Electric Division, Larkana	2022-23		17	GBPS Jagirani (Zebdin Engineers)	20-04-2023	18-06-2023	WIP	4970917 dt: 08-06-2023	0.226
				GGPS Seelra (Zebdin Engineers)	16-04-2023	14-06-2023	WIP	4970917 dt: 08-06-2023		
4	Education Works Division-IV, Karachi (South)	2023-24	106	11	Provision of missing /addition facilities & renovation of existing schools alongwith primary school @ CMS GBHSS etc. (A.A Engineering Const. CO.)	27-05-2021	27-06-2023	WIP	5048454 dt: 04.08.2023	2.942
					Construction of ECE class rooms / rehabilitation / upgradation of various schools of UC-1 to 19) SDG No 04 etc. (M/S Land Marque)	24-05-2022	12/12/2023	WIP	5253956 dt: 15-02-2024	
5	Education Works Division, Khairpur	2023-24	252	12	Reconstruction of compound wall of govt: Naz Pilot Secondary School Khairpur (Shahbaz Dino Govt: Cont.)	28-04-2022	27-08-2023	WIP	5066713 dt.07-09-2023	4.007
					Rehab/Prof of missing facilities at GBHSS Talpur Wada Kotdigi (Abbas Ali Panhyar)	05/09/2022	09/08/2023	WIP	5092791 dt: 13-10-23	
Total										16.330

3.5.21 Irregular payments at reduced rates – Rs. 121.403 million

(Rs. in million)

Sr.#	Name of office	Financial Year	PDP	AIR Para#	Amount
1	Education Works Division, Umerkot	2022-23	8	7	1.209
2	Education Works Division, Jacobabad,	2022-23		9	3.811
3	Education Works Division Ghotki	2022-23		6	20.004
4	Education Works Division, Sujawal	2022-23		3	2.799
5	Education Works Division, Larkana	2022-23		4	6.174
6	Education Works Electric Division, Larkana	2022-23		8	31.612
7	Education Works Division, Sukkur	2022-23		6	30.349
8	Executive Engineer, Education Electric Division, Mirpurkhas	2021-22 & 2022-23	58	3	0.831
9	Executive Engineer, Electric Education works Division, Sukkur	2021-22 & 2022-23	74	7	3.216
10	Executive Engineer, Electric Education Works Division-II, Karachi	2021-22 & 2022-23	45	5	0.559
11	Executive Engineer, Education Works Division-III, Karachi (East)	2023-24	100	11	6.156
12	Executive Engineer, Education Works Division Naushahro Feroze	2023-24	186	8	2.892
13	Executive Engineer, Education Works Division, Hyderabad	2023-24	202	4	2.156
14	Executive Engineer, Education Works Division, Badin	2023-24	228	10	1.768
15	Executive Engineer, Education Works Division, Sukkur	2023-24	231	7	7.867
				Total	121.403

Annex-8**3.5.23 Non-imposition of liquidated damages on delayed work – Rs. 33.723 million**

(Rs. in Million)

S. #	Name of office	FY	PDP #	AIR Para	Stipulated DOC	Actual DOC	Delay in Days	Cost
1	Jacobabad,	2022-23	19	8	14-04-2019 12-04-2019	WIP	1,523 1,461	39.295
2	Ghotki	2022-23	56	5	30-11-2022 03-06-2019	WIP	190 1,496	49.8
3	Thatta	2023-24	128	29	08-01-2023 15-11-2023 27-12-2023 8-01-2023 31-07-2023 20-12-2023 11-03-2023 02-02-2023	WIP	135 190 148 501 297 308 438 476	32.059
4	Jamshoro	2023-24	216	8	22-07-2023 25-06-2017 27-03-2023 20-07-2023	WIP	518 2,370 269 154	44.627
5	Mirpurkhas	2023-24	173	3	07-06-2023 09-05-2023 30-09-2023 12-07-2023	WIP	336 365 230 323	5.678
Total								337.239
Penalty @ 10%								33.723

3.5.35 Excess execution of various items than estimated quantity-Rs. 19.834 million

(Rs. in Million)

S.No	PDP#	AIR#	Item	Estimated Qty	Executed Qty	Excess	Rate	Unit	Amount
1	19	11	Earth	21,417	115,598	94,181	3630	%0 Cft	0.342
			Carriage	21,417	115,598	94,181	579.41	% Cft	0.546
			Earth	48,381	577,473	529,092	3630	%0cft	1.921
			Carriage	48,381	577,473	529,092	579.45	% Cft	3.066
Total									5.873
S.No	PDP#	AIR#	Item	Estimated Qty	Executed Qty	Excess	Rate	Unit	Amount
2	21	14	Pacca Brick	6,200	9,512	3,312	11948.36	%cft	0.396
			Difference			3,312	81	P.cft	0.268
			Premium	Rate					
Total									0.702
3	PDP#	AIR#	Item	Quantity	Allowed rate	Admissible rate	Excess	Unit	Amount
	24	18	114.589	78850	5001.7	73848.3	73,848.3	P.cwt	8.462
4	PDP#	AIR#	Item	Est.qty	Exe.Qty	Excess	Rate	Unit	Amount
	25	19	Earth for slush/daldal	32624	145718	113094	2420	%0cft	0.274
			G.I Frames or Chowkates	124	731	607	228.9	P.rft	0.139
			Paving Block	3150	19862	16712	199.77	P.sft	3.338
			Excavation in Foundation	34627	72829	38202	3176.25	%0cft	0.121
Total									3.872
S.No	PDP#	AIR#	Item	Est.Qty	Exe.Qty	Excess	Excess%	Rate	Amount
5	45	06	stone ballast	323	2272	1949	603%	8694.95	0.169
S.No	PDP#	AIR#	Item	Qty	Rate	Unit			Amount
6	48	17	Paver Block	4500	168	p.sft	-		0.756
Grand total S.No 1 to 6									19.834

Annex-10

3.5.39 Less deduction of security deposit - Rs. 2.599 million

(Rs. in Million)

CV No & Date	WO &Date	Name of work	Name of contractor	Amount of this bill	SD To Be Deducted @ 5%	SD Deducted @ 3%	SD Less Deducted @ 2%
17/29.05.2024	261/05.05.2021	Construction of Building for existing Government Degree College Mirpur Batoro District Sujawal	M/s New MA Enterprises	8.000	0.400	0.240	0.160
16/29.05.2024	30/08.05.2024	Rehabilitation & Missing facilities at Sindhi Adabi Board District Jamshoro	M/s Kashif Mumtaz	1.750	0.088	0.053	0.035
06/19.03.2024	261/05.05.2021	Construction of Building for existing Government Degree College Mirpur Batoro District Sujawal	M/s New MA Enterprises	7.905	0.395	0.237	0.158
13/27.07.2024	669/26.05.2022	Establishment of Girls Degree College at New Saeedabad Taluka New Saeedabad District Matiari	M/s Arbab & Brothers	1.399	0.070	0.042	0.028
01/01.02.2024	299/28.12.2012	Establishment of Cadet College Kakar, Taluka KN shah District Dadu	Mr. Fazul Mohammad Mangrio	4.388	0.219	0.132	0.088
02/01.02.2024	550/2021/08.03.2022	Establishment of Cadet College Kakar, Taluka KN shah District Dadu	Mr. Fazul Mohammad Mangrio	4.113	0.206	0.123	0.082
01/07.09.2023	1167/23.04.2021	Establishment of Govt Girls Degree College, Tando Jam Taluka & District Hyderabad	M/s GMO Const.	2.700	0.135	0.081	0.054

(Rs. in Million)

CV No & Date	WO &Date	Name of work	Name of contractor	Amount of this bill	SD To Be Deducted @ 5%	SD Deducted @ 3%	SD Less Deducted @ 2%
01/21.05.2024	551/2020/08.12.2021	Establishment of Cadet College Kakar, Taluka KN shah District Dadu	Mr. Fazul Mohammad Mangrio,	3.085	0.154	0.093	0.062
03/21.05.2024	467/2018/08.07.2018	Establishment of Cadet College Kakar, Taluka KN shah District Dadu	Mr. Fazul Mohammad Mangrio,	4.036	0.202	0.121	0.081
01/05.12.2023	261/05.05.2021	Construction of Building for existing Government Degree College Mirpur Bathoro District Sujawal	M/s New MA Enterprises	7.986	0.399	0.240	0.160
011/27.05.2024	1167/23.04.2021	Establishment of Govt Girls Degree College, Tando Jam, Taluka & District Hyderabad	M/s GMO Const.	6.503	0.325	0.195	0.130
01/05.12.2023	261/05.05.2021	Construction of Building for existing Government Degree College Mirpur Bathoro District Sujawal	M/s New MA Enterprises	7.986	0.399	0.240	0.160
011/27.05.2024	1167/23.04.2021	Establishment of Govt Girls Degree College, Tando Jam,	M/s GMO Const.	6.503	0.325	0.195	0.130
06/22.05.2024	535-A/21.04.2022	Rehabilitation & Missing facilities at in existing colleges in District Matiari @Govt Sarwari Islamia Boys Degree College Hala Taluka Hala	M/s Allah Jurio Const. Co.	28.674	1.434	0.860	0.573

(Rs. in Million)

CV No & Date	WO &Date	Name of work	Name of contractor	Amount of this bill	SD To Be Deducted @ 5%	SD Deducted @ 3%	SD Less Deducted @ 2%
09/23.05.2024	1323/03.06.2022	Construction of Building for existing Govt Degree College Garho Taluka Ghora Bhari District Thatta	M/s Hotani Brothers	11.639	0.582	0.350	0.232
08/23.05.2024	28/08.05.2024	Establishment of Govt Degree College Rajo Khanani District Badin	M/s New MA Enterprises	10.000	0.500	0.300	0.200
07/19.03.2024	233/09.05.2023	Rehabilitation & Provision of Missing Facilities in existing Colleges in District in Tando Muhammad Khan GBDC TM Khan	M/S Sarfraz Shah Const. Co.	8.833	0.442	0.267	0.175
01/24.10.2023	227/09.05.2023	Rehabilitation & Provision of Missing Facilities in existing Colleges in District in Tando Allahyar Govt SM College Tando Allahyar	M/s Zem Enterprises	4.575	0.229	0.137	0.091
Total				130.076	6.504	3.905	2.599

3.5.45 Un-justified award of works after elections -Rs. 13.807 million

CV.No/dt	Name of Contractor	Name of work	W.O/dt	Exp
94/30.4.24	M/S Shahjehan Memon	Providing/missing in School declared as Poling Station	668/13.2.24	1,810,665
63/22.4.24	M/S Qurban Ali Rajper	Prov/Missing facilities in schools declared as polling	468/25.2.24	1,799,252
22/18.4.22	M/S Shah Jahan Memon	Prov/Missing facilities in schools declared as polling	685/19.2.24	1,793,948
16/18.4.22	M/S M.H.Khan & Co	Providing/missing in School declared as Poling Station Taluka N.Febroze Package-8	661/13.2.24	1,803,597
17/18.4.24	M/S M.H.Khan & Co	Providing/missing in School declared as Poling Station Taluka N.Febroze	660/13.3.24	1,800,562
15/18.4.24	M/S M.H.Khan & Co	Providing/missing in School declared as Poling Station	659/13.2.24/	1,797,788
8/18.4.24	M/S M.H.Khan &	Providing/missing in School declared as Poling Station	663/13.2.24	1,494,214
7/18.4.24	M/S M.H.Khan &Co	Providing/missing in School declared as Poling Station	664/13.2.24	1,507,424
Total				13,807,450

Chapter-04 Annexes

Annex-1

4.5.7 Abnormal delay in the execution of schemes - Rs. 1,762.180 million

(Rs. in Million)

Sr.#	Name of office	Financial Year	PDP#	Scheme	Start Date	St. Completion Date	Delay in Years	Amount
1	Engineer, Thar Fresh Water Supply Division, Mirpurkhas	2022-23	23	1. Shaheed Benazir Bhutto sweet water project for Thar (Umerkot to Keetari), providing water from Thar wah of Omerkot to Keetari Chachro (for village Mithriya to Kettari) (Package-3) (M/ S Haji Sirajuddin Soomro)	24/08/2020	24/02/2021	03	911.578
				2. Village Jalal jo tar to Mithriyo (Package-5) (M/ S Haji Sirajuddin Soomro)	24/08/2020	01/03/2021		
2	Executive Engineer, Rice Canal Division, Larkana	2022-23	375	1. Stone pitching along Rice canal RD 225,240,242,243,245,2272,279 & 284 (M/S Shafqat Traders)	6/11/2015	15/11/2016	07	180.127
				2. Constt: of Retaining wall along dhamrah brannch RD 51 & 79 IP & NIP Side M/S Mukhtiar Ahmed solangi)	2-12-2015	01/06/2016		
				3. Stone pithching along Rice canal RD 321 to 390 (M/S Asif Ali Abbasi)	11-12-2015	11/06/2016		
				4. Constt: of retaining wall along Kolachi Distry RD 0 to 0+150 ft: Both Sides 2. Retaining 3. Contt: wall along Kudan Branch RD 24,28=550 ft: 3. Construction Bridges along Nara Distry (Total 4 Nos:) 4. Repair structure of Ghari	04-7-2015	01/07/2016		

(Rs. in Million)

Sr.#	Name of office	Financial Year	PDP#	Scheme	Start Date	St. Completion Date	Delay in Years	Amount
				X-Reg., Slab of Saleh Distry & retaining wall Mehar Branch RD 71 +600=200ft: Construction Bridge along Raj Wah Branch RD 27. 6. construction/raising new supplement minor ex: Raj Wah Branch. (M/S Gul Muhammad Channa)				
				5.Stone Pitching along Ganwhar Branch H.R RD Extension Takhat Minor RD 9+500 to 14+500, Stone Dumping D/S 10th Mile X-Reg: Ghar Branch D/S Noor Wah Head Regulator D/S Mir Wah Head Reg: D/S Kur Hashim Head Regulator, Repair Landhi Lahori & 10th Mile X- Regulator (M/S Jagirani Co:)	19-6-2015	18/06/2016		
				6. Stone pithching along Rice canal RD 288,294,296. (M/S Mazhar Ali)	12-11-2015	11/11/2016		
				7. Constt: of Retaing wall along saidu distry RD 0 to 17 & Mirwah Distry RD 0,16,20 both sides. (M/S Shahnawaz Bhatti)	8-11-2015	31-11-2016		
				8. Stone pitching along noor wah branch RD 7,12,15 & 17 v	15-10-2015	16/06/2016		
3	Project Director, (P.M.U) Flood Emergency Reconstruction Project, Hyderabad	2022-23 & 2023-24	530	Raising strengthening and stone pitching along D/D R/M bund from mile 0/0to 9/0 (M/s Amjad traders)	10/09/2015	30/06/2019	08	419.763

(Rs. in Million)

Sr.#	Name of office	Financial Year	PDP#	Scheme	Start Date	St. Completion Date	Delay in Years	Amount
4	Executive Engineer, Drainage Division, Badin	2023-24	592	Construction of outfall- pre-stressed road bridge along dhoro hakro/ proposed drain parallel at Rd 211+00 (M/s haji siraj uddin soomro)	15/04/2015	04/12/2016	08	66.864
5	Executive Engineer, Mirpur Division at Mirpur Mathelo	2023-24	662	earth ork of sehar RD 0 to 26 & mahi waah 0 to 94 & ghotki feeder RD 63 (M/s modren Technology & traders)	29/04/2020	30/06/2022	02	183.848
Total								1762.180

4.5.8 Neglecting high-risk streams for constructing dams to mitigate floods

Districts placed in high monsoon (severity) category					
Sr. No.	Name of district	Nature of hazard	Category	Severity	Years
01	Hyderabad	Floods /Rain	Monsoon	High	1970, 1975, 1979, 1994, 2003,2006, 2011,2012, 2022
02	Badin	Floods /Rain	Monsoon	High	2010, 2022
03	Dadu	Flood /Rain	Monsoon	High	2011, 2022
		Riverine Floods	Monsoon	High	2010, 2011, 2022
		Heavy Rainfall	Monsoon	Low	2011, 2012, 2013, 2014, 2022
04	Tando Muhammad Khan	Flood	Monsoon	High	1840,1856, 1874,1942, 1946,1948, 1956,1973, 1974,1976, 1978,1978, 1988,1989, 1992,1994, 1995,1996, 1999,2003, 2006,2007, 2010, 2011 and 2022
05	Kambar Shahdad Kot	Flood	Monsoon	High	2003, 2005, 2010, 2022
06	Kashmore	Flood	Monsoon	High	2003,2005, 2010, 2012, 2022
07	Shaheed Benazirabad	Riverine Flood	Monsoon	High	1973,1976,2010,2011,2012,2013, 2022
08	Naushahro Feroze	Riverine Flood	Monsoon	High	2006,2007, 2011,2012, 2022
09	Sanghar	Riverine Flood	Monsoon	High	1973,1976, 2010, 2010, 2022
10	Sukkur	Riverine Flood	Monsoon	High	2010,2011, 2012, 2022
11	Ghotki	Riverine Flood	Monsoon	High	2010,2011, 2012, 2014, 2022

Annex-3

**4.5.10 Irregular payment of secured advance on perishable items -
Rs. 92.969 million**

(Rs. in Million)

Running account No.06, payment was made vide Cheque No.4889353 dated 17.08.2023					Amount
Item		Cement	Hill sand	Aggregate	
Cement Plaster 1:10	1756950	7555	73791		
CC Plain	905664	159396	398492	796984	
Sub Total Admissible		166952	472283	796984	
Quantity Paid		222914	637478	1059379	
<i>Excess Quantity(Paid – admissible)</i>		55962	165195	262395	
Rate(Difference of cost)		650	736	1725	
Amount		36375300	1215835	4526314	42.117
Rate of carriage		14.13	4462.94	1011.58	
Amount		790743	7422112	2654335	10.867
Supply rate paid		500	2500	3000	
Amount		27983500	4129850	7871820	39.985
Grand Total		65149543	12767797	15052190	92.969

4.5.15 Execution of earthwork / silt clearance through private contractors – Rs. 651.868 million

Sr.#	Name of Office	Financial Year	PD P#	AIR Para #	Amount
1	Executive Engineer Hala Irrigation Division Hala at Hyderabad	2022-23	27	6	25.753
2	Executive Engineer, Irrigation Department, Thar Division Mirpurkhas	2022-23		10	8.194
3	Executive Engineer, Drainage Division, Thatta	2022-23		3	78.036
4	Executive Engineer, Begari Division, Thul	2022-23		9	2.696
5	Executive Engineer, Barrage Division, Sukkur	2022-23		10	1.267
6	Executive Engineer, Drainage Division, Tando Mohammad Khan	2022-23		10	0.759
7	Executive Engineer, Warah Division Larkana	2022-23		7	7.397
8	Executive Engineer, Saifullah Magsi Branch Division Shahdadkot	2021-22 to 2022-23	170	3	3.333
9	Executive Engineer, Drainage Division, Shikarpur	2022.23	180	3	10.795
10	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2022-23	361	4	136.844
11	Executive Engineer, Rice Canal Division, Larkana	2022-23	370	3	50.141
12	Executive Engineer, Kotri Barrage Division Jamshoro	2023-24	428	10	12.045
13	Executive Engineer, Mithrao, Division Mirpurkhas	2023-24	441	6	32.723
14	Executive Engineer, Sujawal Drainage Division, Sujawal	2022-23 & 2023-24	521	11	57.989
15	Executive Engineer, Begari Bund Division, Jacobabad	2023-24	554	7	51.205
16	Executive Engineer, Nasrat Division, Shaheed Benazirabad	2023-24	640	8	7.745
17	Executive Engineer, Drainage Division, Tando Muhammad Khan.	2023-24	773	3	50.000
18	Executive Engineer, Northern Dadu Division, Larkana.	2022-23	122	6	3.288
19	Executive Engineer, Begari Bund Division, Sukkur	2022-23	350	25	36.443
20	Executive Engineer, Naseer Division, Hyderabad	2023-24	513	6	16.612
21	Executive Engineer, Lower Pinyari Division, Sujawal	2023-24	621	11	29.053
22	Executive Engineer, Upper Pinyari Division, Tando Mohammad Khan @ Hyderabad	2023-24	504	6	29.550
				Total	651.868

Annex-5

4.5.25 Understated revenue realized from Abiana-Rs. 255.159 million.

Date	Doc.ID	Amount	Date	Doc.ID	Amount	Date	Doc.ID	Amount
16.5.13	OBC #64	70000000	3.10.18	36	6153823	27.9.22	0	284718
28.4.13	OBC #64	9000000	16.10.18	213	5859798	27.9.22	2	284718
20.10.14	OBC # 45	5300000	30.11.18	669	1999930	29.11.22	811133	14450000
20.8.15	2092913	2182321	9.1.19.	517	3000000	5.12.22	599	284718
21.8.15	811108	1000000	12.2.19	111	1762397	5.12.22	595	209262
7.9.15	2092915	9000000	22.2.19	124	2000000	5.12.22	594	209262
26.10.15	2092923	3165186	22.4.19	811126	1000000	5.12.22	499	209262
4.1.16	3286311	5000000	20.5.19	508	2344276	5.12.22	500	209262
8.1.16	3692759	1644649	24.9.19	1	4506658	5.12.22	600	284718
3.2.16	3868729	2626887	21.11.19	1	5300000	5.12.22	598	209262
22.2.16	3868734	1500000	19.12.19	811126	2700000	5.12.22	597	209262
7.4.16	3868743	1330000	1.1.20	1	2900000	5.12.22	596	209262
6.6.16	3868756	575000	14.1.20	402	3489405	5.12.22	498	209262
2.8.16	3868757	6000000	16.1.20	811129	3600000	5.12.22	497	209262
20.10.16	1	1995000	2.6.20	1	3029500	5.12.22	725	41600
2.11.16	3868767	2210726	24.8.20	811131	3000000	5.12.22	724	41600
2.11.16	3868768	6053571	10.9.20	172	6330393	5.12.22	878	41600
13.12.16	959	1651469	8.10.20	614	1474858	5.12.22	496	41600
16.1.17	4187962	6452720	30.12.20	811132	7150000	12.12.22	705	838291
26.1.17	251	6500000	3.6.21	858	2157000	6.2.23	158	41600
4.5.17	811114	4000000	3.6.21	869	2157000	6.2.23	155	209262
22.5.17	1	1260000	20.9.21	276	3003600	6.2.23	154	209262
13.7.17	302	2974650	20.9.21	277	1401400	6.2.23	153	209262
4.8.17	972	5300000	20.9.21	278	151000	6.2.23	725	209262
31.8.17	955	2382000	11.11.21	2.25E+08	1500000	6.2.23	724	209262
12.9.17	587	1815061	16.9.22	359012	8752797	6.2.23	723	209262
24.10.17	156	14209048	27.9.22	1	41600	6.2.23	722	209262
9.11.17	160	1426517	27.9.22	1	41600	6.2.23	721	209262

Date	Doc.ID	Amount	Date	Doc.ID	Amount	Date	Doc.ID	Amount
22.11.17	0	2500000	27.9.22	1	41600	6.2.23	720	284718
4.1.18	811117	3800000	27.9.22	2	41600	6.2.23	718	41600
13.2.18	166	1750000	27.9.22	1	209262	6.2.23	156	284718
13.3.18	811119	950000	27.9.22	2	209262	6.2.23	157	209262
15.3.18	170	2559000	27.9.22	1	209262	6.2.23	1	41600
6.4.18	811120	1800000	27.9.22	1	209262	6.2.23	76	1385886
11.5.17	292474	7325009	27.9.22	1	209262	1.5.23	719	41600
4.6.18	626	2564500	27.9.22	1	209262	28.5.23	34032083	4857368
3.7.18	16737277	10000000	27.9.22	1	209262	6.6.23	149	6263245
17.8.18	811121	1500000	27.9.22	2	209262	Grand total		344,159,521
29.8.18	19915431	480000	27.9.22	2	209262			

Annex-6

4.5.33 Irregular payment without execution of work – Rs. 60.876 million

Reference of Payment	Name of Contractor	Name of Work	Component of work	Item of Work	Amount
4717276 dt 20-03-2023 7 th R/A Bill	M/S HAJI MUHAMMAD SALEH ABRO	QS20218213-Rehabilitation of Salar Distry and its off-taking system and stone pitching along Mastoi Distry RD-8 to RD-16 and construction of protection wall along Kehar Minor RD-15+500 to RD-	Part-F Stone Pitching along Mastoi Distry RD 08+000 TO 16+000 Both sides	Earth work excavation in irrigation channels, drains etc., borrow pit excavation, Earth work compaction, Stone filling dry hand packed as filling behind the retaining walls or in pitching and aprons,	25,700,466
Chq 4549781 dt 28-11-2022 5 th R/A Bill	M/S ASIF ALI ABBASI	QS15161670-Construction of Protection wall along NW canal at RD 83.5 Both sides U/S & D/S Ruk X-Reg & Providing Stone Pitching along NW Canal RD-26,27,28 IP Side RD-69 IP Side, RD-75 B/S	Part-C Desilting along Mastoi Distry From RD-00+000 To Tail	Earth work excavation in irrigation channels, drains etc.,	10,932,508

Reference of Payment	Name of Contractor	Name of Work	Component of work	Item of Work	Amount
Chq 4549781 dt 28-11-2022 5 th R/A Bill	M/S ASIF ALI ABBASI	QS15161670-Construction of Protection wall along NW canal at RD 83.5 Both sides U/S & D/S Ruk X-Reg & Providing Stone Pitching along NW Canal RD-26,27,28 IP Side RD-69 IP Side, RD-75 B/S	Part-D Raising & strengthening along Mastoi Distry from RD 00+000 to 08+000 and 16+000 to Tail	Earth work excavation in irrigation channels, drains etc., borrow pit excavation, Earth work compaction, Stone filling dry hand packed as filling behind the retaining walls or in pitching and aprons,	23,172,475
Chq # 4864059 dt 12-05-2023	Meer A.K Construction Co.	Raising and intensification of Banks and Filling Rain Gharas along Mastoi Minor from RD 00-Tail Both Side (WEN) in Garhi Yasin Sub-Division during monsoon season-2022.	First & Final Bill	Engaging Hydraulic Excavator Machine with POL (Wheel Type (Item#250/P-10).	1,071,000
					60,876,449

Annex-7

4.5.35 Unjustified payment on engaging labor – Rs. 247.969 million

(Rs. in million)

Sr.#	Name of office	Financial Year	PDP#	AIR Para#	Particulars	Amount
1	Executive Engineer, Begari Division, Thul	2022-23	6	7	Hiring of labor for patrolling despite availability of Beldars, Abdars & Daroghas in the division.	13.944
2	Executive Engineer, Saifullah Magsi Branch Division Shahdadkot	2022-23	58	4	“Earthwork filling of cuts , breaches & rain gharas” executed through the contractors instead of regular employees i.e. Beldars	1.272
3	Executive Engineer, Shikarpur Drainage Division, Shikarpur	2022-23	171	7	Earthwork filling of cuts , breaches & rain gharas” executed through the contractors instead of regular employees i.e. Beldars	1.110
4	Executive Engineer, Hala Irrigation Division, Hyderabad	2022-23	283	8	engaging more than 44,000 number of casual labors despite of availability of 300 numbers of Beldars in the division	30.658

(Rs. in million)

Sr.#	Name of office	Financial Year	PDP#	AIR Para#	Particulars	Amount
5	Executive Engineer, Barrage Division, Sukkur	2022-23	305	9	“Earthwork filling of cuts , breaches & rain gharas” executed through the contractors instead of regular employees i.e. Beldars	7.489
6	Executive Engineer, DAD Division, Shaheed Benazirabad	2022-23	306	3	“Earthwork filling of cuts , breaches & rain gharas” executed through the contractors instead of regular employees i.e. Beldars	14.930
7	Executive Engineer, Kotri Barrage Division, Jamshoro	2022-23	311	9	Engaging more than 8,092 number of laborers despite availability of 100 numbers of Beldars / Regulation Beldars employed in the division	7.922
8	Executive Engineer, Drainage Division, Badin	2022-23	322	7	In the presence of Daroughas/Beldars, staff the payment made to the contractors on account of un-skilled labor	4.736
9	Executive Engineer, Begari Bund Division Sukkur	2022-23	353	28	More than 22,903 number of casual laborers despite of availability of 133 numbers of beldars employed in the division	23.978
10	Executive Engineer, Tube wells Division Khairpur	2022-23	301	6	1. Progress report of work on specific work of engaging labour by awarding work to the contractors was not provided. 2. Estimate of the job was not sanctioned by the competent authority. 3. List of skilled/unskilled labor engaged was not available in the record. 4. There was no proper mechanism of maintaining attendance in the Division.	2.906
11	Executive Engineer, RBOD-Division-II, Hyderabad	2020-23	58	7	Hiring of contingent paid staff in the presence of regular staff, the authority hired additional staff to execute routine work.	11.058

(Rs. in million)

Sr.#	Name of office	Financial Year	PDP#	AIR Para#	Particulars	Amount
12	Executive Engineer, Kotri Barrage Division Jamshoro	2023-24	429	11	In the presence of Daroughas/Beldars, the payment made to the contractors on account of unskilled labor.	9.935
13	Executive Engineer, Dad Division, Shaheed Benazirabad	2023-24	460	5	Hiring of unskilled labor despite 152 Beldars.	22.663
14	Executive Engineer, Naseer division, Hyderabad	2023-24	514	8	In the presence of Daroughas/Beldars, the payment made to the contractors on account of unskilled labor.	24.223
15	Executive Engineer, Lower Pinyari Division, Sujawal	2023-24	617	7	Hiring casual labor despite having 231, 44, and 27 number of Beldars, Tyndal and Khalasi respectively.	12.75
16	Executive Engineer, Karli Baghar Division, Thatta	2023-24	630	9	Hiring of unskilled labor for desilting despite having Beldars.	0.495
17	Executive Engineer, Drainage Division, Tando Muhammad Khan.	2023-24	776	6	Unjustified payment for removing weed through contractions instead of Beldars.	11.294
18	Executive Engineer Drainage, Division Thatta	2023-24	870	6	Removing weed growth/pan cutting through contractors instead of Beldars	14.511
19	Executive Engineer, Hala Irrigation Division Hala, Hyderabad	2023-24	500	10	Bed clearance, Jungle clearance & Patrolling through the private contractors instead of assigning the regular employees	15.940
20	Executive Engineer, Upper Pinyari Division, Tando Mohammad Khan @ Hyderabad	2023-24	505	7	Engaging of unskilled labor despite the availability of 162 Beldars	14.619

(Rs. in million)

Sr.#	Name of office	Financial Year	PDP#	AIR Para#	Particulars	Amount
21	Executive Engineer, Phulleli Canal Division, Badin @ Hyderabad	2023-24	585	5	Engaging labor for per-survey instead of available Beldars	1.536
Total						247.969

Annex-8

4.5.36 Non-imposition of liquidity damages charges- Rs. 299.214 million

Sr.#	Name of Office	FY	PDP#	AIR Para#	Name of Scheme	St. Date of Completion	Delay Period	Amount	Penalty amount 10%
1	Executive Engineer, Mirpur Division (SIDA) at Mirpur Mathelo	2022-23	29	8	1- Earthwork of Sehar RD.0 to 26 & Mahhi Wah RD 0 to 94 stone pitching of Mahio Wah RD 63. (M/s Modern Technology) 2- CC lining of Reti minor From RD 0 to 74.5. (M/s unique enterprises) 3- Rehabilitation/Linning of Dahar Wah Lower RD-113+500 to RD-122. (M/s Nizamuddin Dahar & Sons)	1 to 3-30/06/2023	1 to 3 -12 months	360.2	36.02
2	Executive Engineer, Shahbaz Division Sehwan	2022-23		9	Leftover essential works of Sehwan Area construction of lift channels over RBOD system for feeding tail reaches of Dadu canal (M/s Madni Engineering)	30/06/2023	12 months	211.315	21.132

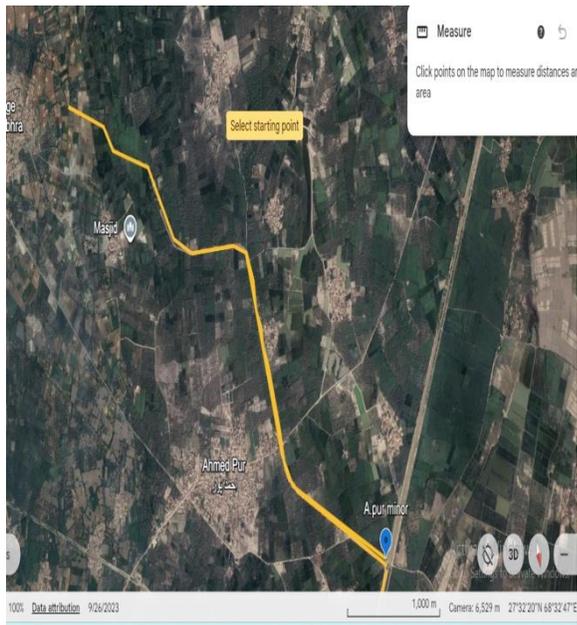
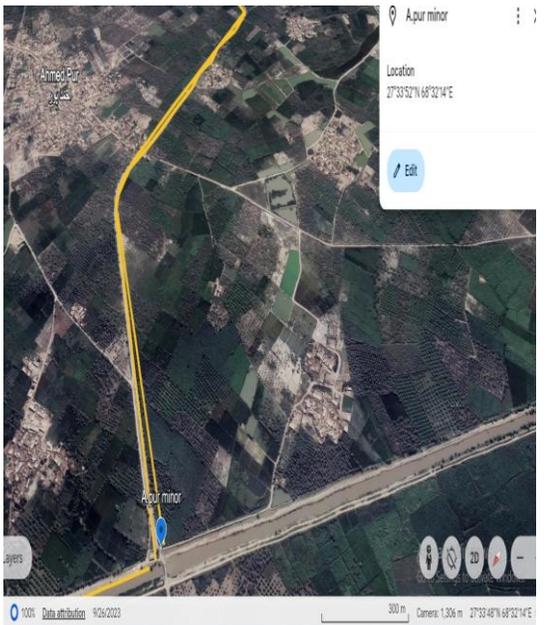
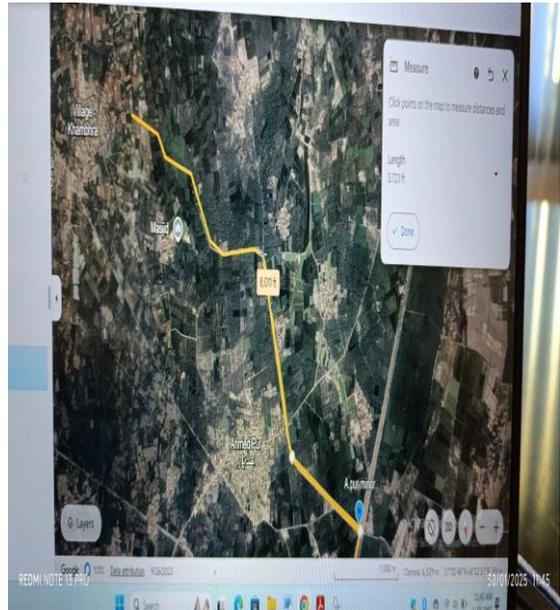
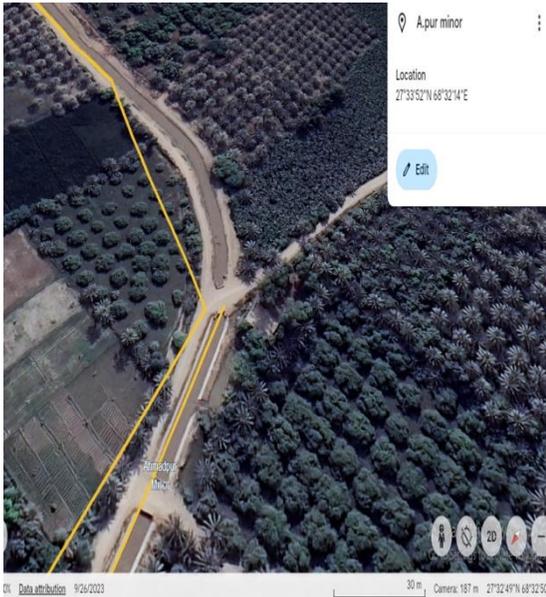
Sr.#	Name of Office	FY	PDP#	AIR Para#	Name of Scheme	St. Date of Completion	Delay Period	Amount	Penalty amount 10%
3	Executive Engineer, Kotri Barrage Division, Jamshoro	2022-23		8	Establishment of Engineering's training academy	03.05.2022	09 months	107.614	10.761
4	Executive Engineer, Drainage Division, Larkana	2022-23		15	1- Installation of new pumps @ Ruk, Garhi Yaseen & Masiti Pumping Stations in Shikarpur Drainage Division (M/s. Madani Engineering) 2- Installation of 50 Nos. Tube Wells of 1.5 C/S discharge and construction of Pump House, Duty Room & construction of Discharge Box and Pacca link water course (P-5) (M/s. Madani Engineering) 3- Installation of 50 Nos. Tube Wells of 1.5 C/S discharge and construction of Pump House, Duty Room & construction of Discharge Box and Pacca link water course (P-4) (M/s. Madani Engineering) 4- Installation of 50 Nos. Tube Wells of 1.5 C/S discharge and construction of Pump	1-02.12.16 2 to 4 - 07.12.16	1 to 4- 18 months	956.953	95.695

Sr.#	Name of Office	FY	PDP#	AIR Para#	Name of Scheme	St. Date of Completion	Delay Period	Amount	Penalty amount 10%
					House, Duty Room & construction of Discharge Box and Pacca link water course (P-3) (M/s. Madani Engineering)				
5	Executive Engineer, Drainage, Division, Badin	2022-23		3	1- Construction of 04 No. Village Road Bridges along various locations at Badin M/S Bashir Ahmed 2- Construction of New Link Drain Siddique Shah from RD. 000 to RD. 15.00 Out falling in Tando Muhammad Khan Branch Drain at RD. 20.00 & Allied Structures M/S Zulfiqar Ali Abro 3- Construction Of Jakhra Link Drain From RD. 0.0 TO 10.00 out falling in 19-L of LBOD at RD 60.00 (M/s Rustam Khan Chandio)	1-21.2.2022 2-27.5.23 3-16.4.23	1- 494 Days 2- 34 Days 3- 75 Days	92.109	9.21
6	Executive Engineer, Thar Fresh Water Supply Division, Mirpurkhas	2022-23		5	1- Shaheed Benazir Bhutto sweet water project for that Umerkot to Ketari providing water from Thar Wah of Umerkot to Ketari Chachro from village Mithriyo to Ketari (M/s Haji Sirajuddin Soomro)	1- 24.2.2021 2-1.3.21	1- 856 Days 2- 121 Days	911.578	91.157

Sr.#	Name of Office	FY	PDP#	AIR Para#	Name of Scheme	St. Date of Completion	Delay Period	Amount	Penalty amount 10%
					2- Village jalal jo tar to mithroyo (M/s Haji Sirajuddin Soomro)				
7	Executive Engineer, Rice Canal Division, Larkana	2022-23	374	7	Total 13 schemes	1 to 3- 23.12.21 4- 15.11.16 5- 1.6.16 6- 11.6.16 7- 1.7.16 8- 11.2.17 9- 18.6.16 10-14.6.22 11- 11.11.16 12-31.11.16 13- 16.6.16	1 to 3- 18 months 4- 80 months 5 to 6- 85 months 7- 84 months 8- 77 months 9- 84 months 10- 12 months 11- 80 months 12- 79 months 13- 84 months	285.534	28.553
8	Executive Engineer, Drainage Division, Badin	2023-24	593	3	Construction of outfall/pre-stressed road bridge along Dhoro Hakro/ proposed drain parallel at RD 211+00	12.4.16	87 months	66.864	6.686
								Total	299.214

Annex-9

4.5.60 Unjustified payment without execution of work - Rs. 76.159 million



4.5.64 Irregular refund of security deposit – Rs. 165.258 million

Sr.#	Name of Office	Financial Year	PDP#	AIR#	Scheme	Actual date of completion	Date of refund	Defect Liability Period	Amount
1	Secretary, Irrigation Department	2023-24	388	6	Construction of stone pitching & strengthening earthwork along S.M bund from mile 38/2 to 40/0, 42/0 to 42/5 and stone apron 41/5 to 42/5 (Dad Wah) (M/s Bahadur Ali Shaikh)	15.3.24	30.05.24	Refund of security deposit prior to 15 days of defect liability period	12.459
2	Executive Engineer, Dad Division, Shaheed Benazirabad	2023-24	457	1	Construction of CC lining from head to tail of Pubjo minor & Kazi Ahmed minor including Allied structures in DAD division (M/S MBC & Sons Builders & Developers)	Work in progress	17.04.24	Refund of security deposit during execution of work	16.702
3	Executive Engineer, Drainage Division, Thatta	2023-24	481	1	Construction of new drains & their structure in thatta district (package 03) (M/s Zawar & AS Construction)	Work in progress	1-29-4-24	Refund of security deposit During execution of work	41.739
					Rehabilitation of south sakro branch/ouchtu outfall drain/ 1 L ghura bari sub drain / i R buhara sub drain & Udaro lal brand drain Package 01 (Ms. Salar Enterprises)		2-29.4.24		
					Rehabilitation of jam sakro outfall drain / buhara outfall drain/pir pathai outfall drain / 1-R garho & dundioutfall drain (package no.02) south sakro scheme (Ms. safdar Ali jatoi)		3-27.4.24		

Sr.#	Name of Office	Financial Year	PDP#	AIR#	Scheme	Actual date of completion	Date of refund	Defect Liability Period	Amount
4	Executive Engineer, Ghotki Irrigation Division, Ghotki	2023-24	534	2	Rehabilitation/ Lining of Bago Wah, Dahar Wah Upper (its off taking channels/ Rehabilitation of Irrigation Colony Ghotki and Pano Akil l/c Drainage System of Irrigation Colony Ghotki and Rehabilitation/ Brick Uhing of Pir, Wah at RD 7 to 24. v	Work in progress	07.12.23	Refund of security deposit execution of work	10
5	Executive Engineer, Drainage Division, LBOD Shaheed Benazirabad	2023-24	858	11	Construction of Syphon Underpass on Gajrah Branch Drain & Rehabilitation of Drains including Main, Branch & sub drains in drainage division LBOD Shaheed Benazirabad (M/s MBC & Sons)	1-29.1.2024	1-16.4.2024	1-Refund of security deposit prior to 12 days of defect liability period 2-Refund of security deposit prior to 40 days of defect liability period	82.695
					Conversion of Tubewells & Pumping Stations on Solar Energy System of Drainage Division SBA. (M/S MBC & Sons)	2-6.3.2024	2-16.4.2024		
					Boring & Installation of 250 Nos Tubewells of 2.0 Cusecs on Solar Energy (SDG # 6) (M/S Pak Oasis)	3-31.7.2023	3-18.4.2024		
					Boring & Installation of 250 Nos Tubewells of 2.0 Cusecs on Solar Energy (SDG # 6) (M/S Pak Oasis)	4-31.8.2023	4-16.4.2024		
					Boring & Installation of 250 Nos Tubewells of 2.0 Cusecs on Solar Energy (SDG # 6) (M/S Pak Oasis)	5-9,8,2022	5-18.4.2024		

Sr.#	Name of Office	Financial Year	PDP#	AIR#	Scheme	Actual date of completion	Date of refund	Defect Liability Period	Amount
					Boring & Installation of 250 Nos Tubewells of 2.0 Cusecs on Solar Energy (SDG # 6) (M/S Pak Oasis)	6-28.6.2023	6-18.4.2024		
6	Executive Engineer, Mirpur Division (SIDA) at Mirpur Mathelo	2022-23	22	7					1.663
Total									165.258

Annex-11

4.5.74 Un-authorized transfer of funds from Revenue account-Rs. 202.639 million

Date	Account #	ID Dec.	Amount	Date	Account #	ID Dec.	Amount
				25.10.19	Transfer from account	10167566	2289455
15.06.15	410689971000	10167473	1000750.00	7.11.19	Transfer from account	10167567	200000
08.07.15	410689971000	10167474	711750.00	20.11.19	Transfer from account	10167568	1585501
21.9.15	RID 689982000	689982000	1167156	21.11.19	Transfer from account	10167569	2231957
2.11.15	410689771000	10167477	806250	3.12.19	Transfer from account	10167570	207127
01.12.15	410689971000	10167482	656250	24.12.19	Transfer from account	25788542	806471
10.12.15	4010017396100	10167482	3000000	2.1.20	NBP Inward clearing	25788541	10000000
20.1.16	Inward clearing	10167484	10000000	29.4.20	Transfer from account	25788544	1462912
2.2.16	410689971000	10167488	665000	11.5.20	Transfer from account	25788545	2080153
2.3.16	410689971000	10167492	665000	18.5.20	Transfer from account	25788546	204750
4.5.16	410689971000	10167494	575000	2.6.20	Transfer from account	25788547	595414

1.8.16	410689971000	10167496	665000	24.6.20	Transfer from account	25788548	400000
31.8.16	RID 1739	10167498	14855000	20.7.20	Transfer from account	25788549	2030795
7.9.16	Transfer from account	1067499	462000	21.7.20	Transfer from account	25788550	109600
30.9.16	410689971000	0	665000	10.8.20	Transfer from account	25788552	332046
31.10.16	410689971000	10167501	665000	28.8.20	A/C # 410689971000	25788553	2610991
1.12.16	transfer to current account	10167502	966469	30.9.20	Transfer from account	25788554	1119072
2.5.17	Transfer from account	10167503	798000	6.10.20	A/C # 410689971000	25788555	156996
8.5.17	clearing from NBP badin br.	10167504	2974650	14.10.20	A/C # 410689971000	25788556	300000
27.7.17	Transfer from account	10167506	720000	29.10.20	Transfer from account	25788558	504792
3.8.17	Transfer from account	10167508	16024109	9.11.20	A/C # 410689971000	25788559	543613
3.8.17	Transfer from account	10167509	950000	2.12.20	A/C # 410689971000	25788561	2106250
28.8.17	Transfer from account	10167510	712000	22.12.20	Transfer from account	25788562	100000
31.10.17	Transfer from account	10167518	1410667	28.12.20	Transfer from account	25788563	2156750
1.2.18	Transfer from account	10167519	1326750	15.2.21	Transfer from account	25788566	630000
9.2.18	Transfer from account	10167521	7325009	15.2.21	Transfer from account	25788564	1181500
28.2.18	Transfer from account	10167523	1232250	4.3.21	A/C # 410689971000	25788567	1719500
3.3.18	clearing from NBP badin br.	10167524	10000000	17.3.21	A/C # 410689971000	25788568	100000
23.4.18	Transfer from account	10167525	100000	2.4.21	Transfer from account	25788569	1819500
30.4.18	410689971000	10167527	1232250	6.4.21	Transfer from account	25788570	105000
1.8.18	Transfer from account	10167535	1912450	30.4.21	A/C # 410689971000	25788573	1819500
1.8.18	Transfer from account	10167536	19916883	3.6.21	Transfer from account	25788575	1819500
17.8.18	Transfer from account	10167539	1422250	30.6.21	A/C # 410689971000	25788576	1339500
31.8.18	Transfer from account	10167540	126837	16.7.21	A/C # 410689971000	25788577	1284500
18.9.18	Transfer from account	10167541	231603	31.8.21	A/C # 410689971000	25788581	1339500
1.10.18	Transfer from account	10167542	1446658	29.7.22	A/C # 410689971000	25788585	1309597
8.10.18	Transfer from account	10167543	600000	29.7.22	Transfer from account	25788584	838291
29.10.18	Transfer from account	10167545	1565550	29.4.22	Transfer from account	25788583	8752797
22.11.18	Transfer from account	10167549	320380	5.9.22	Transfer from account	25788587	1927486
3.1.19	Transfer from account	10167550	7040930	3.10.22	Transfer from account	25788588	1385886
8.1.19	Transfer from account	10167552	200000	7.11.22	Transfer from account	25788589	1385886
16.1.19	Transfer from account	10167554	1528477	5.12.22	Transfer from account	25788590	1385886

30.4.19	410689971000	10167556	1625000	29.12.22	Transfer from account	25788591	1385886
8.5.19	Transfer from account	10167558	583706	6.2.23	Transfer from account	25788592	1385886
1.8.19	Salaries of staff July19	10167561	1769290	6.3.23	Transfer from account	25788593	1385886
5.8.19	Transfer from account	10167562	544296	17.4.23	Transfer from account	25788595	3491473
29.8.19	Transfer from account	10167563	2193072	17.4.23	Transfer from account	25788594	4857370
3.10.19	Transfer from account	10167564	495845	Total			202,639,512

Annex-12

4.5.76 Less cultivation of crops against targeted irrigated lands–Rs. 1,761.896 million

Name of Division	Year	Kabuli Area	Total Area Irrigated	Total Amount of Abiana
	2014-15	586691	88763	4,631,936
	2015-16	586691	93329	4,860,295
	2016-17	586691	95141	4,908,663
Thar Division (Rabi)	2017-18	586691	95830	4,940,483
	2018-19	586691	93118	4,822,944
	2019-20	586691	97083	5,033,131
	2020-21	586691	74823	3,893,426
	2021-22	586691	98542	5,129,021
	2022-23	586691	64256	3,280,045
		5280219	800885	41,499,944
SUB-TOTAL A		Shortfall	4479334	2,32,394,400
	2014-15	586691	141601	9,307,100
	2015-16	586691	146234	9,489,278
	2016-17	586691	147253	9,512,365
Thar Division (Kharif)	2017-18	586691	149658	9,699,112
	2018-19	586691	137319	8,762,283
	2019-20	586691	129761	8,872,469
	2021-22	586691	140123	9,689,425
		4106837	991949	65,332,032
SUB-TOTAL B		shortfall	3114888	205,153,900
	2014-15	926556	244,352	19,724,272
	2015-16	926556	274,041	20,036,334
	2016-17	926556	274,769	19,962,702
Jamrao Division (Kharif)	2017-18	926556	279,750	20,113,351
	2018-19	926556	246,245	17,588,123
	2019-20	926556	264,774	18,865,470
	2020-21	926556	82,744	6,104,430
	2021-22	926556	264,626	18,841,780
	2022-23	926556	0	0
		8339004	1,931,301	141,236,462
SUB-TOTAL C		shortfall	6,407,703	468,690,000
	2014-15	926556	224,281	11,471,004
	2015-16	926556	221,461	11,745,585
	2016-17	926556	219,590	11,849,798
	2017-18	926556	233,161	12,546,606
Jamrao Division (Rabi)	2018-19	926556	201,266	10,971,749
	2019-20	926556	206,598	11,180,541
	2020-21	926556	205,638	11,125,777
	2021-22	926556	203,639	11,049,189
	2022-23	926556	185,340	10,174,450
		8339004	1,900,974	102,114,699
SUB-TOTAL D		shortfall	6,438,030	346,000,000

	2014-15	387891	179,331	14,060,659
	2015-16	387891	181,577	14,076,285
	2016-17	387891	185,207	14,251,182
Mithrao Division(Kharif)	2017-18	387891	188,018	14,588,412
	2018-19	387891	125,521	10,004,022
	2019-20	387891	158,817	12,163,452
	2020-21	Nil	Nil	0
	2021-22	387891	173,493	13,201,677
	2022-23	Nil	Nil	0
	2023-24	387891	189,563	14,129,491
		3103128	1,381,527	106,475,180
SUB-TOTAL E		Shortfall	1,721,601	132,766,000
	2014-15	387891	153,607	8,943,020
	2015-16	387891	157,012	9,008,473
	2016-17	387891	154,774	8,819,654
	2017-18	387891	12,546	630,101
Mithrao Division(Rabi)	2018-19	387891	135,051	7,792,578
	2019-20	387891	151,542	8,742,940
	2020-21	387891	148,765	8,575,564
	2021-22	387891	154,569	8,869,067
	2022-23	387891	133,720	7,754,224
		3491019	1,201,586	69,135,621
SUB-TOTAL F		Shortfall	2,289,433	131,767,000
	2014-15	196645	46,267	4,759,531
	2015-16	196645	37,211	3,900,201
	2016-17	196645	77,259	8,688,094
	2017-18	196645	54,965	5,825,710
Nara Canal Khairpur (Kharif)	2018-19	196645	74,447	8,770,065
	2019-20	196645	75,036	8,815,323
	2020-21	196645	75,101	8,824,196
	2021-22	196645	69,046	8,449,410
	2022-23	196645	0	0
		1769805	509,332	58,032,530
SUB-TOTAL G		Shortfall	1,260,473	143,655,000
	2014-15	196645	26,226	1,815,972
	2015-16	196645	33,685	2,415,185
	2016-17	196645	51,151	3,865,536
	2017-18	196645	52,677	3,993,717
Nara Canal Khairpur (Rabi)	2018-19	196645	36,193	2,586,024
	2019-20	196645	35,600	2,556,444
	2020-21	196645	35,345	2,532,511
	2021-22	196645	38,309	2,671,092
	2022-23	196645	64,290	4,675,687
		1769805	373,476	27,112,168
SUB-TOTAL H		Shortfall	1,396,329	101,470,000
			G.Total	1,761.896

4.5.97 Excess payment due to wrong calculation – Rs. 2.449 million

V.No.	Name of Scheme	M/s	Particulars of items	Unit	Qty	Rate	Amount	Due Hours	Due amount	Excess hour	Excess Amount
H-12 dated 16.05.22	Raising/Restoration of banks, Fillings, cuts & Depression along Meher Main Drain. RD-13+00 to 17+500	M/S Pratab Raj	Hire Charges of Tractor with front blade i.e. POL	P. Hour	90	1950	175,500	72	140,400	18	35,100
H-10 dated 16.05.22	Earth work for filling, cuts, Depression & Week Portions along KN Shah Main Drain RD-10+000 to 13+000 RD-18+000 to 33+000 IP side & RD-15+000 to 19+000, RD-30+000 to 34+000 NIP side	M/S Sarwar & Sons	Hire Charges of Tractor with front blade i.e. POL	P. Hour	108	1950	210,600	72	140,400	36	70,200
H-05 dated 16.05.22	Desilting along sub drain 1L Kakol @ RD-9+00 to 15+800, 2L Kakol RD-0 to 3+0 & 16+0 to 20+0 , 3L Kakol RD-0+0 to 7+00	M/S Aftab Ahmed	Engaging Excavator Machine Wheel Type on hire basis for Earth work/ Desilting along the drain	P. Hour	91	4150	377,650	72	298,800	19	78,850

V.No.	Name of Scheme	M/s	Particulars of items	Unit	Qty	Rate	Amount	Due Hours	Due amount	Excess hour	Excess Amount
H-24 dated 28.09.21	Earth work for Fillings, cuts & Depression & weak portions along KN Shah main drain RD 11+00 to 14+500 IP Side	M/S Sarwar & Sons	Hire Charges of Tractor with front blade i.e. POL	P.Hour	22	1950	42,900	12	23,400	10	19,500
H-25 dated 28.09.21	Earth work for Fillings, cuts & Depression & weak portions along KN Shah main drain RD 10+00 to 14+00 NIP Side	M/S Sarwar & Sons	Hire Charges of Tractor with front blade i.e. POL	P.Hour	18	1950	35,100	12	23,400	6	11,700
H-12 dated 27.01.22	Raising/Restoration of banks, Fillings, cuts & Depression weak portion along KN Shah main drain RD-6+00 to 9+00 (IP) Side	M/S Abdul Aziz Abbasi	Hire Charges of Tractor with front blade i.e. POL	P.Hour	110	1950	214,500	72	140,400	38	74,100
H-11 dated 27.01.22	Raising/Restoration of banks, Fillings, cuts & Depression weak portion along KN Shah leading channel RD-1+00 to 3+800 RD-13+200 to 16+000 & RD-20+000 to 23+000 (NIP) Side	M/S Abdul Aziz Abbasi	Hire Charges of Tractor with front blade i.e. POL	P.Hour	105	1950	204,750	96	187,200	9	17,550
H-15 dated 07.04.22	Earth work for filling, cuts, Depression & Week	M/S Partab Rai	Hire Charges of Tractor	P.Hour	102	1950	198,900	72	140,400	30	58,500

V.No.	Name of Scheme	M/s	Particulars of items	Unit	Qty	Rate	Amount	Due Hours	Due amount	Excess hour	Excess Amount
	Portions along KN Shah Main Drain RD-14+000 to 17+500 RD-30+000 to 33+000 IP side & RD-2+000 to 5+000, NIP side		with front blade i.e. POL								
H-36 dated 12.04.22	Earth work for filling, cuts, Depression & Week Portions along sub Drain 1R KN Shah in between RD-36+000 to 39+500 RD-41+000 to 45+000 IP side & RD-10+000 to 14+000, NIP side where necessary	M/S Partab Rai	Hire Charges of Tractor with front blade i.e. POL	P.Hour	99	1950	193,050	72	140,400	27	52,650
H-46 dated 12.04.22	Earth work for filling, cuts, Depression & Week Portions along KN shah leading channel RD-0+000 to 3+500 RD-16+000 to 19+000 IP side & KN shah main drain RD-7+000 to 10+500, NIP side where necessary	M/S Abdul Aziz Abbasi	Hire Charges of Tractor with front blade i.e. POL	P.Hour	112	1950	218,400	72	140,400	40	78,000
H-18 dated 15.05.23	Desilting/Deweeding along Mehar main	M/S Abdul Aziz	Engaging Excavator Machine	P.Hour	128	6600	844,800	96	633,600	32	211,200

V.No.	Name of Scheme	M/s	Particulars of items	Unit	Qty	Rate	Amount	Due Hours	Due amount	Excess hour	Excess Amount
	Drain from RD-0+00 to 3+00		Wheel Type on hire basis for Excavation of earth								
H-64 dated 29.05.23	Desilting/Deweeding along Mehar main Drain from RD-23+00 to 27+00	M/S Muhammad Yousif Sodhar	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	125	6600	825,000	96	633,600	29	191,400
H-3 dated 15.05.23	Desilting/Deweeding along sub Drain 1R Mehar from RD-16+00 to 22+00	M/S Abdul Aziz	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	121	6600	798,600	121	798,600	121	-
H-17 dated 15.05.23	Desilting/Deweeding along sub Drain 1R Mehar from RD-30+00 to 35+00	M/S Abdul Aziz	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	110	6600	726,000	110	726,000	110	-

V.No.	Name of Scheme	M/s	Particulars of items	Unit	Qty	Rate	Amount	Due Hours	Due amount	Excess hour	Excess Amount
H-87 dated 29.05.23	Desilting/Deweeding along sub Drain 1R Mehar from RD-36+00 to 40+500	M/S Abdul Aziz	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	116	6600	765,600	96	633,600	20	132,000
H-42 dated 15.05.23	Desilting/Deweeding along sub Drain 2L Mehar from RD-16+00 to 21+00	M/S Partab Rai	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	121	6600	798,600	48	316,800	73	481,800
H-37 dated 15.05.23	Desilting/Deweeding along sub Drain 3L Mehar from RD-7+00 to 12+400	M/S Partab Rai	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	122	6600	805,200	122	805,200	122	-
H-33 dated 15.05.23	Desilting/Deweeding along sub Drain 4L Mehar from RD-9+200 to 15+00	M/S Partab Rai	Engaging Excavator Machine Wheel Type on hire basis for	P.Hour	127	6600	838,200	96	633,600	31	204,600

V.No.	Name of Scheme	M/s	Particulars of items	Unit	Qty	Rate	Amount	Due Hours	Due amount	Excess hour	Excess Amount
			Excavation of earth								
H-34 dated 15.05.23	Desilting/Deweeding along Sub Drain 2L Radhan from RD-26+00 to 31+00	M/S Pratab Rai	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	121	6600	798,600	96	633,600	25	165,000
H-20 dated 15.05.23	Desilting/Deweeding along Sub Drain 1L Kakol from RD-17+00 to 21+500	M/S Abdul Aziz	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	119	6600	785,400	96	633,600	23	151,800
H-16 dated 15.05.23	Desilting/Deweeding along Sub Drain 1R Radhan from RD-0+00 to 5+00	M/S Abdul Aziz	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	114	6600	752,400	114	752,400	114	-
			Higher Charges of Tractor with Front	P.Hour	60	3050	183,000	60	183,000	60	-

V.No.	Name of Scheme	M/s	Particulars of items	Unit	Qty	Rate	Amount	Due Hours	Due amount	Excess hour	Excess Amount
			Blade i.e. POL								
H-62 dated 29.05.23	Desilting/Deweeding along Sub Drain 4L Mehar from RD-0+00 to 5+600	M/S Muhammad Yousif Sodhar	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	127	6600	838,200	96	633,600	31	204,600
H-80 dated 29.05.23	Desilting/Deweeding along KN shah main drain from RD-3+00 to 7+500	M/S Abdul Aziz	Engaging Excavator Machine Wheel Type on hire basis for Excavation of earth	P.Hour	128	6600	844,800	96	633,600	32	211,200
Total							12.475		10.026		2.449

Annex-14

4.5.110 Un-justified excess payment to the contractor – Rs. 18.899 million

(Rs. in million)

CV.No/dt	Name of Contractor	W.O/dt	Name of work	Amount
13/13.12.23	M/S Safdar Jatoi	654/31.10.23	R/M of Pump & Panel Parts and motor of Tube well RF—05,RF-07,SF-03,MIT-34,AF-11,AF-13,JF-02,AF-02,JF-05,JF-08,in Sanghar NO.II South	2.824
08/3.5.24	M/S Safdar Jatoi	233/5.4.24	R/M of Pump Parts & Panel Parts & motor of Tube well No S-19, SS-96,SS-76,SSI-10,SS-66,SP-02,SS-11,SP-06, In Sanghar No. II South	2.824
13/13.9.23	M/S Safdar Jatoi	505/28.8.23	R/M of Pump & Panel Parts & motor of Tube well CS-03, CS-07, CS-08,CS-06, CS-12,CS-13,CS-15, CS-19 in Sanghar No.III Central	2.824
11/13.9.23	M/S Safdar Jatoi	529/4.9.23	R/M of Pump & panel Parts & motor of Tube well in NO> JF06, AF-08, RF -01, RF-08, SP-20, SP-32, SF-01, In Sanghar No.II South	2.824
16/13.9.23	M/S Safdar Jatoi	514/29.8.23	R/M 50 KVA Transformer of Tube well SS-05,SS-09,SS-14,SS-18,SS-25,SS-35,SS-40 in Sanghar NO.II South	1.786
09/13.9.23	M/S Safdar Jatoi	512/29.8.23	R/M of 50 KVA Transformer of Tube well No. NS-107, NS-23, NS-57, DIM-03,MIT-07,NS-72, of Drain No.I North	1.7868
08/13.9.23	M/S Safdar Jatoi	Nil	R/M 15,20 HP motors of tube well DEM-03,DMS-15,NS-69,NS-30,NO-37,NS-51,DIM-04,NS-158,of drainage NO.I North	1.342
12/13.9.23	M/S Safdar Jatoi	576/29.8.23	R/M 15,20 HP motors of Tube well in NO, CS-03,CS-07,CS-07, CS-08,CS-12,CS-13,CS-15,CS-19,CS-34 in Sanghar No.III Central	1.342
10/13.9.23	M/S Safdar Jatoi	521/31.8.23	R/M 15,20 HP motor of Tube well No. AF-4, AF-05, JF-01,AF-10, RF-02,RF-09, of Drainage Sub division NO.II South	1.342
Total				18.899

4.5.114 Doubtful execution of similar works – Rs. 8.914 million

(Rs. in Million)

CV dt	W/O dt	Name of Work	M/s	MB Date	Bill Amount
23/30-5-24	287/25-4-24	Preparing of katcha path for motorable condition of Khurbi Dam in Upper kohistan	M/S Abbassi & Brothers	04/05/2024	275,540
28/30-5-24	280/25-4-24	Preparing of katcha path for motorable condition of Khurbi Dam in Upper kohistan	M/S Abbassi & Brothers	30/04/2024	569,960
27/30-5-24	281/24-4-24	Preparing of katcha path for motorable condition of Bund of Makhi Dam in Upper kohistan	M/S Abbassi & Brothers	04/05/2024	581,060
14/30-5-24	372/16-5-24	Preparing of katcha path for motorable condition of Bund of Makhi Dam in Upper kohistan	M/S A.A Construction	24/05/2024	585,780
26/30-5-24	285/24-4-24	Preparing of katcha path for motorable condition of Bund of Shori II Dam in Upper kohistan	M/S Abbassi & Brothers	04/05/2024	580,590
21/30-5-24	289/25-4-24	Preparing of katcha path for motorable condition of Bund of Shori II Dam in Upper kohistan	M/S Abbassi & Brothers	04/05/2024	588,810
25/30-5-24	243/24-4-24	Preparing of katcha path for motorable condition of Dhadhar Dam in Upper kohistan	M/S Abbassi & Brothers	30/04/2024	599,060
15/30-5-24	371/16-5-24	Preparing of katcha path for motorable condition of Dhadhar Dam in Upper kohistan	M/S A.A Construction	24/05/2024	594,320
13/30-5-24	373/16-5-24	Preparing of katcha path for motorable condition of Mazarani Dam in Upper kohistan	M/S A.A Construction	26/05/2024	586,560
29/30-5-24	284/25-4-24	Preparing of katcha path for motorable condition of Mazarani Dam in Upper kohistan	M/S Abbassi & Brothers	05/05/2024	580,590
12/26-4-24	206/15-4-24	Filling depression & rain gharas for maintenance of Shori -II Dam in upper kohistan	M/S Sardar Ali	18/04/2024	290,160
08/8-1-24	784/8-12-23	Filling depression & rain gharas for maintenance of Shori -II Dam in upper kohistan	M/S Abbassi & Brothers	11/12/2023	257,430
08/26-4-24	218/16-4-24	Filling depression & rain gharas for maintenance of bund of Khurbi Dam in upper kohistan	M/S Abbassi & Brothers	19/04/2024	290,160

(Rs. in Million)

CV dt	W/O dt	Name of Work	M/s	MB Date	Bill Amount
05/2-1-24	791/8-12-23	Filling depression & rain gharas for maintenance of bund of Khurbi Dam in upper kohistan	M/S A.A Construction	Nil	289,560
07/26-4-24	219/16-4-24	Filling depression & rain gharas for maintenance of bund of Augai-II Tunny Dam in upper kohistan	M/S Abbassi & Brothers	19/04/2024	287,800
07/8-1-24	781/7-12-23	Filling depression & rain gharas for maintenance of bund of Augai-II Tunny Dam in upper kohistan	M/S Abbassi & Brothers	12/12/2023	287,800
06/26-4-24	200/12-4-24	Filling depression & rain gharas for maintenance of bund of Mazarani Dam in upper kohistan	M/S Abbassi & Brothers	15/04/2024	290,160
06/8-1-24	770/8-12-23	Filling depression & rain gharas for maintenance of bund of Mazarani Dam in upper kohistan	M/S Abbassi & Brothers	11/12/2023	286,620
01/26-4-24	188/12-4-24	Filling depression & rain gharas for maintenance of bund of Kukrani Dam in upper kohistan	M/S Abbassi & Brothers	12/04/2024	255,660
09/8-1-24	789/8-12-23	Filling depression & rain gharas for maintenance of bund of Kukrani Dam in upper kohistan	M/S Abbassi & Brothers	14/12/2023	255,660
04/3-1-24	780/7-12-23	Filling depression & rain gharas for maintenance of bund of Bandhani-I Dam in central kohistan	M/S A.A Construction	14/12/2023	290,160
01/3-1-24	780/7-12-23	Filling depression & rain gharas for maintenance of bund of Bandhani-I Dam in central kohistan	M/S A.A Construction	14/12/2023	290,160
Total					8.914

Annex-16**4.5.117 Unjustified recording of MB before work order – Rs. 3.610 million**

V. No & Date (First & Final Bill)	Name of work	Name of Contractor	WO No & Date	MB No & Date	Particulars	Amount
15 dated 24.05.23	De-weeding / Bed Clearance along Serani	M/S Sadan Ahmed	SKP/G-66/DD/238 dated 31.03.23	823-P-81 dated 22.03.23	Engaging Hydraulic Excavator (Wheel type) with operator and with POL	0.220

V. No & Date (First & Final Bill)	Name of work	Name of Contractor	WO No & Date	MB No & Date	Particulars	Amount
	Link Drain from RD. 21.00 to 25.00 (Where necessary).				Engaging tractor with front & back blade along with driver & with POL	0.185
16 dated 24.05.23	De-weeding / Bed Clearance along 4-RB of LBOD from RD. 18.00 to 24.500 (Where necessary).	M/S Sadan Ahmed	SKP/G-66/DD/212 dated 17.03.23	314-P-29 dated 12.03.23	Engaging Hydraulic Excavator (Wheel type) with operator and with POL	0.220
					Engaging tractor with front & back blade along with driver & with POL	0.202
17 dated 24.05.23	De-weeding / Bed Clearance along Khoski Link Drain from RD. 5.00 to 14.00 (Where necessary).	M/S Sadan Ahmed	SKP/G-66/DD/223 dated 28.03.23	829-P-34 dated 21.03.23	Engaging Hydraulic Excavator (Wheel type) with operator and with POL	0.220
					Engaging tractor with front & back blade along with driver & with POL	0.202
27 dated 30.05.23	Filling Gaps, cuts and making path motorable along KPOD Drain from RD. 69.00 to 73.00 (Where necessary) NJPR Badin	M/S Sadan Ahmed	SKP/G-66/DD/230 dated 28.03.23	1360-P-63 dated 21.03.23	Engaging Hydraulic Excavator (Chain type) with operator and with POL	0.326
					Engaging tractor with front & back blade along with driver & with POL	0.210
					Engaging tractor with along with driver & POL	0.050
28 dated 30.05.23	Filling Gaps, cuts and making path motorable	M/S Sadan Ahmed	SKP/G-66/DD/221 dated 28.03.23	1301-P-39 dated 03.03.23	Engaging Hydraulic Excavator (Chain type) with operator and with POL	0.326

V. No & Date (First & Final Bill)	Name of work	Name of Contractor	WO No & Date	MB No & Date	Particulars	Amount
	along KPOD Drain from RD. 116.00 to 120.00 (Where necessary) NJPR Badin				Engaging tractor with front & back blade along with driver & with POL	0.218
					Engaging tractor with along with driver & POL	0.050
34 dated 30.05.23	Filling Gaps, cuts and making path motorable along DPOD Drain from RD. 123.00 to 127.00 (Where necessary) NJPR Badin	M/S Sadan Ahmed	SKP/G-66/DD/222 dated 28.03.23	1365-P-27 dated 22.03.23	Engaging Hydraulic Excavator (Chain type) with operator and with POL	0.326
					Engaging tractor with front & back blade along with driver & with POL	0.218
					Engaging tractor with along with driver & POL	0.050
35 dated 30.05.23	Filling Gaps, cuts and making path motorable along KPOD Drain from RD. 126.00 to 130.00 (Where necessary). NJPR Badin	M/S Sadan Ahmed	SKP/G-66/DD/222 dated 28.03.23	1361-P-39 dated 22.03.23	Engaging Hydraulic Excavator (Chain type) with operator and with POL	0.326
					Engaging tractor with front & back blade along with driver & with POL	0.210
					Engaging tractor with along with driver & POL	0.051
Total						3.610

4.5.123 Rush of expenditure - Rs. 68.239 million

(Rs. in Million)

S.No	Vendor Name	G/L Desc.	Cheque No	Payment Date	Amount
1	Dua Enterprises	Others	4870676	09/05/2023	0.018
2	Dua Enterprises	Others	4870676	09/05/2023	0.021
3	M/S Partab Rai Govt Contractor	Drainage	4870730	15/05/2023	0.957
4	M/S Partab Rai Govt Contractor	Drainage	4870736	15/05/2023	0.973
5	M/S Partab Rai Govt Contractor	Drainage	4870736	15/05/2023	0.973
6	Director (A&F) SPPR Authority	Drainage	4870882	17/05/2023	0.0100
7	M/S Muhammad Yousif Sodhar Govt Con	Drainage	4870729	15/05/2023	0.837
8	M/S Abdul Aziz Govt Contractor	Drainage	4870726	15/05/2023	1.986
9	M/S Abdul Aziz Abbasi Govt Contract	Drainage	4870727	15/05/2023	0.591
10	M/S Abdul Aziz Govt Contractor	Drainage	4870726	15/05/2023	1.981
11	M/S Abdul Aziz Govt Contractor	Drainage	4870726	15/05/2023	1.984
12	M/S Abdul Aziz Govt Contractor	Drainage	4870726	15/05/2023	1.895
13	M/S Abdul Aziz Govt Contractor	Drainage	4870726	15/05/2023	1.891
14	M/S Abdul Aziz Govt Contractor	Drainage	4870726	15/05/2023	1.844
15	M/S Abdul Aziz Govt Contractor	Drainage	4870726	15/05/2023	1.857
16	M/S Partab Rai Govt Contractor	Drainage	4870733	15/05/2023	0.676
17	M/S Muhammad Yousif Sodhar Govt Con	Drainage	4870725	15/05/2023	1.911
18	M/S Muhammad Yousif Sodhar Govt Con	Drainage	4870725	15/05/2023	1.965
19	M/S Muhammad Yousif Sodhar Govt Con	Drainage	4870725	15/05/2023	1.954
20	M/S Partab Rai Govt Contractor	Drainage	4870728	15/05/2023	1.935
21	M/S Abdul Aziz Abbasi Govt Contract	Others	4870727	15/05/2023	1.067
22	M/S Abdul Aziz Abbasi Govt Contract	Drainage	4870724	15/05/2023	1.984
23	M/S Abdul Aziz Abbasi Govt Contract	Drainage	4870724	15/05/2023	1.986

(Rs. in Million)

S.No	Vendor Name	G/L Desc.	Cheque No	Payment Date	Amount
24	M/S Abdul Aziz Abbasi Govt Contract	Drainage	4870724	15/05/2023	1.914
25	M/S Partab Rai Govt Contractor	Drainage	4870873	17/05/2023	0.835
26	M/S Muhammad Yousif Sodhar Govt Con	Drainage	4871307	29/05/2023	3.153
27	M/S Muhammad Yousif Sodhar Govt Con	Drainage	4871308	29/05/2023	3.947
28	M/S Partab Rai Govt Contractor	Drainage	4871304	29/05/2023	1.680
29	M/S Partab Rai Govt Contractor	Drainage	4871303	29/05/2023	1.973
30	M/S Partab Rai Govt Contractor	Drainage	4871302	29/05/2023	1.941
31	M/S Partab Rai Govt Contractor	Drainage	4871314	29/05/2023	1.677
32	M/S Abdul Aziz Abbasi Govt Contract	Drainage	4871315	29/05/2023	2.911
33	M/S Abdul Aziz Abbasi Govt Contract	Drainage	4871316	29/05/2023	1.916
34	M/S Abdul Aziz Govt Contractor	Drainage	4871313	29/05/2023	1.951
35	M/S Abdul Aziz Govt Contractor	Drainage	4871312	29/05/2023	2.982
36	M/S Abdul Aziz Govt Contractor	Drainage	4871311	29/05/2023	2.954
37	M/S Abdul Aziz Govt Contractor	Drainage	4871309	29/05/2023	2.910
38	M/S Muhammad Yousif Sodhar Govt Con	Drainage	4871310	29/05/2023	1.068
39	M/S Partab Rai Govt Contractor	Drainage	4871305	29/05/2023	1.453
40	M/S Abdul Aziz Govt Contractor	Others	4871306	29/05/2023	1.658
Total					68.239

Annex-18

4.5.130 Irregular payment to the consultant on account of Engineer's facilities-Rs. 139.22 million

(Rs. in Million)

Name of Work/ Contractor	IPC	Item	BOQ			Upto date payment		
			Qty	Rate	Total	Qty	Rate	Total
River Training Works at Guddu Barrage, Kashmore_ G3, Contractor: M/s. Sardar M. Ashraf D.Balouch	20	Provision of English-speaking technician	240	50,000	12.000	237	50,000	11.825
		Supply of air-conditioned vehicles including registration						
		Suzuki jimny jeep	2	300,000	0.600	2	300,000	0.600
		toyota Hilux Double Cabin	3	6,500,000	19.500	3	6,500,000	19.500
		Licensing, insurance, provision of fuel and maintenance, repair and servicing of vehicles	100	100,000	10.000	83	100,000	8.305
		Fixed Allowance for provision of fully serviced temporary accommodation for the Engineer's Office	9	500,000	4.500			4.500
TOTAL								32.905
Building works at Guddu Barrages_ G2 Contractor: M/s Descon	18	Fixed Allowance for furnished office and furnished accommodation	66	650,000	42.900	14	650,000	9.295
		Provision of English-speaking technician	540	90,577	48.912	285	90,577	25.334
		Fixed Allowance for provision of fully serviced temporary accommodation for the Engineer's Office	9	500,000	4.500	9	500,000	4.484

(Rs. in Million)

Name of Work/ Contractor	IPC	Item	BOQ			Upto date payment		
			Qty	Rate	Total	Qty	Rate	Total
		Supply of air conditioned 4 wheel drive vehicles including registration						
		Suzuki jimny jeep	2	2,173,618	4.347	2	2,173,618	4.347
		toyota Corolla 20d	2	3,381,175	6.762	2	3,381,175	6.762
		toyota Hilux Double Cabin	4	4,467,979	17.872	4	4,467,979	17.872
		Toyota Hiace 25l 16 seater	1	4,226,468	4.226	1	4,226,468	4.226
		Licensing, insurance, provision of fuel and maintenance, repair and servicing of vehicles	452	150,955	68.231	443	150,955	66.902
TOTAL								139.223

4.5.133 Irregular award of work – Rs. 2,098.204 million

(Rs. in Million)

Irregularity (1)									
Sr.#	Package Name	Contractor	Work Order No & Date	Item	Estimated Qty	Executed Qty	Rate	Amount	Remarks
1	De-silting in head reach of rice canal RD 0 to 82.4 (S4)	M/s KGL-MNCC	4314 & 30.10.2023	Construction of Sewerage channel by mechanical means	64.33	64.33	7100	0.457	Exact estimated quantities are executed
				Pumping out sewerage water from disposal point	408	408	37289	15.214	
				Common excavation in canal during closure period (Plug Bund at rice canal 1+100)	23.36	23.36	7100	0.166	
				Common excavation in canal during closure period (removal of plug bund)	23.36	23.36	7100	0.166	
				Common excavation in canal during	293.45	293.45	7100	2.083	

(Rs. in Million)

Irregularity (1)									
Sr.#	Package Name	Contractor	Work Order No & Date	Item	Estimated Qty	Executed Qty	Rate	Amount	Remarks
				closure period (Plug Bund at rice canal 0+600)					
				Haul exceeding 15000 ft	6.79	6.79	15224	0.103	

Irregularity (2)								
Sr.#	Package Name	Contractor	Work Order No & Date	Item	Rate in Estimate	Rate Quoted by Contractor	Excess	Remarks
2	De-silting in head reach of rice canal RD 0 to 82.4 (S4)	M/s KGL-MNCC	4314 & 30.10.2023	Sheet piling (Arceler Mittal)	5776	12000	108%	Exorbitant rates charged by the contractor in various items as compared to Engineer Estimate
				Steel Plate	218000	400000	83%	
				Sheet piling rig	3000	5000	67%	
				Well point dewatering equipment	3500	10000	186%	
				Tractor upto 50 KW	1641	5000	205%	
				Tractor over 50 KW to 80 KW	2840	6000	111%	
				Tractor over 80 KW to 100 KW	4260	7000	64%	

Irregularity (3)				
Sr.#	Package Name	Bid Quoted by M/s KGL-MNCC	Bid Quoted by M/s Thandani Enterprise	Remarks
1	De-silting in head reach of rice canal RD 0 to 82.4 (S4)	2,098.204	2,020.512	Irregular award to the highest bidder, rejecting lowest bidder on minor irregularities

Irregularity (4)								
Sr.#	Package Name	Contractor	Work Order No & Date	Dayworks Items	Amount	30% Contractor overhead + Profit	Total	Remarks
1	De-silting in head reach of rice canal RD 0 to 82.4 (S4)	M/s KGL-MNCC	4314 & 30.10.2023	Labour	1.232	0.370	1.602	No overhead & profit was allowed to other contractors on dayworks
				Material	6.348	1.904	8.252	
				Construction Equipment	13.328	3.998	17.327	

Annex-20

4.5.136 Non/less deduction of Sindh Sales Tax on services -Rs. 94.00 million

Name of Work	Contractor	Date of payment	Sanction Amount	SST @5%
Replacement of Six Number Gates of Sukkar Barrage_S0, Contract Cost is \$3617009.43 & Rs.20806922.07 VO4 dt: 03.02.2022	Karachi Shipyard & Eng Works	02.03.2022	4,078,422	0.20
		19.04.2022	47,783,547	2.39
		08.06.2022	33,811,081	1.69
		17.06.2022	3,385,849	0.17
		20.06.2022	11,598,224	0.58
		04.11.2022	14,083,258	0.70
		06.06.2023	2,717,834	0.14
		06.06.2023	1,931,574	0.10
		22.03.2023	7,855,176	0.39
		20.04.2023	92,695,829	4.63
		31.05.2023	38,885,180	1.94
		12.12.2023	7,030,964	0.35
		13.03.2024	50,888,212	2.54
		02.03.2022	453,158	0.02
		31.03.2022	13,000,000	0.65
		08.06.2022	12,000,000	0.60
		17.06.2022	10,005,749	0.50
		20.04.2023	10,299,537	0.51
31.05.2023	8,134,000	0.41		
31.05.2023	10,000,000	0.50		
Total-A				19.03

Name of work/Consultant	Particulars	Invoice Amount	SST@13% claim	Gross invoice with SST	SST Deducted	Diff:
Consultant Services for Project Implementation & Construction Supervision of Works, M/s Mott MACDONALD	(MML invoice 25) sept 2023 dt: 30.11.2023	28,282,790	3,676,763	31,959,553	735,353	2.94
	(MML invoice 26) Oct 2023 dt: 12.12.2023	27,165,751	3,531,548	30,697,299	706,310	2.83
	(MML invoice 20) April 2023 dt: 17.08.2023	19,900,634	2,587,082	22,487,716	517,416	2.07
	(MML invoice 21) May 2023 dt: 17.08.2023	19,977,982	2,597,138	22,575,120	519,428	2.08
	(MML invoice 22) June 2023 dt: 07.09.2023	22,640,800	2,943,304	25,584,104	588,661	2.35
	(MML invoice 23)	22,847,574	2,970,185	25,817,759	594,037	2.38

Name of work/Consultant	Particulars	Invoice Amount	SST@13% claim	Gross invoice with SST	SST Deducted	Diff:
	July 2023 dt: 17.10.2023					
	(MML invoice 24) August 2023 dt: 17.10.2023	23,488,665	3,053,526	26,542,191	610,705	2.44
	(MML invoice 27) Nov 2023 dt: 20.03.2024	26,807,390	3,484,961	30,292,351	2,787,969	0.70
	(MML invoice 28) Dec 2023 dt: 20.03.2024	23,920,038	3,109,605	27,029,643	2,487,684	0.62
	(MML invoice 29) Jan 2024 dt: 08.05.2024	26,615,651	3,460,035	30,075,686	2,768,028	0.69
	(MML invoice 30) Feb 2024 dt: 08.05.2024	26,641,774	3,463,431	30,105,205	2,770,744	0.69
	(MML invoice 31) March 2024 dt: 31.05.2024	27,214,849	3,537,930	30,752,779	2,830,344	0.71
	(MML invoice 32) April 2024 dt: 06.06.2024	26,553,444	3,451,948	30,005,392	2,761,558	0.69
	(MML invoice 32) May 2024 dt: 21.06.2024	27,133,972	3,527,416	30,661,388	2,821,933	0.71
Total-B						21.9

Package Name	Contractor	Contract Cost	Work Order No & Date	Bill Amount Upto Date (2023-24)	SST @5%
Building works at Guddu Barrage, Kashmore and Sukkur Barrage, Sukkur & Barrage Rehabilitation works at Guddu Barrage, Kashmore (G2)	M/s Descon Engineering Ltd	9,585,161,481	603 & 22.02.2017	1,061,538,930	53.08
Total					53.08
Grand Total					94.00

Annex-21**4.5.139 Doubtful payment on account of care of water- Rs. 2.034 million**

(Rs. in Million)

Name of Work	Contractor	Date of invoice submitted by contractor	Item	Amount	Date of payment
Replacement of Six Number Gates of Sukkar Barrage_S0	Karachi Shipyard & Eng Works	21.01.2022	Care of water_Life guard watchman service	0.339	13.12.2023
		21.12.2021	Care of water_Life guard watchman service	0.339	
		30.11.2021	Care of water_Life guard watchman service	0.452	
		31.10.2021	Care of water_Life guard watchman service	0.452	
		30.09.2021	Care of water_Life guard watchman service	0.358	
		12.08.2021	Care of water_Life guard watchman service	0.226	
Total				2.166	
Payment made				2.034	

5.5.1 Fake / doubtful payments on execution of water treatment plant work – Rs. 633.726 million.

Name of work : Construction of 3 MGD Water Treatment Plan, Rohri	Bill# items as per 9th & Final Bill	M/s Naseem Ahmed Shah					
Component	Item	Rate- CSR	rate Allowed	Qty		Amount	PDP#
Clarifier flocculator auto sludge system	Steel	5001.7	4730	26371.9		124,739,087	183
4 Filter bed, distribution channel and stair case	Steel	5001.7	4730	25836		122,204,280	
	Premium 25%					61,735,842	
					Total	308,679,209	
Name of component	Name of item		Rate	Qty (CWT		Amount	PDP#
Construction of one Clarifier flocculate automatic sludge system	Steel		5001.7/4730	17600		83,248,000	184
Construction of four filter bed distribution channel & stair case			5001.7/4730	17600		83,248,000	
Mechanical work	Supply and Installation of 10.50 meter long moveable steel bridge with scrappers...etc.		5100000	1		4,600,000	
	Supply and Installation of 8.5 meters modulator moveable steel bridge Flocculate		2550000	1		2,300,000	

	assembly and also with scrapper with approved high density solid rubber wheel driven by Electric motors ...etc.						
	Premium 25%					41,624,000	
	SRB 5%					10,818,500	
					Total	227,188,500	
Date						Amount	PDP#
25.07.2023						10,000,000	185
9.10.2023						9,000,000	
						19,000,000	
Name of component	Name of item		Rate	Qty		Amount	PDP#
Construction of one Clarifier flocculate automatic sludge system	P/J/F MS pipe 30" dia 6 mm thick for liner including transport welding jointing, fixing etc. complete as per direction of engineer in charge		16680	10200		17,013,600	186
Construction of four filter bed distribution channel & stair case			16680	851		14,194,680	
					Total	31,208,280	
			Unit	Cement	Hill Sand	Bajri	PDP#
Item	Ratio	Quantity		22.4	42	84	189
RCC	1:1 1/2:3	38894.92	%	8712.46	16335	32,671	
Ratio				9.6	48	96	
CC Plain	1:04:08	6053.68	%	581.153	2905.466	5,812	
Total Qty due				9293.613	19240.47	38,483	
Qty paid				16110	32188	64,375	
Excess Qty				6816.387	12947.53	25,892	
Escalation Rate				650	736	1,093	

Excess amount paid				4430652	95294	283,005	
					Total	4,808,951	
Name of component	Name of item		Rate	Qty		Amount	PDP#
Mechanical Work	P/L/J and testing following dia meters and the thickness of Mild Steel confirming to APL 5 L grade X-42 spirally welded		7072/6430	4500 RFT		28,935,000	191
Name of component	Item		Rate	Quantity		Amount	PDP#
P/L/ and fixing in trench i/c fitting, jointing and testing etc. complete in all respect	90 mm OD PE pipeline		148/118.4	31500		3,729,600	192
	110 mm OD PE pipeline		224/179.2	7000		1,254,400	
	160 mm OD PE pipeline		440/352	4000		1,408,000	
	200 mm OD PE pipeline		691/552.8	1500		829,200	
	250 mm OD PE pipeline		1043/834.4	1500		1,251,600	
	355 mm OD PE pipeline		2058/1646.4	1500		2,469,600	
	410 mm dia		3192/2553.6	2100		5,362,560	
					Total	16,304,960	
	Name of item	Qty	rate as per TS	Rate paid		Amount	PDP#
	Supply and Installation of 10.50 meter long moveable steel bridge with scrappers with approved high density solid rubber wheel driven by Electric motors ...etc.	1	5100000	4600000		4,600,000	196
	Supply and Installation of 8.5 meters modulator moveable steel bridge Flocculate assembly and also with scrappera with approved high density solid rubber wheel driven by Electric motors .etc.		1	2550000		2,300,000	

					Total	6,900,000	
	Item		Rate	Qty		Amount	PDP#
	Supply, Installation, testing and commissioning of approved 500 kVA, 400 Volt, 3-phase, 4-wire, Prime [Duty Diesel Generating Set of Cummins, Caterpillar or FG Wilson (or equivalent approved) make complete with all accessories .et		3000000/2500000	1		25,000,000	197
	Supply, installation, connections and testing of approved Main LV board to be installed in the sub-station conforming to the specifications and drawings.		10000000/8000000	1		80,000,000	
					Total	330,000,000	
	Item		Rate	Qty		Amount	PDP#
	Supply, Installation, Testing and Commissioning of approved Sound proof Air Scour Blower Model # SF3 43SP comprising root blower Model NX 43. Rating 04000 Cumhi complete unit ...etc.		8890200/8082000	2		16,164,000	198
	Installation, testing and commissioning of approved Vertical Deep turbine Pump (KSB or equivalent) discharge 925 IGPM, 60 ft Heading required Electric Vertical solid shaft Motor .etc.		3971000/3610000	2		7,220,000	
	Supply, Installation, testing and commissioning of approved Vertical Deep Well Turbine Pump (KSB or equivalent) discharge 925 IGPM, 200 ft Head including required Electric Vertical solid shaft Motor .etc.		6941000/6310000	4		25,240,000	
	Supply, Installation, testing and commissioning of approved Alum re- circulation and dosing pump (KSB or equivalent) (Discharge Capacity 120 gpm & Head 65 ft) including required Electric Motor etc.		2227500/2100000	4		8,400,000	

Providing and installation approved Penstock gates following diameters including of guide rings(S.S) frame (C.I) and other part (MS) including thread for shafts, wheels, leak proof system etc. complete in all respects		300/220	15000		3,300,000	
				Total	60,324,000	
Item		Rate paid	Qty		Amount	PDP#
Supply and Installation of approved 5 tons capacity electrically operated crane (length 35 meters) i/c all accessories		1500000/1350000	1		1,350,000	261
Supply, Installation, Testing and Commissioning of approved Sound proof Air Scour Blower Model # SF3 43SP comprising root blower Model NX 43. Rating 04000 Cumhi complete unit etc.		8890200/8082000	2		16,164,000	
Installation, testing and commissioning of approved Vertical Deep turbine Pump (KSB or equivalent) discharge 925 IGPM, 60 ft Heading required Electric Vertical solid shaft Motor etc.		3971000/3610000	2		7,220,000	
Supply, Installation, testing and commissioning of approved Vertical Deep Well Turbine Pump (KSB or equivalent) discharge 925 IGPM, 200 ft Head including required Electric Vertical solid shaft Motor etc.		6941000/6310000	4		25,240,000	
Supply, Installation, testing and commissioning of approved Alum re- circulation and dosing pump (KSB or equivalent) (Discharge Capacity 120 gpm & Head 65 ft) including required Electric Motor etc.		2227500/2100000	4		8,400,000	
Providing and installation approved Penstock gates following diameters including of guide rings(S.S) frame (C.I) and other part etc.		300/220	15000		3,300,000	
				Total	61,674,000	

Name of component	Name of item		Rate	Qty		Amount	PDP#
Construction of one Clarifier flocculate automatic sludge system	Soil test and three copies of soil test report		700000	1 Job		700,000	263
Component	Item						PDP#
4 Filter bed, distribution channel and stair case	Steel						264
Est. Qty steel	Exe. Qty RCC	Exe. Qty Steel	Permissible Qty of Steel	Excess	Rate	Amount	
2784	9606	1153	878	275	5001.7	1,375,468	
				Premium 25%		343,866	
					Total	1,719,334	
Component	Item		Rate	Qty		Amount	PDP#
Clarifier flocculate automatic sludge system	Pile Load Test		825000	1		825,000	265

5.5.1 Fake / doubtful payments on execution of water treatment plant work – Rs. 633.726 million.



Annex-2

5.5.2 Abnormal delay in completion of public importance schemes

1. XEN, PHE Division, Ghotki

(Rs. in Million)

S.No	Cv No. Date	W/o#No. Date	Name of Work	contractor	Dt: of Start	Dt: of Completion	Cost
1	H-43/15-6-23	383/10-4-14	Const: of S/Drains CC block CC paver at chattan shah	M/S Ali Hassan Gabol	16-4-14	15-4-15	19.995
2	H-22/6-6-23	288/18-3-14	Const: of S/Drains CC block CC paver at from Honda showroom to Haji Akhtar sanghar etc. part ii	M/S Kalcon Eng:	24-3-14	23-3-15	10.000
3	H-10/6-6-23	379/7-4-14	const, of CC block CC paver and drainage at Haji Mughal muhallah	M/S Jeelani Const: Co.	14-4-14	12/4/2015	8.000
4	H-64/26-5-23	589/7-6-13	const, of CC block CC paver and drainage at Mithu lakhan	M/S Mushtaq Ahmed kolachi	14-6-13	11/12/2013	17.984
5	H-22/12-5-23	279/18-3-14	Const: of S/Drains CC block CC paver at from Honda showroom to Haji Akhtar sanghar etc. part-1	M/S Kalcon Eng:	35-3-14	23-3-15	10.000
6	H-21/10-5-23	377/7-4-14	Const: of S/Drains CC block CC paver at village Ali Muhammad soomro	M/S Al-Madina Ent:	14-4-14	12/4/2015	18.138
Total							84.117

2. XEN, PHE Division, Jamshoro

ADP#	Name of Work	Approved	Period of completion	Cost	Exp upto June 2023
3015	W/S Abdullah Chawaro, Kotri	2014	03 Year	33.490	29.916
3015	Rehabilitation of W/s Lakha Manjhand	2014	01 Year	16.730	7.90
3015	Rehabilitation of W/s Village Gharwari Manjhand	2014	01 Year	12.033	7.377
3015	Rehabilitation of W/s shafi Mohammad Gahi , TB Khan Thana Bula Khan	2014	01 Year	10.509	4.652
					49.845

3. XEN, PHE Division, Umerkot

Name of Scheme	Name of contractor	Date of start	Stipulated date of completion	Time of completion (Months)	Expenditure
Rehabilitation of Rural Water Supply Scheme Abdul Wahid Soomro	M/s KK Associates	13.11.18	12.05.19	6	26.686
Rehabilitation of Rural Water Supply Scheme Akheraj	M/s Sawera Engineering	29.03.21	29.11.21	8	25.368
Rehabilitation of Rural Water Supply Scheme Ghulam Nabi Shah	M/s Fayyaz Ahmed Mughal	18.11.18	17.05.19	6	14.022
Rehabilitation of Rural Water Supply Scheme Tebhri Ameen Fakir i	Anil & brother	12.03.21	11.11.21	8	8.968
Rehabilitation of Rural Water Supply Scheme Unarabad	M/s KK Associates	19.11.18	18.05.19	6	29.006
Rehabilitation of Rural Drainage Scheme Rana Jagir	M/s Anil & Brother	08.03.21	08.11.21	8	7.711
Rehabilitation of Rural Water Supply Scheme Khan Muhammad Mangrio	M/s Jawad & Construction Co	28.10.19	27.05.20	7	8.872
Rehabilitation of Rural Water Supply Scheme Sadhar Palli	M/s Fayyaz Ahmed Mughal	16.11.18	15.05.19	6	26.938
Total					147.571

4. Secretary, PHE&RDD, Karachi

Sr#	ADP#	Sector / Sub-sector / Name of Scheme	Location	Approval	Estimated Cost	Exp	%
1	3477	Rehabilitation of Urban Water Supply Scheme Nindo City	Badin	04.09.19	25.000	22.460	(10.16)
2	3478	Improvement/Extension Water Supply Scheme Kadhan Town.	Badin	04.09.19	49.095	33.009	(32.77)
3	3593	Drainage Scheme Gulab Laghare Taluka Matli	Badin	05.08.19	40.000	24.973	(37.57)
4	3493	Water Supply Scheme (Filtration) Dadu	Dadu	27.09.13	754.737	713.347	(5.48)
5	3628	Improvement / Extension of Drainage Scheme Dadu City	Dadu	30.09.08	589.700	535.175	(9.25)
6	3629	Improvement & Extension of Drainage Scheme Mehar Taluka Mehar (SDG#6)	Dadu	27.09.17	339.000	333.117	(1.74)
7	3582	Improvement & Extension of Urban Drainage Scheme Tando Jam (SDG # 6).	Hyderabad	05.08.19	100.000	88.185	(11.82)
8	3459	Ultra Filtration Water Supply Scheme Tando Jam (SDG#6)	Hyderabad	07.08.14	617.441	617.441	
9	3648	Drainage Scheme Garhi Khairo (SDG # 6)	Jacobabad	24.02.15	87.961	39.999	(54.53)
10	3630	Improvement / Extension of Drainage Scheme Kamber	Kamber	30.09.08	648.500	562.977	(13.19)
11	3631	Rural Drainage Scheme Mubarakpur Taluka Miro Khan (SDG # 6)	Kamber	05.08.19	46.215	43.556	(5.75)
12	3744	Construction of RCC Covered Main Nala at various villages (06 Nos.) (Revised) Shahdadkot (SDG # 6) ADP No.2326 (2021-22)	Kamber	14.11.14	442.780	442.500	(0.06)
13	3745	Drainage Scheme of for Miro Khan Town (SDG # 6) ADP No.2328 (2021-22)	Kamber	14.11.14	119.278	114.897	(3.67)

Sr#	ADP#	Sector / Sub-sector / Name of Scheme	Location	Approval	Estimated Cost	Exp	%
14	3461	Installation of RO (Desalination) Plant @ Manora Island (SDG#6)	Karachi	10.08.16	427.648	349.866	(18.19)
15	3462	Water Supply Scheme Hub Dam to 42 Various Village Construction of Surface with Pump Room i/c Electricity System near Hub Dam River Deh Allah Phai (SDG#6)	Karachi	12.01.18	584.397	94.735	(83.79)
16	3656	Improvement of Drainage System Gambat (SDG # 6)	Khairpur	25.09.16	302.265	252.065	(16.61)
17	3657	Improvement of Drainage System Sobhodero (SDG # 6)	Khairpur	30.09.16	99.727	82.505	(17.27)
18	3658	Improvement of Drainage System Ranipur (SDG # 6)	Khairpur	18.01.17	161.953	149.239	(7.85)
19	3659	Drainage Scheme Village Dargah Haji Hussain Shah Jillani, Pakka Chang Taluka Faiz Gunj (SDG#6)	Khairpur	24.07.17	99.423	95.153	(4.29)
20	3494	Feasibility Study Water Supply Scheme for Larkana City from Dadu Canal Source.	Larkano	05.08.19	10.0000	0.244	(97.56)
21	3484	Improvement & Extension Water Supply/Sewerage System Bhitshah (SDG#6)	Matiari	30.11.16	391.130	202.187	(48.31)
22	3463	Replacement of Damaged Rising Main East Jamaro Water Works to Khipro Bus Stand Booster Pumping Station for Water Supply Scheme Mirpurkhas City	Mirpurkhas	04.09.19	100.000	107.511	7.51
23	3643	Drainage Scheme for Tharu Shah Taluka Bhiria (SDG # 6)	N.Feroze	16.05.17	159.000	93.043	(41.48)
24	3496	Urban Water Supply Scheme Shah Purchakar Phase-II	Sanghar	26.01.18	306.405	124.047	(59.52)
25	3624	Improvement & Extension of Drainage Scheme Khipro.	Sanghar	20.10.17	333.584	263.644	(20.97)

Sr#	ADP#	Sector / Sub-sector / Name of Scheme	Location	Approval	Estimated Cost	Exp	%
26	3625	Improvement & Extension of Urban Drainage Scheme Shahpur Chakkar (SDG#6).	Sanghar	12.01.18	199.447	110.124	(44.79)
27	3739	Rehabilitation of Drainage Scheme Perumal (SDG # 6) ADP No.2151 (2021-22).	Sanghar	31.01.18	30.233	29.928	(1.01)
28	3491	Rural Water Supply Scheme Village Jaggan Bhayo (Shifting of Source)	Shikarpur	04.09.19	96.520	96.313	(0.21)
29	3622	Rehabilitation & Improvement of Urban Drainage Scheme Shikarpur (Revised on 18.01.2017) (Re-Revised on 21.03.2018) (SDG # 6).	Shikarpur	21.03.18	1197.250	1015.970	(15.14)
30	3868	Rehabilitation of 16 Filtration Plants for Urban & Rural Water Supply Schemes	Sindh	02.05.18	213.471	57.601	(73.02)
31	3869	Establishment of Project Management Unit (PMU) for Drinking Water Hub Projects	Sindh	09.09.15	875.594	0.000	(100.00)
32	3870	Providing and Installation of Solar System for Rural Water Supply and Drainage Schemes in Sindh Phase II (SDG # 6)	Sindh	14.09.17	714.088	433.239	(39.33)
33	3871	Providing and Installation of Solar System for Rural Water Supply and Drainage Schemes in Sindh Phase I (SDG # 6)	Sindh	30.11.16	1602.581	0.000	(100.00)
34	3873	Elimination of Urban Sewerage Discharging in Irrigation Canals and lakes in Sindh Phase-I	Sindh	09.02.18	2617.514	2185.916	(16.49)
35	3874	Rehabilitation of Non-Functional Water Supply and Drainage Schemes Phase-I	Sindh	30.11.16	2704.317	2254.151	(16.65)
36	3612	Drainage Scheme Pano Akil	Sukkur	18.01.17	276.536	272.337	(1.52)
37	3613	Drainage Scheme Village Hussain Kalwhar Taluka Pano Aqil (SDG#6).	Sukkur	04.09.19	15.000	13.284	(11.44)
38	3735	Rural Drainage Scheme Jinhan Soomro (ADP No.1726 2020-21)	T.M Khan	22.09.16	30.274	30.274	-

Sr#	ADP#	Sector / Sub-sector / Name of Scheme	Location	Approval	Estimated Cost	Exp	%
39	3466	Upgradation of Pipe Line Water Supply Scheme Naukot-Mithi upto Chelhar (Revised on 08.01.2023)	Tharparkar	13.01.15	1025.707	420.241	(59.03)
40	3476	Water Supply Scheme from Keenjhar-Gujjo Canal to Village Mungar Khan, Sajjn, Safar, Chanessar, Jokhio, Gul Muhammad Jokhio Taluka Thatta (SDG#6)	Thatta	12.01.18	121.769	119.994	(1.46)
41	3586	Rehabilitation of Urban Drainage Scheme Mirpur Sakro	Thatta	01.03.13	150.152	144.858	(3.53)
				Total	18705.692	12570.105	

5.5.3 Non-functional water supply, drainage schemes and RO plants

Sr#	Name of Office	Category	Functional	Non-Functional	Abandoned	Total	PDP #
1	PHE (O&M) Sukkur	RO/UF Plant	47	54	0	101	03
2	PHE (O&M) Matiari		30	36	0	66	
3	PHE (O&M) Mithi		232	603	0	835	
4	PHE (O&M) Qamber		16	40	0	56	
5	PHE (O&M) T.M. Khan		16	38	0	54	41
		Total	341	771	0	1112	
6	XEN, (O&M) Division, Larkana	Water Supply Scheme	4	5	0	9	71
		Rural Drainage Scheme	29	60	16	105	
		Total	35	65	16	114	
		RO Plants	4	35	3	42	
		UF Plants	15	19	0	34	
		Total	52	54	03	76	
7	PHE (O&M) Dadu	Water Supply Scheme	171	63	0	234	116
		Rural Drainage Scheme	8	34	0	42	
		Total	179	97	0	246	
8	XEN, (O&M) Division, MPKhas	R.O Plants	38	05		43	268
		Water Supply Scheme	64	28	05	97	
		Rural Drainage Scheme	14	09	06	29	
		Total	78	37	11	126	
9	XEN, (O&M) Division, Thatta	Water Supply Scheme	26	27	39	92	297

Sr#	Name of Office	Category	Functional	Non-Functional	Abandoned	Total	PDP #
		Rural Drainage Schemes	9	1	1	11	
		Total	35	28	40	103	
10	Secretary PHE &RDD, Khi	RO/UF Plants	1349	1261	0	2610	310
		Total RO/UF plants	1349	1261	0	2610	
		Total Water Supply & Drainage Schemes	327	227	67	621	

Annex-4

5.5.4 Irregular payment on part rate – Rs.930.670 million

(Rs. in Million)

Sr#	Name of Office	Financial Year	Particulars	PDP#	Amount
1	XEN, PHE Division, Jamshoro	2022-23	Supply of machinery without delivery challans and invoices	22 & 109	152.234
2	XEN, PHE Division, Kamber Shahdadkot	2022-23		80	73.701
3	XEN, PHE Division, Ghotki	2022-23		97	34.163
4	XEN, PHE Division, Sanghar	2023-24	Supply of pumping machinery, Generator & Solar Panels	175	49.470
5	XEN, PHE Division, SBA	2023-24	Supply of PE pipe pumping machinery, Diesel Engine, Paver block, Solar Panels & RO Plants	180& 182	327.232
6	XEN, PHE Division, Sukkur	2023-24	Supply of PE Pipes	193	104.110
7	XEN, PHE Division, N. Feroze	2023-24	PE Pipes, pumping machinery, Solar Panels	216& 218	11.040
8	XEN, PHE Division, Ghotki	2023-24	Supply of electric motor, pumping machinery, Diesel Engine	232	14.166
9	XEN, PHE Division, Khairpur-II @ Ranipur	2023-24	Supply of Paver Blocks	241	64.144
		2023-24		243	15.006
10	XEN, PHE Division, Jamshoro	2023-24		255	10.896
11	XEN, PHE division, Sukkur	2023-24	Solar System for water supply scheme at various villages UC Akbar pur	194	4.840
		2023-24	Supply of Electric Motor 25 BHP	262	2.280
12	XEN, PHE Division, Dadu	2023-24		275	7.292
13	XEN, PHE Division, Shikarpur	2023-24	Supply of Paver Block	284	60.096
				Total	930.67

5.5.5 Defective completion of works - Rs.231.684 million

1. XEN PHE, Division Kashmore @ Kandhkot

Name of scheme: Construction of clear water tank, pump house, compound wall, staff quarter, for improvement & extension of water supply scheme Kandhkot, Part of work: Water tank Cheque #4931032 6/8/23, H-11 8 th RA, M/S Brohi Constt.: Co. w/o#935 10.04.18, Revised cost Rs. 25.573 million, Expenditure Rs.29.651 million								
100*90	Qty	Bags	Ratio	Executed Qty	Bags due	Bags claimed	Bags less used	%
CC Plain 1:4:8	10584	1016	10.42	10854	1,041.92	428		
CC plain 1:2:4			5.73	5991.75	1,045.68	887		
RCC 1:2:4	24844	4337.35	5.73	32959.54	5,754.19	2424		
Cement plaster	4180	30.5	137.05	0		0		
Total					7,841.79	3739	4,102.79	52.32
Excavation (5-8 ft)	21168			15876				75%

(AIR Para #03/ PDP No 154).

2. XEN PHE, Division Sanghar

CV.No/dt	Name of work	W.O/dt	Particulars	Amount
39/27.11.23 11 th & final bill	Construction of Drainage Scheme Fazal Hussain Chakrani & Khair Muhammad Road taluka Tando Adam Dist. Sanghar	M/S Indus Const 367/31.3.22	Part-B PE Rising main	325,571
			Part-I PE Rising main	5,361,338
Total				5,686,909

PDP#173, AIR#09

3. XEN PHE, Division Sukkur

a.)

Name of work	Name of contractor	Bill#	Qty	Rate	Amount
Rehabilitation of Al-Abbas Disposal	M/s Sukkur Construction	8th	20378.85	199.77/ 189.77	3,867,294
Construction of drainage scheme Pir Hasil Shah	M/s Ravi Kumar	7th	72204.42	199.77/ 189.77	13,702,235
Construction of drainage scheme Village Hameed to Daro	M/s Arslan Subhan & Brother	8th	13283.91	199.77/ 189.77	2,520,887
Construction of surface drain , paving block & P/L/J & testing P.E Rising main Village Piyaro labano etc.	M/s TR.H & Brother	11th	160227.6	199.77/ 189.77	30,406,387
Construction of surface drain Scheme Lal Mashaikh	M/s Bashir Ahmed	11th	402261.8	199.77/ 190.77	76,739,449
Construction of surface drain Scheme Gole Takri	M/s B. B Enterprises	7th	116192	199.77/ 190.77	22,165,949
				Total	14,940,201

PDP#190, AIR#08

b)

Construction of Water Supply scheme at various village of Union Council Akbar Pur			
Item	Quantity	Rate	Amount
P.E. pipe Dia (225 mm)	9600	860	8.256

PDP#195, AIR#18

4. XEN PHE, Division N/Feroze

(Rs. in million)

Name of work	Award amount	Exp.	Remarks by C.E
Const. of Surface drains RCC Nala, and paver block Zone-B under Improvement Extension of Urban Drainage Scheme kandairo M/S Mujeeb –Ur-Rehman w/o#283 dt 02.6.23	36.990	35.212	Unfinished work of RCC Nala and Drains at Memon Muhalla Disposal as Nala remains uncovered and the sites are still not filled with earth work.

PDP#212, AIR#03

5. XEN PHE, Division Shikarpur

Name of work	Bill	Est. Qty	Exe. Qty	Rate	Amount
Construction of drainage scheme Nabi shah Wagan Garhi yasin Shiakrpur	7 th & Final	4000	2800	440	1232000

PDP#289, AIR#06

6. XEN PHE, Division Shaheed Benazirabad

V.No	Name of Scheme	Name of Contractor	WO	RA	Tender Cost	Exp	Work to be done
D-22 dated 30.11.23	Providing drainage facility in Azeem colony & Daulat colony Nawabshah Dist SBA	M/S Abdul Ghaffar	834 dated 27.04.22	6th & Final	11.338	9.094	2.244

PDP#325, AIR#09

5.5.9 Irregular execution of work beyond 15% of the original contract – Rs.444.436 million

1. Executive Engineer, Public Health Engineering Division, Badin

W.O No. & Date	Name of work & contractor	Amount	Portion of work	Qty.	Unit	Rate	Amount	revised cost of scheme
313 Dated 09-06- 2022	Providing, laying, jointing & testing PVC raising main 8” dia, providing, installing, pumping machinery, providing installing 65 KVA Diesel Generator & construction of Generator Room including Plate Form, Construction of Oxidation Pond. Sump Well & C.C in Panel over slope (FSL)	13,052,948	Ground-D 'Construction of Oxidation Pond'					24,645,116
			Additional items due to modification					
			Item No.01: Jungle Clearance	86,400	0 %Sft.	75.63	6,534	
			Item No.02: Excavation for wet soil	17,580	0 %Sft.	4,800	84,384	
			Item No.03: Barrow pit excavation	866,719	0 %Cft.	2,117.50	1,835,277	
			Item No.04: Carriage 100 Cft. /5 Tons of all material	866,719	Cft.	502.52	4,355,436	
			Item No.05: Dressing & levelling of earth	866,719	0 %Cft.	187.55	162,553	
			Item No.06: Earth work compaction	866,719	0 %Cft.	144.58	1,252,912	
			Item No.07: Full Hire charges	25	Days	2,000	50,000	

W.O No. & Date	Name of work & contractor	Amount	Portion of work	Qty.	Unit	Rate	Amount	revised cost of scheme		
	in Oxidation Pond for drainage Scheme Gulab Laghari, Taluka Matli District Badin (Work No.03) ADP No.2786 (M/s. Jawad Construction Co.)		Item No.08: Excavation for pipe line in soft soil	1,296	0 %Cft.	3,600	4,666			
			Item No.09: Providing, laying R.C.C pipe & collars 12" dia	144	Rft.	412	59,328			
			Item No.10: Refilling of excavated earth	1,166	0 %Cft.	2,760	3,218			
			Item No.11: Making & fixing barbed wire fencing including R.C.C posts upto 4 horizontal and cross wires (Fencing).	1,133	% Lft.	25,283.36	283,680			
			Item Cost						8,097,988	
			Premium @ 30 % above						3,494,180	
		13,052,948				Total	11,592,168	24,645,116		

2. Executive Engineer, Public Health Engineering Division, Sukkur

Name of work	Name of contractor	Bill#	Bid Amount	Exp.	Excess	%
Rehabilitation of Al-Abbas Disposal	M/s Sukkur Construction	8th	19445503	25094792	5649289	29.
Construction of drainage scheme Pir Hasil Shah	M/s Ravi Kumar	7th	21513641	32268990	10755349	50

Name of work	Name of contractor	Bill#	Bid Amount	Exp.	Excess	%
Construction of water Supply Scheme at Various area of Abad Lakha & Arain	M/s Green Land Company	14 th	45279877	125248166	79968289	177
Construction of 3.00 MGD Water Treatment plant	M/s Naseem Ahmed Shah	9th & Final	305583161	633775886	328192725	107
Total			391822182	816387834	424565652	

Annex-7

5.5.19 Unjustified drawl of 2% contingency funds against M& R works - Rs. 24.558 million

V#	Date	Name of work	Name of contractor	Amount	ADP#	Exp: CFY	M&R Exp	Excess
29	9/26/23	De-silting and Repair of drain various location salehpat	Mehran machinery	99,016	3487	28.025	2.884	2.39673
31	2/29/24	De-silting and Repair of drain various location salehpat	Shoaib A Bhatti	99,016				
32		De-silting and Repair of drain various location salehpat	Fahimmuddin	99,016				
33		De-silting and Repair of drain various location salehpat	Fahimmuddin	99,404				
34		De-silting and Repair of drain various location salehpat	Fahimmuddin	98,951				
10	3/12/24	ep of drain various areas Sukkur	Saqib Rasheed	299,008				
11	3/12/24	Repair of drain various areas salehpat	Saqib Rasheed	299,008				
18	4/25/24	Repair drain various areas salehpat	Mehran machinery	195,097				
4	6/3/24	Repair of drain various areas UC khabri bhitt	Fahimmuddin	299,215				

V#	Date	Name of work	Name of contractor	Amount	ADP#	Exp: CFY	M&R Exp	Excess
6		Repair of drain various areas UC piaro chohan	Fahimuddin	299,215				
7		Repair of drain various areas UC piaro chohan	Fahimuddin	299,215				
8		Repair of drain various areas UC piaro chohan	Fahimuddin	299,215				
9		Repair of drain various areas UC piaro chohan	Fahimuddin	299,215				
11		Repair of drain various areas UC khabri bhitt	Shoab A	99,730				
17	8/3/23	Repair of drains for various village taluka saleh pat	Fahimuddin	298,447	3488	36.346	2.19	
18	9/14/23	Repair of drain of various villages salehpat	Fahimuddin	299,021				
4	10/6/23	Repair of drain for various areas UC lal Jurio		299,021				
4	1/3/24	De-silting Repair drain various location UC lal juiro	Shoab Ahmed	99,016				
7	1/3/24	De-silting various location UC lal jurio	Fahimuddin	99,016				
8	1/3/24	De-silting various location UC lal jurio	Fahimuddin	99,016				
34	1/31/24	Repair of drain various location UC Salehpat	Shoab A	99,016				
39	6/11/24	Repair of drain village arain	Fahimuddin	299,254				
59		Repair of drain various areas lal jurio	Fahimuddin	299,345				
60		Repair of drain various areas UC khabri bhitt	Fahimuddin	299,345				

V#	Date	Name of work	Name of contractor	Amount	ADP#	Exp: CFY	M&R Exp	Excess
10	14-9-23	Repair of drain of various locations salehpat	Fahimuddin	298,609	3615	104.496	5.959	
30	9/26/23	De-silting and Repair of drain various location salehpat	Mehran machinery	99,016				
5	1/3/ 2024	Constr of kacha road khabri bhitt	Mehran machinery	298,884				
6	1/3/24	Constr of kacha road khabri hhatt	Mehran machinery	298,884				
58		Repair od drain various areas khabri bhitt	Fahimuddin	99,730				
55		Repair of drain various areas newyard	Fahimuddin	299,280				
58		Repair of drain various areas lal jurio	Fahimuddin	299,345				
75		Repair of drain vario areas UC khabri bhitt	Mehran machinery	299,073				
76		Repair of drainage various areas new pind	Mehran machinery	277,300				
77		Repair of drainage various areas new pind	Mehran machinery	299,073				
16	3/12/24	Repair of drain various areas salehpat	Fahimuddin	299,008				
15	4/25/24	Repair drain various areas arain	Fahimuddin	299,150				
61		Repair of drain various areas village arain	Fahimuddin	299,150				
63		Repair of drain various areas village abad	Fahimuddin	299,150				
29		Repair of drain various areas abad	Fahimuddin	299,073				

V#	Date	Name of work	Name of contractor	Amount	ADP#	Exp: CFY	M&R Exp	Excess
31		Repair of drain various areas UC khabri bhitt	Fahimuddin	99,730				
33	6/11/24	Repair of drain various areas abad	Fahimuddin	299,073				
34		Repair of drain various areas abad	Fahimuddin	299,073				
35		Repair of drain various areas abad	Fahimuddin	299,073				
40		Repair of drain village arain	Fahimuddin	299,254				
41		Repair of drain various areas abad	Fahimuddin	299,254				
43		Repair of drain various areas abad	Fahimuddin	299,254				
22	9/14/23	Repair of drain various locations abad and arain	Fahimuddin	298,609	3617	110.109	4.377	
28	9/26/23	Repair of drain various location abad	Fahimuddin	298,814				
21	11/21/23	Repair of drain various location abad and arain	Mehran machinery	298,600				
2	2/6/24	Repair of drain various location abad	Fahimuddin	298,405				
13	3/12/24	Repair of drain of various areas abad	Ravi Jumar	298,405				
9	4/25/24	Repair drain various areas abad	Al Mehran Traders	299,125				
10	4/25/24	Repair drain various areas abad	Al Mehran Traders	299,125				
4	5/7/24	Repair of drain various areas abad	Mehran machinery	299,125				
6		Repair drains various areas abad	Fahimuddin	299,086				

V#	Date	Name of work	Name of contractor	Amount	ADP#	Exp: CFY	M&R Exp	Excess
10		Repair of drain various areas abad	Mehran machinery	299,125				
79		Repair of drainage various areas lal mashaikh	Mehran machinery	277,300				
80		Repair of drainage various areas new pind	Mehran machinery	277,300				
81	6/13/24	Repair of drain vario areas UC khabri bhitt	Mehran machinery	299,073				
15	10/24/23	Repair of drain for various location of abad	Arslan subhan bros	236,015				
62		Repair of drain various areas village abad	Fahimuddin	299,150				
1	11/6/23	Repair of drain various areas lal mashaikh	Fahimuddin	298,608	3618	68.436	2.091	
12	11/13/23	Repair of drain various location lal mashaikh	Mehran machinery	298,609				
7	12/7/23	Repair of drain various local village lal maskhaikh		298,609				
11	1/5/24	Repair of drain various location lal mashaikh	Fahimuddin	298,609				
32	3/18/24	De-silting Repair of drain various villages lal mashaikh	Mehran machinery	298,405				
48		Repair of drains various areas lal mashaikh	Mehran machinery	299,280				
78		Micro tower	Mehran machinery	299,073				
18	8/3/23	Repair of drains for various locations of new pind	Fahimuddin	297,533	3619	82.13	2.579	
48	24-8-23	Constr of cover drain at jamia noor masjid	Muzaffar hussa& Bros	297,355				

V#	Date	Name of work	Name of contractor	Amount	ADP#	Exp: CFY	M&R Exp	Excess
1	9/6/23	De-silting Repair of drain various location new pind	Fahimuddin	99,016				
7	14-923	Repair of drain of various location of ahmed nagar	Fahimuddin	298,814				
8	14-923	Repair of drain various locations micro colony	Fahimuddin	299,021				
3	10/6/23	Repair of drain for various areas new pind		299,021				
10		Repair of drain various location new pind	Fahimuddin	298,609				
12	3/12/24	Repair of drain various areas new pind	Ravi Jumar	298,199				
21	10/26/23	Repair of drain various local qureshi village	Fahimuddin	205,230				
69		P/S/F of penal board jaali new pind	Ravi Kumar	186,066				
19	8/3/23	Repair of drains various location qurehsi village	Fahimuddin	298,265	3684	74.998	2.087	
28	8/8/23	Repair of drain various location of pepsi chowk and surrounding	Fahimuddin	299,181				
17	9/14/23	Repair of drain various location near board office	Fahimuddin	297,584				
20	9/14/23	De-silting and Repair of drain various location near [pepsi chowk		99,016				
21	9/14/23	De-silting and Repair of drain various location near [pepsi chowk	M/s Shoain ahmed	99,016				
31	9/26/23	Repair of drains various location al madina colony	Mehran machinery	297,995				

V#	Date	Name of work	Name of contractor	Amount	ADP#	Exp: CFY	M&R Exp	Excess
16	20-20-24	De-silting and Repair of drains various location sukkur city	RB Enit	99,016				
17	2/20/24	Repair of drain various location pepsi chowk	RB Enit	298,405				
18	2/20/24	Repair of drain various location pepsi chowk	RB Enit	298,405				
2	12/4/23	Repair of drain various villages thikratho	Fahimmuddin	298,609	3877	28.796	2.391	
8	12/7/23	Repair of drain various location village hingro		298,609				
5	4/25/24	Earth filling at drainage scheme kot bulla	Wazir ali	298,175				
55	5/22/24	Earth filling for water supply scheme thikratho	Mehran machinery	296,850				
68		Earth filling drainage scheme kot bulla	Wazir ali	299,561				
82		Repair of drain various areas thikratho	Mehran machinery	299,730				
83		Repair of drain various areas thikratho	Mehran machinery	299,730				
84		Repair of drain various areas thikratho	Mehran machinery	299,730				
			Total	24,559,445				

5.5.20 Advance payment on P.E pipes and Machinery - Rs. 118.735 million

1. XEN, PHE Division, Sanghar

CV.No& dt.	Name of vendor	Name of work	W.O/dt	R.A Bill	Bill Amount
54 & 9.6.24	M/S Muhammad Noman Qureshi	Drainage Scheme of Shahdadpur Taluka Shahdadpur district Sanghar under elimination of sewerage Discharging in irrigation Canals & lakes in Sindh (Phase-II)	471/31.5.24	1 st	25,221,200
115 & 31.5.24	M/S Jawad Construction	Drainage of Tando Adam Taluka Tando Adam Dist. Sanghar Under Elimination of sewerage Discharging in irrigation canals in lakes in Sindh (Phase-II)	642/25.5.23	5 th	68,657,398
					93,878,598

CV.No/dt	Name of work	item	Dia	Rate	As per estimate	As per execution	Remarks	Excess/ Less	%	Amount
18/6.6.24 5th RA	Construction of Surface drains in Gujri M/S Mehran Const W/o# 642/1.6.22	Excavation		3600	14000	392		(13,608)	(97.20)	
		HDE pipes	4"	224/180	3500	3975		475	13.57	715,500
37/30.4.24	P/L/J/T PE pipe trunk main & distribution system for water Supply Scheme Khipro M/S Najamuddin HingorjoW/o# 226/19.4.24	Excavation	Soft	3600	110,700	102,328		(8,372)	(7.56)	
			Wet	5400	55,350	78,428		23,078	41.69	
		HDE pipes	250 mm	1043	8300	8773		473	5.70	
		HDE pipes	350 mm	2058	4000	3850	Unlaid	(150)	(3.75)	7,923,300

CV.No/dt	Name of work	item	Dia	Rate	As per estimate	As per execution	Remarks	Excess/ Less	%	Amount
23/22.4.24	Disposal Drainage work Sheedi Para Berani Town Taluka Jam Nawaz M/S Salcon Const w/O#115/1.12.23	Excavation		3600	118,125	875		(117,250)	(99.26)	
		HDE pipes		691	13,500	5512		(7,988)	(59.17)	3,808,792
71/31.1.24	Rehabilitation of rural drainage Scheme Nauadad Taluka Jam Nawaz M/S Asad W/o 958/8.8.23	Excavation		3600	118,125	1125		(117,000)	(99.05)	
		HDE pipes	200 mm	691	13500	7500		(6,000)	(44.44)	5,182,500
21/6.6.24 1st RA	P/L/J/T 3" 4" 6" Dia P.E Pipe Distribution system wayer supply line in different areas of Sanghar city M/S Najamuddin Hingorjo W/o# 451/27.5.24	Excavation				600				
		HDE pipes	4"	224		2361				528,864
Total										18,158,956

1. XEN, PHE Division Kashmore @ Kandhkot

Excavation	L*W*D	estimated qty	Executed Qty	%	Due qty of pipes	Excess qty
Road dismantles	3300*4.5*1.5	22275	21710	97.46		
Soft soil	3300*4.5*1.5	22275	16080	72.19		
wet soil	3300*4.5*2	29700	17017.5	57.30		
Total		74250	54807.5	73.81		
Pipes		3300	3280	99.39	2441	839

Excavation	L*W*D	estimated qty	Executed Qty	%	Due qty of pipes	Excess qty
Excess quantity			839.	25.58		
Rate			6597			6597
Amount						5,534,852
Premium 21.15%						1,163,149
G. total						6,698,001

Annex-9

5.5.23 Unjustified expenditure due to change of source of water –Rs.26.408 million

Name of Scheme -Rehabilitation of Rural Water Supply Scheme Akhraj & Name of contractor M/s Sewara Engineering Bill # 5th R.A				
Item	specification	Qty	Rate	Amount
Providing , laying and fixing in trench i/c fitting, jointing and testing etc. complete in all respect the high density Polyethylene P.E pipes ((HDPE-100) for W/S confirming 150 427 DIN 8074/8075 B.S 3580 and PSI 3051(PHSI-NoF/1 PN 10 TP-25	6" Dia	27720	440	12196800
		31.44	440/400	12576
Excavation for pipes line in trenches &pits in softs oil i/c trimming and dressing sides to true alignment and shape levelling of bed of trenches to correct level and grade cutting joint holes and disposal of surplus earth within a lone chain as direct Executive Engineer in charge ,i/c providing fence guards light temporary crossing for non-vehicular traffic wherever required lift upto one chain		218295	3600	785862
Refilling the excavated stuff trench 6" thick layers i/c watering ramping to full compaction etc.		196465	2760	542245
complete (PHS No.1 P-77				338437
Premium 2.5%				
Total Para#03				13,875,920

Rehabilitation of Rural Water Supply Scheme Ghulam Nabi Shah &M/s Fayyaz Ahmed Mughal 8th				
Name of item	Specific ation	Qty	Rate	Amount
Providing , laying and fixing in trench i/c fitting, jointing and testing etc. complete in all respect the high density Polyethylene P.E pipes ((HDPE-100) for W/S confirming 150 427 DIN 8074/8075 B.S 3580 and PSI 3051(PHSI-NoF/1 PN 10 TP-25)	8" Dia	4470	860	3844200
		18.4	860/774	14241.6
Excavation for pipes line in trenches &pits in softs oil i/c trimming and dressing sides to true alignment and shape levelling of bed of trenches to correct level and grade cutting joint holes and disposal of surplus earth within a lone chain as direct Executive Engineer in charge ,i/c providing fence guards light temporary crossing for non-vehicular traffic wherever required lift upto one chain		34416	3600	123898
Refilling the excavated stuff trench 6" thick layers i/c watering ramping to full compaction etc.		30974	2760	85489
complete (PHS No.1 P-77				
Air valve double acting		2	4000	8000
Fire hydrant tee		2	1375	2750
C I Tail piece		2	1056.25	2112.5
But fusion joint		7	1800	12600
Total Para#04				4,101,886

Annex-10

5.5.27 Excess payment due to calculation error – Rs.7.217 million

Name of Work	Type	Particulars	Qty	Full Rate	Amount	Due Amount	Excess Amount Allowed
Construction of Surface drains C.C. Block & Paver Block @ various villages i.e. Village Bacho panhwar, Village Bilawal Pur, Village Kacha Radhan, Village jandiyaejo, village Saleh Khokhar, & Village Karango for Scheme Namely "Rural Drainage Scheme in left over village of Taluka Sehwan & Majhand, district Jamshoro.	Diff: cost of material	Cement	398	310	258,700	123380	135,320
Construction of C.C Block i/c Surface Drains Type 'A', 'B' & 'C' @ various street of Taluka Sehwan, District Jamshoro.	Diff: cost of material	Cement	13215.7	310	8,590,231	4096879.4	4,493,352
Construction of Water Supply Scheme Wasa Chhachhar under Water Supply Scheme in various villages of Taluka Sehwan & Manjhand District Jamshoro (ADP#2094)	Add: Diff: cost of material	Cement	8138	650	7,364,039	5289700	2,074,339
Construction of Water Supply Scheme Wasa Chhachhar under Water Supply Scheme in various villages of Taluka Sehwan &	Add: Diff: cost of material	Hill Sand	38979	736	381,491	286885.44	94,606

Name of Work	Type	Particulars	Qty	Full Rate	Amount	Due Amount	Excess Amount Allowed
Manjhand District Jamshoro (ADP#2094)							
Construction of Water Supply Scheme Wasa Chhachhar under Water Supply Scheme in various villages of Taluka Sehwan & Manjhand District Jamshoro (ADP#2094)	Add: Diff: cost of material	Bajri	16595	1093	230,553	181383.35	49,170
Construction of Water Supply Scheme Wasa Chhachhar under Water Supply Scheme in various villages of Taluka Sehwan & Manjhand District Jamshoro (ADP#2094)	Add: Diff: cost of material	Stone ballast	30661	1960	971,825	600955.6	370,869
					17,796,839	10,579,184	7,217,655

Chapter-06 Annexes

Annex-01

6.5.1 Non-Production of record

Sr. No.	Name of office	PDP#	AIR#	Financial Year	Particulars	Amount
1	Executive Engineer, Highways Division, Kashmore @ Kandhkot	1	1	2022-23	Vouchers from July 2022 to January 2023, ADP & M&R files including PC-I, A.A, estimates, drawings & designs, rate analysis, case files of contractors and contract agreements. NIT files including BOQ, evaluation criteria, comparative statements, BER, Tender Fee Register, Call Deposit Register, Security Deposit Register.	92.458
2	Executive Engineer, District Building Division Thatta	104	1,10	2022-23	Record of tender including work orders, newspaper clippings, bidding documents & T.S, PC-I, terms & conditions of the contract, agreements and stamp duties, comparative financial statements and Minutes of the Meetings, Call Deposits & tender fees, financial evaluation reports and payment vouchers	83.798
3	Superintending Engineer (Works & Services), Karachi	163	12	2012-13 to 2022-23	Payment vouchers	8.841
4	Executive Engineer, Machinery Maintenance Division Khairpur @ Shikarpur	319	22	2022-23	Incumbency, personal files, cost centers, inquiries files, M&E reports, PC-I to V, A.As, TS, bank accounts, estimates, MBs, Tender/case files of 29 schemes, Registers,	-

Sr. No.	Name of office	PDP#	AIR#	Financial Year	Particulars	Amount
					contingency bills, S/W staff, appointment of HR, Govt. vehicles details/assets,	
5	Executive Engineer, Provincial Building Division, Sukkur	582	10	2023-24	Non-maintenance of Recovery/DR register, Monthly Accounts of May & June 2024, estimates of scheme Construction of Ombudsman Office	-
6	Executive Engineer, Building Division, Hyderabad	665	4	2023-24	Register of security deposit	58.286
Total						243.383

**6.5.5 Unjustified payment on part rate without actual execution of work
– Rs. 23.214 million**



6.5.13 Non / less recovery of Taxes - Rs.146.567 million

S.No	Office	Particulars	F.Y	AIR #	PDP#	Amount of bill	Tax due	Tax deducted	Tax non/less deducted
1	Executive Engineer, Provincial Highways Division Khairpur	Short deduction of SST	2022-23	10	35	630.991	31.549	28.804	2.745
2	Executive Engineer, District Highways Division Hyderabad	Short deduction of SST	2022-23	2		89.167	4.458	3.599	0.858
3	Executive Engineer, Provincial Building Sukkur	Short deduction of SST	2022-23	06		16.090	0.805	0.322	0.483
4	Executive Engineer, District Highways Division Nausharo Feroze	Non-deduction of SST	2022-23	11		11.357	0.568	0	0.568
5	Executive Engineer, Provincial Buildings Division Larkana	Non-deduction of SST	2022-23	5		12.936	0.646	0	0.646

S.No	Office	Particulars	F.Y	AIR #	PDP#	Amount of bill	Tax due	Tax deducted	Tax non/less deducted
6	Executive Engineer, District Building Division Thatta	Non-deduction of SST	2022-23	12	114	7.850	0.393	0	0.393
7	Executive Engineer Provincial Building Division, Sukkur	Non-deduction of SST	2022-23	7	29	1.728	0.293	0	0.293
8	Superintending Engineer (Works & Services), Karachi	Non-deduction of SST	2022-23	5	156	2.609	0.443	0	0.443
9	Executive Engineer, Provincial Highways Division, Khairpur	Non-deduction of income tax	2022-23	6	79	617.243	43.207	41.315	1.891
10	Executive Engineer, Provincial Buildings Division-III, Karachi	sales tax on services @ 13% on account of consultancy services	2023-24	2	325	49.070	6.379	0	6.379
11	Executive Engineer, Provincial	government taxes/dues (Income tax,	2023-24	2	342	8719.270	1,190.181	1,133.506	56.675

S.No	Office	Particulars	F.Y	AIR #	PDP#	Amount of bill	Tax due	Tax deducted	Tax non/less deducted
	Highway, Hyderabad	Sindh Sales Tax)							
12	Executive Engineer, Provincial Coastal Highway, Division Hyderabad	SST on services	2023-24	15	362	4,236.797	211.839	201.671	10.168
13	Executive Engineer, Provincial Highways Division, Thar @ Mithi	Sindh Sales Tax not deducted	2023-24	11	395	602.209	30.110	0	30.110
14	Executive Engineer, Provincial Building Division-II, Karachi	Sindh Sales Tax not deducted	2023-24	21	439	349.638	17.482	0	17.482
15	Executive Engineer Highway Division Khairpur	Income Tax was less deducted	2023-24	12	539	122.090	9.767	9.278	0.488
16	Executive Engineer, Highways	Sindh Sales Tax was less deducted	2023-24	3	544	565.530	28.276	16.090	12.185

S.No	Office	Particulars	F.Y	AIR #	PDP#	Amount of bill	Tax due	Tax deducted	Tax non/less deducted
	Division, Tharparkar @ Mithi	Income Tax was less deducted	2023-24	4	545	449.939	35.995	32.718	3.276
17	Executive Engineer, Provincial Buildings Division-III, Karachi	Sindh Sales Tax not deducted	2023-24	3	326	17.868	0.893	0	0.893
18	Executive Engineer, Machinery & Maintenance Division, Umerkot	Income Tax less deducted	2023-24	1	332	59.134	4.731	4.139	0.591
Total						16,561.516	1,618.015	1,471.442	146.567

Annex-03

6.5.14 Non-recovery of Stamp Duty – Rs. 58.476 million

(Rs. in Million)

S.No	Office	F.Y	AIR Para	PDP#	Amount
1	Executive Engineer, District Highways Matiari	2022-23	5	41	0.291
2	Executive Engineer, Provincial Buildings Larkana	2022-23	9		0.366
3	Executive Engineer, Provincial Buildings Division Thatta	2022-23	4		1.664
4	Executive Engineer, District Highways Larkana	2022-23	4		0.378
5	Executive Engineer, District Highways Ghotki	2022-23	7		0.222

S.No	Office	F.Y	AIR Para	PDP#	Amount
6	Executive Engineer, District Highways Mithi	2022-23	10		0.342
7	Executive Engineer, District Highways Sukkur	2022-23	2		0.295
8	Executive Engineer, District Highways Dadu	2022-23	1		2.073
9	Executive Engineer, Provincial Highways Division Khairpur	2022-23	8		6.074
10	Executive Engineer, District Highways Hyderabad	2022-23	7		0.143
11	Executive Engineer, Provincial Buildings Division Hyderabad	2022-23	1		0.067
12	Executive Engineer, District Building Division Thatta	2022-23	9	112	0.119
13	Executive Engineer District Building Division-1, Karachi	2021-22 to 2022-23	16	178	0.480
14	of Executive Engineer, District Buildings Division, Tando Muhammad Khan	2021-22 to 2022-23	2	224	0.056
15	Executive Engineer, District Highways Division, Shikarpur	2022-23	1	252	4.451
16	Executive Engineer, District Highways Division, Jacobabad	2022-23	11	296	3.688
17	Executive Engineer, Machinery Maintenance Division, Khairpur @ Shikarpur	2022-23	6	303	16.279
			10	307	0.586
18	Executive Engineer, Provincial Highways Hyderabad	2023-24	3	343	0.319
19	Executive Engineer, Provincial Coastal Highways Hyderabad	2023-24	5	353	3.464
20	Executive Engineer, Provincial Highways Khairpur	2023-24	13	413	2.308
21	Executive Engineer, District Highways Matiari	2023-24	5	465	1.066
22	Executive Engineer, Provincial Buildings Division, Mirpurkhas	2023-24	8	491	5.113
23	Executive Engineer, District Highway Division, Ghotki	2023-24	8	512	1.455
24	Executive Engineer, Highway Division, Dadu	2023-24	4	518	1.820
		2023-24	13	527	0.683
25	Executive Engineer, Highway Division, Khairpur	2023-24	10	537	0.848
26	Executive Engineer, Highway Division, Tharparkar @ Mithi	2023-24	7	548	0.115
27	Executive Engineer, District Highway Division, Sanghar	2023-24	10	572	0.532
28	Executive Engineer, Provincial Buildings Division, Sukkur	2023-24	2	574	0.289
29	Executive Engineer, District Building Division, Umerkot	2023-24	3	626	0.206

S.No	Office	F.Y	AIR Para	PDP#	Amount
30	Executive Engineer, District Highway Division, Umerkot	2023-24	1	633	2.06
31	Executive Engineer Building Division, Hyderabad	2023-24	10	671	0.624
				Total	58.476

Annex-04

6.5.16 Irregular payment of secured advance – Rs. 373.039 million

(Rs. in Million)

Sr.#	Name of office	AIR#	PDP#	pmnt_Date	Name of Item	Tons	Rate (R.A)	Rate (Bill)	Amount				
1	Executive Engineer, Provincial Building Division Thatta 2022-23	1	24	10.11.2022	Steel	50	308,000	231,000	1,550,000				
				05.05.2023		46.50	308,000	231,000	10,741,500				
				10.11.2022	Steel	115	308,000	231,000	26,565,000				
				11.01.2023	Steel	20	254,500	190,000	3,800,000				
				11.04.2023	Steel	5.9	254,500	190,000	1,121,000				
				29.11.2022	Steel	63	100,034	75,025	4,726,575				
				29.11.2022	Steel	66.2219	114000	85000/78000	5,425,862				
				16.08.2022	Steel	110	320000	240000	6,400,000				
				20.12.2022		108.9	320000	240000	26,136,000				
				09.01.2023		3.8	320000	240000	912,000				
				23.01.2023		40	320000	280000	1,200,000				
								14.11.2022	Steel	6	320000	240000	1,440,000
								16.08.2022	Steel	28	295000	282610	7,913,080
		13	71						64,648,000				
		9	89						35,135,000				
		12	90						6,457,000				
2	Executive Engineer Provincial Building Division, Sukkur 2022-23	11	13						9,972,000				
3		04	425	09.06.2024	Supply of light gauge sheets				9,375,000				

Sr.#	Name of office	AIR#	PDP#	pmnt Date	Name of Item	Tons	Rate (R.A)	Rate (Bill)	Amount
	Executive Engineer Provincial Building Division-II, Karachi 2023-24			11.06.2024	Steel				7,224,880
				21.06.2024	Steel				30,948,750
4	Executive Engineer Provincial Building Division, Mirpurkhas 2023-24	09	492	Steel					6,912,000
5	Executive Engineer Health Works (Lower Sindh), Mirpur Hyderabad 2023-24	06	657	08.01.2024	Steel				6,775,875
				23.01.2024	Steel				11,151,000
6	Executive Engineer Provincial Building Division, Shaheed Benazirabad 2023-24	23	605	03.05.2024	Steel				6,225,000
				01.06.2024	Steel (non-utilization)				1,275,000
7	Executive Engineer Provincial Building Division, Sukkur 2023-24	04	576	09.06.2024	Steel				5,400,000
				09.06.2024	Marble Tiles				3,785,000
				29.05.2024	Steel				2,160,000
				06.06.2024	Dismantling CC Reinforcement				2,587,500
8	Executive Engineer, Provincial Building Division Shaheed Benazirabad 2023-24	02	584	14/6/2024 & 21/6/24	Steel 79.343 tons @ 225,000 28.997 tons @ 225,000				24,775,000
		04	586	01/6/2024 7th RA	Secured advance of steel				300,000
									373.039

6.5.20 Abnormal delay in execution of development schemes -Rs. 9,687.280 million

Sr#	Office	Particulars (Work in progress)	Work orders	Stipulated DOC	F.Y	AIR #	PDP #	Amount
1	Executive Engineer, Provincial Highways Division, Khairpur	01 scheme was awarded on 02/05/2014 but not completed despite lapse of nine years	02/05/2014	07/11/2015	2022-23	3	46	23.076
2	Executive Engineer, District Highways Division, Jacobabad	21 Schemes were awarded in May, 2014 but not completed despite lapse of 06 to 10 years	2014 to 2018	2017 & 2018	2022-23	1	286	344.040
3	Executive Engineer, District Highways Division, Ghotki	06 Schemes were awarded during 2013-14 but not completed despite lapse of 2 to 10 years	2013-14	2014 & 2020	2022-23	9	47	91.379
4	Executive Engineer, Highway Division, Hyderabad	02 Schemes were awarded during 2014 but not completed despite lapse of 9 to 10 years	2014	2017	2022-23	9	48	29.263
5	Executive Engineer District Highway Division, Sukkur	03 Schemes were awarded during 2008-09 to 2013-14 but not completed despite lapse of 9 to 14 years	2008-09 to 2013-14	2011-12 to 2016-17	2022-23	5	49	186.351
6	Executive Engineer Provincial Building Division, Sukkur	07 Schemes were awarded during 2009 to 2019 but not completed despite lapse of 4 to 11 years	2009 to 2019	2012 to 2022	2022-23	10	50	533.441
7	Executive Engineer, Highways Division, Matiari	Various schemes not completed	2005-06 to 2008-09	2008-09 to 2011-12	2022-23	8	51	26.642

Sr#	Office	Particulars (Work in progress)	Work orders	Stipulated DOC	F.Y	AIR #	PDP #	Amount
8	Executive Engineer, Building Division, Thatta	03 Schemes were awarded during 2014 to 2017 but not completed despite lapse of 4 to 8 years	2014 to 2017	2015 to 2019	2022-23	23	124	44.439
9	Executive Engineer, District Buildings Division-III, Karachi	02 Schemes were awarded during 2012 to 2018 but not completed despite lapse of 4 to 12 years	2012 & 2018	2015 to 2021	2022-23	1,2&27	129	1,147.855
10	Executive Engineer, District Buildings Division, Tando Muhammad Khan	02 Schemes were awarded during 2013 to 2015 but not completed despite lapse of 6 to 8 years	2013 & 2015	2015 & 2017	2021-22 to 2022-23	1	223	4.791
11	Executive Engineer Highways Division, Shikarpur	Various schemes were awarded but not completed despite lapse of 6 to 10 years	2012 to 2017	2013 to 2017	2022-23	6	257	449.358
12	Executive Engineer, Machinery Maintenance Division Khairpur @ Shikarpur	03 schemes were awarded but not completed despite lapse of 5 to 7 years	2016 & 2018	2019 & 2021	2022-23	25	322	1,524.675
13	Executive Engineer, Highways Division, Matiari	13 works were approved but despite lapse of 05 years now not completed	2015-16 to 2018-19	2018-19 to 2021-22	2023-24	12	472	126.127
14	Executive Engineer, District Highway Division, Ghotki	16 schemes not completed despite lapse of 9 to 10 years	2007 to 2014	2010 to 2017	2023-24	10	514	205.038
15	Executive Engineer, Provincial Buildings Division, Health Works	02 schemes started in 2012 with deadline of 2 years but despite lapse of 12 years not completed	2012	2014	2023-24	9	660	2,227.102

Sr#	Office	Particulars (Work in progress)	Work orders	Stipulated DOC	F.Y	AIR #	PDP #	Amount
	(Lower Sindh), Hyderabad							
16	Executive Engineer Highways Division, Naushahro Feroze	03 schemes of 2018 but not completed	2018	2020	2023-24	12	623	35.246
17	Executive Engineer Provincial Building Division, Sukkur	04 schemes of 2007 but not completed	2007	2010	2023-24	6	578	581.836
18	Executive Engineer, District Highway Division, Umerkot	6 schemes despite lapse of 06 to 10 years, the schemes could not be completed	2017	2020	2023-24	5	637	30.606
19	Executive Engineer, Highways Division, Tharparkar @ Mithi	03 Schemes of 2018 onwards but incomplete	2018	2023	2023-24	8	549	35.049
20	Executive Engineer District Building Division-1, Karachi	Progress report for the year 2021-22 shows 53% work was completed, but in 2022-23 no expenditure incurred although budget and allocation of Rs.29.837 million was available.	2014	2017	2021-23	01	166	171.945
21	Executive Engineer District Building Division-1, Karachi	Progress report for the year 2021-22 shows Rs.412.483 million was incurred out of revised cost of Rs.533.979 million, but in 2022-23 no expenditure incurred although budget and allocation of Rs.39.813 million was available.	2011	2016	2021-23	02	167	412.483

Sr#	Office	Particulars (Work in progress)	Work orders	Stipulated DOC	F.Y	AIR #	PDP #	Amount
22	Executive Engineer District Building Division-1, Karachi	Project completion schedule revise from 3 to 5 years and in 2022-23 no expenditure incurred although budget and allocation of Rs.7.435 million was available.	2014	2017	2021-23	03	168	152.914
23	Executive Engineer District Building Division-1, Karachi	Progress report for the year 2021-22 shows Rs.247.810 million was incurred out of revised cost of Rs.267.360 million, but in 2021-23 no allocation and release for the scheme	2007	2010	2021-23	04	169	247.810
24	Executive Engineer, Building Division-II, Karachi	Delay in completion despite of extension during 2017 for period till 2019	2012	2017	2021-23	01	183	254.646
25	Executive Engineer Provincial Highways Division Khairpur	As per Progress Report the scheme was not completed in 7 years	2017	2019	2023-24	02	407	455.698
26	Executive Engineer Provincial Building Division-II, Karachi	As per Progress Report the scheme was not completed in 05 years	2019	2021	2023-24	05	426	84.444
27	Executive Engineer, Provincial Buildings Division, Mirpurkhas	scheme was approved on 30-05-2017 with cost of Rs. 417.808 million whereas work was executed on only 07 units out of 19 units as per	2017	2020	2023-24	11	494	20.857

Sr#	Office	Particulars (Work in progress)	Work orders	Stipulated DOC	F.Y	AIR #	PDP #	Amount
		Progress Report June-2024.						
28	Executive Engineer, Provincial Building Division Benazirabad	Engineer, Building Shaheed Scheme not completed despite 7 years	2014	2017	2023-24	13	595	13.906
29	Executive Engineer, District Highways Division Benizarabad	Engineer, Highways Shaheed The contractor abandoned the work at the initial stage of earthwork since June 2023 till June 2024	2023	2024	2023-24	2	554	26.816
30	Executive Engineer, Building Division-II, Karachi	Engineer, Division-II, Karachi Work of Establishment Cardiac Emergency Centre at Baldia Town was awarded to the contractor on 23.10.2017	2017	2019	2022-23	11	193	122.125
31	Executive Engineer, District Highway Division, Umerkot	Engineer, Highway Division, Umerkot 07 schemes not completed	2007 to 2018	2021	2023-24	9	641	77.322
Total								9,687.28

6.5.21 Non-imposition of liquidity damages charges – Rs. 486.701million

S.No	Office	F.Y	Particulars	Stipulated date of start	Stipulated date of completion	Penalty on delay (Months)	AIR Para No	PDP#	Amount
1	Executive Engineer, District Highways Dadu	2022-23	11 schemes	2017 to 2019	2018 to 2019	60	19	44	17.060
2	Executive Engineer, District Highways Hyderabad	2022-23	02 schemes	2014	2017	84	1		2.926
3	Executive Engineer, Provincial Buildings Larkana	2022-23	11 schemes	2017	2021	36	1		29.570
4	Executive Engineer, District Highways Division Kashmore	2022-23	2 schemes	2018	2019	60	18		0.804
5	Executive Engineer, District Highways Division Jacobabad	2022-23	22 schemes	2014 to 2017	2014 to 2020	48	4	289	36.018
6	Executive Engineer, District Buildings Division-III, Karachi	2022-23	02 schemes	2018 & 2021	2020 & 2022	24	9	136	27.926
7	Executive Engineer Building Division-1, Karachi	2021-22 to 2022-23	02 schemes	2014 & 2020	2014 & 2021	36	6	180	13.100
8	Executive Engineer, District Buildings Division, Tando Muhammad Khan	2021-22 to 2022-23	05 schemes	2018 & 2019	2020 & 2021	36	5	227	5.889

S.No	Office		F.Y	Particulars	Stipulated date of start	Stipulated date of completion	Penalty on delay (Months)	AIR Para No	PDP#	Amount
9	Executive Highways Shikarpur	Engineer Division,	2022-23	54 schemes	2012 to 2017	2012 to 2019	60	9	260	50.911
10	Executive District Division, Sukkur	Engineer Highway	2022-23	04 schemes	2018	2020	48	4	280	2.510
11	Executive Highways Matiari	Engineer, Division,	2022-23	05 schemes	2021	2022	24	11	281	5.387
12	Executive Provincial Hyderabad	Engineer, Highways	2023-24	02 schemes	2014 & 2017	2020 & 2021	36	4	344	104.066
13	Executive Provincial Highways Hyderabad	Engineer, Coastal	2023-24	04 schemes	2015 to 2020	2016 to 2022	24	3	351	121.175
14	Executive Provincial Hyderabad	Engineer, Buildings	2023-24	03 schemes	2020 & 2022	2021 & 2023	12	12	401	2.621
15	Executive Provincial Division-II, Karachi	Engineer, Buildings	2023-24	01 scheme	2019	2021	36	20	438	8.444
16	Executive Highways Matiari	Engineer, Division,	2023-24	05 schemes	2021	2022	24	11	471	4.292
17	Executive Provincial Mirpurkhas	Engineer, Buildings	2023-24	03 schemes	2016	2018	72	1	484	16.019

S.No	Office	F.Y	Particulars	Stipulated date of start	Stipulated date of completion	Penalty on delay (Months)	AIR Para No	PDP#	Amount
18	Executive Engineer, Highways Division Mirpurkhas	2023-24	09 schemes	2022	2023	12	1	496	8.284
19	Executive Engineer, Highways Division, Tharparkar @ Mithi	2023-24	01 scheme	2021	2023	12	2	543	3.868
20	Executive Engineer, District Highways Division Shaheed Benazirabad	2023-24	03 schemes	2022	2023	12	8	560	3.585
21	Executive Engineer, Provincial Buildings Sukkur	2023-24	03 schemes	2017 to 2020	2019 to 2021	36	9	581	6.835
22	Executive Engineer, Provincial Buildings Shaheed Benazirabad	2023-24	03 schemes	2017 to 2021	2020 to 2021	36	19	601	7.906
23	Executive Engineer, Buildings Division Hyderabad	2023-24	04 schemes	2021 & 2023	2022 & 2023	12	1	662	4.445
24	Executive Engineer, District Highways Umerkot	2023-24	06 schemes	2017	2020	48	8	640	3.060
Total									486.701

Annex-07

6.5.22 Un-justified execution of work within a short period - Rs. 1,155.450 million

(Rs. in million)

Sr.#	Name of Office	Year	Particular	AIR #	PDP#	Amount
1	Executive Engineer, District highways Khairpur	2022-23	Work completion period 6 months but completed within 3 months	04	63	84.703
2	Executive Engineer, District Highways Division Dadu	2022-23	Work completion 24 months but completed within 3 months	11		243.172
3	Executive Engineer, District Highways Division Larkana	2022-23	Work completion 1 month but completed within 17 days	10		37.226
4	Executive Engineer, District Highways Division, Khairpur	2022-23	MBs were recorded by two officials viz., Mr. Adnan Ahmed Phanwar (AEN) in respect of 19 works worth Rs. 36.444 million and Mr. Syed Eshan Shah against 11 works worth Rs. 23.400 million within 08 working days, which doubts as to how MBs were recorded within a short time period whereas works were executed at different locations in the division. It was also worth mentioning as to how works were completed within such short time and also recorded in the MBs.	12	04	59.844
5	Executive Engineer, District Building Division Thatta	2022-23	MBs were recorded by a single official /AEN, Mr. Nabi Bux Shah in respect of 10 works within three (03) working days just after date of commencement of works, which doubts as to how MBs were recorded within a short time period whereas works were executed at different locations in the division. It was also worth mentioning as to how works were completed within such short time and also recorded in the MBs.	08	111	9.663

Sr.#	Name of Office	Year	Particular	AIR #	PDP#	Amount
6	Executive Engineer, District Buildings Division-III, Karachi	2021-22 to 2022-23	payments were made without physical execution of the works at site, since nature of the works shows that such kind of works can be executed within 10 to 15 days	11	138	8.362
7	Executive Engineer, District Buildings Division, Tando Muhammad Khan	2021-22 to 2022-23	just 15 days of receiving work order, 98% of the work was completed, measured, checked and billed`	04	226	2.656
8	Executive Engineer, District Highways Division, Shikarpur	2022-23	works and executed within 03 to 06 days of the award of works	04	255	60.342
9	Executive Engineer, Provincial Highways Division, Khairpur	2022-23	within 01-07 days of award of works by showing significant physical progress Furthermore, date of work order / date & measurement of book was not recorded in the first RA bills	11	273	31.875
10	Provincial Building Division Thatta	2022-23	within a period of 4 days without mentioning date of recording of measurement of works in RA Bills	6	278	28.297
11	Executive Engineer, Machinery Maintenance Division Khairpur @ Shikarpur	2022-23	work and executed within 15 days of the award of work instead of two months in the month of June	23	320	49.241
12	Executive Engineer Provincial Building Division Hyderabad	2023-24	work was paid within 12 days of issuance of work order	09	399	198.429
13	Executive Engineer Provincial Highways Division Badin	2023-24	Work was executed and paid on the same date of work order	04	477	44.223
14	Executive Engineer Highways Division Khairpur	2023-24	Work was executed and paid to contractor in 1 st RA and MB was recorded within 04 days	13	540	46.982
15	Executive Engineer Provincial Building Division Shaheed Benazirabad	2023-24	Work was executed within short duration of 04 months	24	606	13.548
16	Executive Engineer District Highways Division Umerkot	2023-24	Work was executed within short duration of one week of issuance of work order	03	635	236.887
Total						1155.45

6.5.28 Irregular execution of work beyond 15% of contract amount – Rs. 2,538.799 million

S.No	Office	Works	Contractor M/s	F.Y	AIR Para	PDP#	Cost	Expenditure	Excess	%
1	Executive Engineer, District Highways Division Dadu	Improvement of road bypass to HUR camp	Muhammad Yousuf	2022-23	2	59	4.950	14.973	10.022	202
2	Executive Engineer, Provincial Buildings Division Sukkur	Various schemes		2022-23	1		80.610	114.972	34.362	43
3	Executive Engineer, District Highways Division Thatta	Imp. Karachi Thatta Hyderabad Road & M/R work village Hussain khero road		Sufi Brothers & Habibullah Memon	2022-23		6	7.024	13.828	6.803
4	Executive Engineer District Building Division-1, Karachi	Shaheed Mohtarma Benazir Bhutto 200 bedded hospital Khi	Faqir Muhammad	2021-22 to 2022-23	17	179	202.789	339.982	137.193	68
5	Executive Engineer, Highways Division, Sujawal	Imp. of road from thatta Sujawal and Sujawal Jati road	Abdul malik & Abdul Farooq bro	2022-23	12	200	14.856	43.339	28.483	192
6	Executive Engineer, Highways Division, Karachi	Const. of road from Baloch colony expressway to Korangi	Shamsheed Khan & Co	2021-22 to 2022-23	8	215	84.573	98.207	13.634	16
7	Executive Engineer, Machinery Maintenance Division, Khairpur @ Shikarpur	W/R of road from mil murad railway station	Shahbaz world builders	2022-23	9	306	516.54	683.92	167.380	32
8	Executive Engineer, District	Renovation & fixing Solar Plant and Const./Ren. of lavatory block	Abdul Khaliq Khan	2022-23	11	113	5.559	13.638	8.079	145

S.No	Office	Works	Contractor M/s	F.Y	AIR Para	PDP#	Cost	Expenditure	Excess	%
	Building Division Thatta									
9	Executive Engineer, Provincial Buildings Division-III, Karachi	M&R of judges' flats at Bath Island Karachi	Sawaira Enterprises	2023-24	5	327	1.998	12.102	10.104	505
10	Executive Engineer, Provincial Buildings Division-II, Karachi	04 M&R works of office buildings	Pakistan Electric works, Mahi Group, New Bhatti	2023-24	2	423	7.954	104.955	97.001	1220
11	Executive Engineer, Provincial Buildings Division Shaheed Benazirabad	Upgradation of RHC to THQ Hospital Pir jo Goth	Muhammad Awais Kathio	2023-24	10	592	11.883	17.477	5.594	47
12	Executive Engineer, Buildings Division, Hyderabad	08 schemes	7 contractors	2023-24	2	663	31.270	137.580	106.310	340
13	Executive Engineer, District Buildings Division-III, Karachi 2022-23	M R of Health Facilities of 50 Bedded Hospital Shah Faisal Town Karachi (Non-Residential Building) No.TC/B-III/W&S/837 dt30-03-2021 M/s Sunny International Company		2022-23	13	140	1.835	24.930	23.095	1258
		M Rto Quarters of Sindh Government Shafa Khana Korangi No.1 1/2 Karachi No.TC/B-III/W&S/1874 dt23-05-2023 M/s Sunny International Company					1.962	12.118	10.155	517
14	Executive Engineer,	Improvement of road from Gharo Ketu Bunder &		2023-24	7	355	10180.255	11936.70	1,756.854	17

S.No	Office	Works	Contractor M/s	F.Y	AIR Para	PDP#	Cost	Expenditure	Excess	%
	Provincial Coastal Highways Division, Hyderabad	improvement/construction of road from Var Mehar Mitho Shaikh M/s Preety Construction								
		Reconditioning of Chach Jahan Khan Mian Usman Quba @ 1.42 kms to Village Jaffar Boohar via Moosa Pathan, Mile 0/0-4/3 = 7.00 kms. RA#13th and final	M/s Haji Habibullah Khan				78.143	96.097	17.96	22.98%
		Reconditioning of Link Road from Chuhar Jamali Chachh Jahan Khan Road village Ladyoon to Kothi Mile 0/0-5/3 = 8.60 kms RA#10th	M/s Haji Habibullah Khan				101.579	142.923	41.34	40.70%
		Rehabilitation of Road from Amra Stop Sujawal Bathoro Road to Village Shahnawaz Khan Leghari, Mile 0/0-4/3= 7.00 Kms RA#8th	M/s Ghulam Murtaza Enterp:				78.985	95.903	16.92	21.42%
		Const: of road from Allah Dino Mandhro road @11.60 kms to Baharo Zangejo Village Mile 0.0-3/1= 5.00 Kms RA#9th & final	M/s Khokhar Brothers Const:				79.149	93.739	14.59	18.43%
		Const: of road from Chach Jahan Khan Mian Usman Quba @ 1.87 kms to Qadir Minor Village Gul Muhammad Jat and Malook Kalmati , Mile 0/0-3/6 = 6.00 kms RA#11th	M/s Syed Mehboob Alam Shah Bukhari:				78.910	95.367	16.46	20.86%
		Const: of road from Chach Jahan Khan Mian Usman Quba @ 1.87 kms to Qadir Minor Village Gul Muhammad Jat and Malook Kalmati , Mile 0/0-3/6 = 6.00 kms RA#11th	M/s Syed Mehboob Alam Shah Bukhari:				78.910	95.367	16.46	20.86%
Total							11649.734	14188.117	2,538.799	

Annex-09

6.5.29 Irregular payments at reduced rates – Rs.729.800 million

S.No	Office	F.Y	AIR Para No	PDP#	Amount
1	Executive Engineer, District Highways Division Mithi	2022-23	5	43	3.453
2	Executive Engineer, District Buildings Umerkot	2022-23	8		6.546
3	Executive Engineer, District Highways Dadu	2022-23	18		43.926
			6		189.865
4	Executive Engineer, District Highways Matiari	2022-23	2		24.331
5	Executive Engineer, District Highways Larkana	2022-23	2		143.774
6	Executive Engineer, Provincial Buildings Larkana	2022-23	2	47.807	
7	Executive Engineer, Building Division-II, Karachi	2022-23	9	191	2.759
8	Executive Engineer, Highways Division, Sujawal	2022-23	15	203	10.117
9	Executive Engineer, District Building Division, Umerkot	2023-24	5	628	3.629
10	Executive Engineer, Provincial Coastal Highway, Division Hyderabad	2023-24	4	352	47.663
11	Executive Engineer, Provincial Highways Division, Sukkur	2023-24	5	366	109.133
12	Executive Engineer, Provincial Building Division-II, Karachi	2023-24	17	435	2.208
13	Executive Engineer, Provincial Building Division Shaheed Benizarabad	2023-24	25	607	3.582
14	Executive Engineer, District Highway Division, Umerkot	2023-24	4	636	11.779
15	Executive Engineer, District Buildings Division-III, Karachi	2022-23	24	150	48.928
16	Executive Engineer District Building Division-1, Karachi	2022-23	10	174	30.300
				Total	729.8

Annex-10

6.5.33 Irregular acceptance of single bid without market analysis – Rs.3,767.505 million

(Rs. in million)

Sr. #	Name of office	Year	AIR Para #	PDP #	Amount
1	Executive Engineer, Provincial Building Division Larkana	2022-23	06	34	15.543
2	Executive Engineer, District Highways Division Naushaharo Feroze	2022-23	4		14.361
3	Executive Engineer, District Highways Division Khairpur	2022-23	9		21.879
4	Executive Engineer, District Highways Dadu	2022-23	14		93.986
5	Executive Engineer, District Buildings Division Umerkot	2022-23	17		16.370
			02	16.369	
6	Executive Engineer, District Building Division Thatta	2022-23	21	123	3.961
7	Executive Engineer, Provincial Highways Division, Hyderabad	2023-24	06	345	628.00
8	Executive Engineer, Provincial Highways Division, Dadu	2023-24	04	451	2,435.225
9	Executive Engineer, Highways Division, Mirpurkhas	2023-24	09	504	71.285
10	Executive Engineer, Highways Division, Dadu	2023-24	02	516	14.563
11	Executive Engineer, Highways Division, Tharparkar	2023-24	11	552	19.876
12	Executive Engineer, District Highways Division, Shaheed Benazirabad	2023-24	06	558	42.185
13	Executive Engineer, District Building Division, Umerkot	2023-24	02	625	39.833
14	Executive Engineer, District Highways Division, Umerkot	2023-24	07	639	4.744
15	Executive Engineer, Provincial Building Division-I, Karachi	2023-24	06	723	329.325
Total					3,767.505

6.5.34 Irregular execution of work in deviation of specifications – Rs. 1,780.081 million

Sr.#	Name of Office	AIR#	PDP#	Financial Year	Particulars	Exp:
1	Executive Engineer, District Highways Division, Nausharo Feroze	09	09	2022-23	Expenditure was incurred on Part-A in deviation of approved specifications	158.427
2	Executive Engineer, Building Division, Umerkot	05	15	2022-23	total quantity of RCC executed was 5056 Cft. As per technical sanction Fabrication of mild steel required to be used for RCC item was 258.75 Cwt but contractor utilized steel 202.20 Cwt as evident from sanctioned estimate	1.704
3	District Building Division Naushahro feroze	09	12	2022-23	item of laying and fixing paving blocks (Pigment) of 80 mm at a rate of Rs.197.07 per sq.ft, whereas the applicable rate for 80 mm paver block (Pigment) was Rs. 248.17 per sq.ft. Furthermore, the same item in other R.A. Bill was procurement below schedule rate @ 81.75 P.Sft and 69.65 P.Sft	2.847
4	Executive Engineer, Highways Division, Kashmore @ Kandhkot	13	16	2022-23	Steel and RCC work executed without work of the items of dismantling, stone ballast, erection & removal which revealed that the work was not executed as per the specifications	1.081
5	Executive Engineer, District Highways	13	06	2022-23	construction of road but earth work, which is the basic item for construction of road was not carried out.	4.186

Sr.#	Name of Office	AIR#	PDP#	Financial Year	Particulars	Exp:
	Division, Khairpur				Furthermore, execution of 1 st coat and providing 1” thick consolidated items was shown executed without earth work and sub base	
6	Executive Engineer, District Highways Division, Nausharo Feroze	03	19	2022-23	execution of items containing work on existing surface and its coating whereas the work on preparing base course, as envisaged in the BOQ & estimated cost of work was not executed	1.997
7	Executive Engineer, District Highways Division Mithi	3	45	2022-23	Initial items were not executed	4.519
8	Executive Engineer, District Highways Khairpur	8		2022-23	Initial items were not executed	38.250
9	Executive Engineer, District Highways Matiari	1		2022-23	Advance payment as Initial items were not executed	15.616
10	Executive Engineer, District Highways Division Naushaharo Feroze	12		2022-23	Initial items were not executed	2.934
11	Executive Engineer, District Buildings Division Naushaharo Feroze	8		2022-23	Initial items were not executed	2.382

Sr.#	Name of Office	AIR#	PDP#	Financial Year	Particulars	Exp:
12	Executive Engineer, Provincial Buildings Division Thatta	2		2022-23	Initial item of Verona marble was not executed	30.051
13	Executive Engineer, Highways Division, Kashmore @ Kandhkot	11	18	2022-23	Payment of steel without execution of RCC work	2.092
14	Executive Engineer, Building Division Umerkot	07	36	2022-23	Excess execution of G.I frame i/c Chowkat for door	2.016
15	Executive Engineer, District Highways Dadu	04		2022-23	Excess execution of items of works beyond permissible limit	98.819
16	Executive Engineer, Provincial Buildings Division Thatta	07		2022-23	Excess execution of steel	62.119
17	Executive Engineer, District Highways Division Khairpur	03		2022-23	Whole expenditure within 2 months on Part-A without Part-B (iii & iv) in deviation of estimates, P/S Paving Blocks without initial items to executed them as per estimate	14.905
18	Executive Engineer, District Highways Larkana	07		2022-23	Excess execution of items of works beyond permissible limit	6.639
19	Executive Engineer, Building Division,	04		2022-23	Execution of work in deviation of estimate	4.481

Sr.#	Name of Office	AIR#	PDP#	Financial Year	Particulars	Exp:
	Naushero Feroze					
20	Executive Engineer, District Building Division Thatta	7	110	2022-23	various items were executed in excess of the ratio of allied items as provided in the estimate/T.S	0.417
		14	116	2022-23	Cement concrete brick stone ballast was executed 1160 Cft till 13 th R.A Bill but the same was increased to 3260 Cft in the 14 th R.A Bill increase in quantity of item was unjustified as there was no proportional increase in the quantities of other items in the 14 th R.A Bill	0.198
21	Executive Engineer, Building Division-II, Karachi	8	190	2022-23	excess execution of paving block than provided in the estimate	2.419
22	Executive Engineer, Highways Division, Sujawal	5	196	2022-23	Preparing Base Course” was less executed as compared to the engineer’s estimates and its corresponding item i.e. Surface Dressing was executed in excess as compared to the engineer’s estimates	0.419
		14	202	2022-23	items of earthwork & course rubber masonry were executed more than the quantity provided in the estimate/T.S	0.961
23	Executive Engineer, Highways Division, Karachi	10	220	2022-23	Item executed in excess to the quantities provided in the revised estimate	1.063
24	Executive Engineer, Highways	9	218	2022-23	non-execution of item of works on the completed	3.642

Sr.#	Name of Office	AIR#	PDP#	Financial Year	Particulars	Exp:
	Division, Karachi				schemes by disregarding its estimates	
25	Executive Engineer, Highway Division, Jacobabad	9	294	2022-23	non-execution of various allied items	3.614
26	Executive Engineer District Building Division-1, Karachi	14	177	2022-23	M.S Steel Bar instead of Cold Twisted Tor bars in violation of approved specification	9.765
27	Executive Engineer, District Highways Division, Shikarpur	7	253	2022-23	Work without execution of the ancillary items	714.969
28	Executive Engineer, Machinery Maintenance Division Khairpur @ Shikarpur	16	313	2022-23	Work without execution of the ancillary items	225.552
29	Executive Engineer, Highway Division, Jacobabad	3	288	2022-23	Work without execution of the ancillary items	29.079
30	Executive Engineer, Provincial Buildings Division-II, Karachi	3	424	2023-24	RCC work in foundation and Ground floor were executed (11% to 47%) below the estimated quantities, whereas RCC work in 1 st to 4 th floor was executed as per estimates including marble work. Further, quantities of steel in foundation did not commensurate with RCC in foundation	24.469
31	Executive Engineer,	7	453	2023-24	execution of quantities more than 30% of already	13.357

Sr.#	Name of Office	AIR#	PDP#	Financial Year	Particulars	Exp:
	Provincial Highways Division, Dadu				revised quantities of estimate	
32	Executive Engineer, Highways Division, Matiari	3	463	2023-24	schemes were shown completed at 89% cost Rs.137.188 million against the awarded cost of Rs. 154.038 million, by executing less quantities (5% to 13%) below the estimated quantities/not as per PWD Specifications	137.188
		4	464	2023-24	scheme was shown completed, whereas other parts of the work remained un-executed thus defective execution in deviation of specifications	39.921
33	Executive Engineer, District Highways Division, Ghotki	3	507	2023-24	Expenditure incurred over and above estimate without authorization	2.129
34	Executive Engineer, Highways Division, Dadu	10	524	2023-24	item of Base course executed as fresh layer without dismantling of existing layer in violation of specification	9.097
35	Executive Engineer, Highways Division, Khairpur	5	532	2023-24	execution of paving blocks without proportional execution of allied items besides non-execution of initial items in order to complete the works as per approved estimates	18.528
		6	533	2023-24	quantity of fabrication of mild steel was used 7.5 tons without execution of RCC work	2.104
		7	534	2023-24	allowed excess quantity of premixed carpet than the due quantity as compared to the quantity of surface	2.069

Sr.#	Name of Office	AIR#	PDP#	Financial Year	Particulars	Exp:
					dressing 1 st cost, specified in the estimate	
		8	535	2023-24	execution of various items i.e. Earthwork embankment, Base course, Lying brick edging and surface dressing two coats for the construction of new road without execution of item Sub base course	10.789
36	Executive Engineer, Provincial buildings Division, Health Works (Lower Sindh), Hyderabad	2	653	2023-24	excess execution of items of works against the quantity provided in the estimates	65.579
37	Executive Engineer, Highways Division, Naushero Feroze	9	620	2023-24	item of Base course executed as fresh layer without dismantling of existing layer in violation of specification	4.534
		10	621	2023-24	item of Base course executed as fresh layer without dismantling of existing layer in violation of specification	3.154
						1780.081

Annex-12

6.5.35 Irregular refund of Security Deposit – Rs. 198.095 million

(Rs. in million)

Sr#	Office	Particulars	F.Y	AIR #	PDP#	Name of work(s)	contractor	Date of completion	SD returned on	Amount
1	Executive Engineer, Provincial Highways Division Khairpur	Prior to completion of defect liability period.	2022-23	4	40	Impr. w/r of roads of Khaipur	M/S New AAA & M/S Latif Petroleum	6/23	2/23	12.305
2	Executive Engineer, District Buildings Umerkot	Prior to completion of defect liability period.	2022-23	13		Const. of 10 bed Hospital	M/S Junejo	12/23	6/23	0.836
3	Executive Engineer, Provincial Buildings Division Thatta	75% security deposit refunded before completion of work	2022-23	5		Judicial Complex 06 courts	M/S Mumtaz	6/23	5/23	1.424
4	Executive Engineer, District Highways Thatta	Security refunded without completion certificate	2022-23	10		various	various	21 & 23	Nov. & Dec-22	4.420

Sr#	Office	Particulars	F.Y	AIR #	PDP#	Name of work(s)	contractor	Date of completion	SD returned on	Amount
5	Executive Engineer, District Highways Larkana	Prior to completion of defect liability period.	2022-23	9		various	various	21 & 22	6/23	3.683
6	Executive Engineer, District Buildings Division-III, Karachi	SD refunded prior to completion of work	2022-23	19	145	various	various	20 to 21	21 to 23	11.252
7	Executive Engineer, Building Division-II, Karachi	SD refunded prior to completion of work	2021-2023	5	187	Expansion Abbasi Shaheed Hospital	M/S H.S	12/22	9/22	12.466
8	Executive Engineer, Highways Division, Sujawal	SD refunded prior to completion of work	2022-23	3	195	Imp. Road sujawal village tarr. Khowaja	M/S A.Farooq	6/23	4/23	0.666
9	Executive Engineer Highways Division, Shikarpur	SD refunded prior to completion of work	2022-23	5	256	various	various	6/23	1/23	58.154
10	Executive Engineer,	securities of Rs. 15.230 million were	2021-22 to 2022-23	11	221	03 works	various	WIP	Jan to June-22	15.230

Sr#	Office	Particulars	F.Y	AIR #	PDP#	Name of work(s)	contractor	Date of completion	SD returned on	Amount
	Highways Division, Karachi	refunded during audit period without obtaining work completion reports (PC-IV)								
11	Executive Engineer, Machinery Maintenance Division Khairpur at Shikarpur	refunded during the execution of work and prior to completion of defect liability period	2022-23	13	310	W/R railway station & Const. Road from Azizabad	M/S Shaibaz & M/S Haji Sultan	WIP	June-23	13.254
12	Executive Engineer, Provincial Building Division-II, Karachi	refunded before completion of defect liability period	2023-24	19	437	Establishment of SEF Office & M&R to deputy Commissioner	M/S Pakistan civil & M/S New Bhatti	WIP/record not available	Jan to May-24	6.097
13	Executive Engineer, Provincial	final nil bill and completion	2023-24	07	490	various	various	WIP	Jan-May-24	3.495

Sr#	Office	Particulars	F.Y	AIR #	PDP#	Name of work(s)	contractor	Date of completion	SD returned on	Amount
	Building Division, Mirpurkhas	certificate was not available								
14	Executive Engineer, Highways Division, Mirpurkhas	final nil bill and completion certificate was not available	2023-24	07	502	various	various	WIP	Oct-23 to June-24	26.576
15	Executive Engineer, Highways Division, Khairpur	refunded during the execution of work	2023-24	11	538	various	various	Oct-23 to May-24	Oct-23 to May-24	10.775
16	Executive Engineer, District Highways Division, Sanghar	refunded during the execution of work	2023-24	09	571	Const. surface drain CC path ward 11 to 23	M/S Indus	2/24	19/10/23	0.366
17	Executive Engineer, Building Division, Hyderabad	final nil bill and completion certificate was not available	2023-24	08	669	various	various	WIP	Sept-23 to Jan-24	7.138

Sr#	Office	Particulars	F.Y	AIR #	PDP#	Name of work(s)	contractor	Date of completion	SD returned on	Amount
18	Executive Engineer, Machinery & Maintenance Division, Umerkot	refunded during the execution of work	2023-24	10	339	Const. of road new chore to Mahendre	Haji Sirajuddin	1/24	2/24	9.958
Total										198.095

Annex-13

6.5.40 Non-crediting of government revenue in treasury – Rs. 235.545 million

(Rs. in Million)

S.No	Office	Particulars	F.Y	AIR	PDP#	Amount
1	Executive Engineer, District Highways Division Sukkur	Non-crediting of Call Deposits	2022-23	3	33	18.00
2	Executive Engineer, Provincial Building Division Sukkur	Non-crediting of call deposit & receipts in treasury	2022-23	4		5.122
3	Executive Engineer, District Highways Matiari	Non-crediting of Call Deposits	2022-23	6		1.725
4	Executive Engineer, District Highways Division Hyderabad	Non-deposit in government revenue	2022-23	8	56	14.978
5	Executive Engineer, District Highways Division Matiari	Non-deposit of tender fee	2022-23	10		0.360
6	Executive Engineer, District Buildings Division-III, Karachi	Non-crediting of Call Deposits	2022-23	12	139	8.500
7	Executive Engineer, Highways Division, Sujawal	Non-crediting of Call Deposits	2022-23	13	201	2.249
8	Executive Engineer, District Buildings Division, Tando Muhammad Khan	Non-crediting of Call Deposits	2021-22 to 2022-23	7	229	1.067

(Rs. in Million)

S.No	Office	Particulars	F.Y	AIR	PDP#	Amount
9	Executive Engineer, District Buildings Division-III, Karachi	retained in Deposit Account instead of credit	2022-23	4	131	1.602
10	Executive Engineer District Building Division-I, Karachi	Non-deposit in government revenue	2021-22 to 2022-23	5	170	1.913
11	Executive Engineer Highways Division, Shikarpur	Non-deposit in government revenue	2022-23	10	261	11.701
12	Executive Engineer, Highways Division, Matiari	bid security not credited in the government account	2023-24	10	470	6.885
13	Executive Engineer, Highways Division, Mirpurkhas	Non-deposit in government revenue	2023-24	4	499	1.710
14	Executive Engineer, Buildings Division, Hyderabad	Non-deposit in government revenue	2023-24	6	667	0.913
15	Executive Engineer, Highways Division, Tharparkar Mithi	bid security not credited in the government account	2023-24	10	551	0.985
16	Executive Engineer, District Highways Division Shaheed Benizarabad	bid security not credited in the government account	2023-24	5	557	4.701
17	Executive Engineer, Machinery & Maintenance, Umerkot	bid security and other receipts not credited in the government account	2023-24	5	682	66.463
18	Executive Engineer, Highways Division Kashmore @ Kandhkot	Revenue not credited	2022-23	17/P	28	3.087
				25		7.834
19	Executive Engineer, Provincial Buildings Division Hyderabad	Revenue not credited	2022-23	10		1.981
20	Executive Engineer Provincial Building Division, Sukkur	Non-crediting of recovery of dismantled material	2023-24	3	575	2.021
Total						235.545

Annex-14

6.5.41 Non/Less deduction of Security Deposit - Rs. 89.511 million

(Rs. in Million)

S.No	Office	Particulars	F.Y	AIR Para No	PDP#	Amount
1	Executive Engineer, District Highways Division Hyderabad	Less deduction of security deposit	2022-23	10	53	0.718
2	Executive Engineer, District Buildings Division Naushaharo Feroze	Less deduction of Call deposit	2022-23	6		0.459
3	Executive Engineer, Provincial Buildings Division Thatta	Non-deduction of security deposit	2022-23	11		1.470
4	Executive Engineer, District Highways Division Thatta	Non-deduction of security deposit	2022-23	5		0.754
5	Executive Engineer, District Highways Division Mithi	Less deduction of security deposit	2022-23	1		1.776
6	Executive Engineer, District Highways Division Kashmore	Less deduction of security deposit	2022-23	22		0.769
7	Executive Engineer, Provincial Buildings Division Hyderabad	Less deduction of security deposit	2022-23	5		2.079
8	Executive Engineer, Machinery Maintenance Division, Khairpur @ Shikarpur	Less deduction of security deposit	2022-23	11	308	2.182
9	Executive Engineer, Provincial Highway Division, Badin	Less deduction of security deposit	2023-24	7	480	65.254
10	Executive Engineer, Highways Division, Mirpurkhas	Less deduction of security deposit	2023-24	3	498	2.661
11		Less deduction of security deposit	2023-24	5	666	4.753

S.No	Office		Particulars	F.Y	AIR Para No	PDP#	Amount
	Executive Buildings Hyderabad	Engineer, Division,	Non-obtaining performance security	2023-24	11	672	6.437
12	Executive Provincial Division Hyderabad	Engineer, Building	Non-deduction of security deposit	2023-24	6	709	0.199
						Total	89.511

Annex-15

6.5.43 Excess payment on account of bitumen – Rs. 352.409 million

Sr.#	Name of office	AIR #	PDP #	Financial Year	Particular	Amount
1	Executive Engineer, Highways Division, Kashmore @ Kandhkot	8	17	2022-23	admissible rate of differential cost against the item of Asphalt Grade 80/100 packed was Rs. 85,539.27 P. ton (Rs. 171,752.27 P. ton. – Rs. 86,213 P. ton.). However, contrary to the above the payment was made @ Rs. 90,015.05 P. ton with excess rate of Rs. 4,475.78 P. ton. This resulted into excess payment against the quantity of 420.42 tons of amounting to Rs. 1.882 million	1.882
2	Executive Engineer, District Highways Division, Ghotki	8	77	2022-23	different cost of material was paid amounting to Rs. 11.249 million, however in estimate difference cost of material allowed was amounting to Rs. 10.820 million. Hence, it resulted in excess payment of Rs. 0.429 million	0.429
3	Executive Engineer,	07	87	2022-23	the management awarded the work of Rs. 18.423 million	1.405

Sr.#	Name of office	AIR #	PDP #	Financial Year	Particular	Amount
	District Highways Division, Nausharo Feroze				but additional difference of cost of material of Rs. 1.558 million was paid against approved cost of Rs. 0.153 million, which resulted in excess payment of Rs. 1.405 million	
4	Executive Engineer, Highways Division, Kashmore @ Kandhkot	7	11	2022-23	composite rate of 1" thick pre-mixed carpet was admissible but rate of escalation on bitumen was paid @ 1 - ½" pre-mixed carpet	16.434
5	Executive Engineer, Highways Division, Thatta	4	74	2022-23	bitumen without obtaining documentary evidence from National Refinery	6.197
		7	100	2022-23	difference of cost against bitumen and sub-base course was allowed on new rates	1.920
6	Executive Engineer. Highways Division, Shikarpur	8	254	2022-23	increased cost of bitumen without documentary proof regarding bitumen purchased from National Refinery	26.930
7	Executive Engineer, Machinery Maintenance Division Khairpur at Shikarpur	17	314	2022-23	Documentary proof regarding bitumen purchased from National Refinery	291.093
8	Executive Engineer. Highways Division, Khairpur	02	529	2023-24	Excess rate paid in difference cost of bitumen	2.497
9	Executive Engineer. Highways	08	619	2023-24	Excess rate paid in difference cost of bitumen	3.622

Sr.#	Name of office	AIR #	PDP #	Financial Year	Particular	Amount
	Division, Nausheroferoz					
Total						352.409

Annex-16

6.5.45 Unauthorized execution of works beyond jurisdiction – Rs. 1,389.408 million

(Rs. in million)

S.No	Office	Financial Year	Work executed	Jurisdiction	AIR #	PDP#	Amount
1	Executive Engineer, District Highways Division Mithi	2022-23	Paver blocks in streets	Public Health Engineering	6	31	2.444
2	Executive Engineer Buildings Division, Umerkot	2022-23	CC road at streets	District Highway division	3		33.867
3	Executive Engineer Highways Division Dadu	2022-23	Paver blocks in streets	Public Health Engineering	16		28.332
			Paver blocks in streets	Public Health Engineering	3		139.359
4	Executive Engineer, District Highways Kashmore	2022-23	Rehab of Internal roads MC	Municipal Committee	15		178.911
5	Executive Engineer Highways Division Larkana	2022-23	Paver work	Public Health Engineering	1	268.641	
6	Executive Engineer, District Highways Division, Shikarpur	2022-23	Various works	Public Health Engineering	3	254	278.874
7	Executive Engineer, District Highways Division, Jacobabad	2022-23	Various works	Public Health Engineering	2	287	46.943
8	Executive Engineer, Machinery Maintenance Division Khairpur @ Shikarpur	2022-23	Paver/Tuff tile at various streets	PHE&RDD	15	312	137.140
9	Executive Engineer Highways Division Dadu	2023-24	Paver work	Local Govt.	08	522	18.086
10	Executive Engineer, District Building Division, Umerkot	2023-24	CC Road & Drains	PHE&RDD / M.Committees	01	624	84.863

S.No	Office	Financial Year	Work executed	Jurisdiction	AIR #	PDP#	Amount
11	Executive Engineer, District Highways Division, Umerkot	2023-24	CC Road, Paver Block	PHE&RDD	10	642	50.480
12	Provincial Buildings Division No.1, Karachi	2023-24	Electrification works	EE Division-I, Karachi	07	724	121.468
Total							1389.408

Annex-17

6.5.69 Non-conforming quality standards in expenditure of paving block-Rs. 18.303 million

Scheme	Contractor	W.O & Date	CV & Date	Item	Qty	Rate	Amount
Construction of road from Bahlil shah to sujawal alkhani via Ali mura Shahani	Shahbaz Construction Services	512 & 04.08.2023	11 & 20.05.2024	P/F cement paving block flooring having size of 197 X 97 X 60 (mm)	33792	150	5.068
Construction of paving block CC Block providing laying jointing & testing P.E in various wards of Johi city Sawro (SOLAR SYSTEM)	Shahbaz Construction Services	163 & 15.05.2023	29 & 27.05.2024	P/F cement paving block flooring having size of 197 X 97 X 60 (mm)	55843	167	9.326
Construction of paving block CC Block & drain at village Nazir leghari	Ahmed Mallah	447 & 06.06.2023	39 & 27.05.2024	P/F cement paving block flooring having size of 197 X 97 X 80 (mm)	2614	197	0.515

Scheme	Contractor	W.O & Date	CV & Date	Item	Qty	Rate	Amount
Construction of paving block & drain at village mounder	F.S.M Enterprises	209 & 23.05.2024	90 & 30.05.2024	P/F cement paving block flooring having size of 197 X 97 X 60 (mm)	20324	167	3.394
Total							18.303

Annex-18

6.5.70 Unjustified invitation of tender without availability of funds- Rs. 127.263 million

(Rs. in Million)

S.No	Scheme	Contractor	W.O & Date	NIT Date	Liabilities	Amount
1	Construction of metaled road from Faqir Muhammad Jamali to Wahid Bux Khoso	F.S.M Enterprises	218 & 23-05-2024	35 & 05.04.2024	0.044	14.802
3	Construction of paving block & drain at village Chanjro Aslam Chanjro	F.S.M Enterprises	206 & 23-05-2024	35 & 05.04.2024		4.897
4	Construction of paving block & drain at village Changlani Khoso Muhalla Panhwar Muhallah & Birhamani Muhallah	Zafar Ali Narejo	204 & 23-05-2024	35 & 05.04.2024	0.214	9.725
6	Construction of paving block & drain at village Mounder	F.S.M Enterprises	209 & 23-05-2024	35 & 05.04.2024	0.238	4.68
7	Construction of paving block & drain at village Bahawalpur to Dadu	F.S.M Enterprises	223 & 23-05-2024	35 & 05.04.2024	0.759	39.101
8	Construction of paving block & drain at village Advocate Iqbal Solangi	Global Enterprises	94 & 22-05-2024	35 & 05.04.2024		4.894

(Rs. in Million)

S.No	Scheme	Contractor	W.O & Date	NIT Date	Liabilities	Amount
9	Construction of paving block & drain at village Muhammad Hassan Panhyar	Global Enterprises	210 & 23-05-2024	35 & 05.04.2024		4.849
10	Improvement of road Dadu Johi road to Qasimabad	Global Enterprises	213 & 23-05-2024	35 & 05.04.2024		4.927
11	Improvement of rod from Gorakh Road to Bakhar Jamali Road via Sevo Jamali	F.S.M Enterprises	224 & 23-05-2024	35 & 05.04.2024	0.224	19.68
12	Improvement of road from Chinni Hassan road to Sardar Chakar khan Shahani	Global Enterprises	222 & 23-05-2024	35 & 05.04.2024		9.848
13	Improvement of road from Thariri Jado Shaheed to Kot Bajju	F.S.M Enterprises	220 & 23-05-2024	35 & 05.04.2024	0.04	9.86
Total					1.519	127.263

6.5.82 Less deduction of retention money – Rs.7.948 million

WO # & dt	Name of work	Name of Contractor	Contract Cost	CV NO & Date	Description	Gross Amount	SD Due	SD Deducted	Diff:	
821 & 6.12.23	Pkg-1, Rehabilitation & Improvement of Roads in Dist: Thatta	M/s Sardar M.Ashraf D.Balouch	2,458,681,619	ws 019 & 7.06.24	IPC 01	164,664,806	8,233,240	6,998,254	1.234986	
822 & 6.12.23	Pkg-2, Rehabilitation & Improvement of Roads in Dist: Badin	M/s FB-MCPL (JV)	4,131,500,443	ws022 & 7.06.24	IPC 01	178,117,653	8,905,883	7,570,000	1.335883	
823 & 6.12.23	Pkg-3, Rehabilitation & Improvement of Roads in Dist: Umerkot & Mirpur Khas	M/s Umer Jan & Company	3,016,208,957	ws009 & 01.01.24	IPC 01	69,158,331	3,457,917	2,939,229	0.518688	
824 & 6.12.23	Pkg-4, Rehabilitation & Improvement of Roads in Dist: Umerkot & Sanghar	M/s Umer Jan & Company	2,875,553,650	ws010 & 01.06.24	IPC 01	67,388,179	3,369,409	2,863,998	0.505411	
825 & 6.12.23	Pkg-5, Rehabilitation & Improvement of Roads in Dist: Tando Allahyar	M/s Niaz Muhammad Khan & Brothers	1,541,557,501	ws020 & 07.06.23	IPC 01	124,333,474	6,216,674	5,284,173	0.932501	
831 & 06.12.23	Pkg-12, Rehabilitation & Improvement of Roads in Dist: Nausheroferoze & Shaheed Benazirabad	M/s Spgel	4,565,633,609	ws021 & 07.06.24	IPC 01	51,365,535	2,568,277	2,183,035	0.385242	
832 & 06.12.23	Pkg-13, Rehabilitation & Improvement of Roads in Dist: Shaheed Benazirabad	M/s Sardar M.Ashraf D.Balouch	1,814,864,165	ws025 & 10.06.24	IPC 01	71,439,879	3,571,994	3,036,195	0.535799	
833 & 06.12.23	Pkg-16, Rehabilitation & Improvement of Roads in Dist: Larkana	M/s Umer Jan & Company	3,455,560,751	ws012 & 01.06.24	IPC 01	180,480,738	9,024,037	7,670,431	1.353606	
834 & 06.12.23	Pkg-17, Rehabilitation & Improvement of Roads in Dist: Kamber Shadadkot	M/s Umer Jan & NPI JV	4,086,157,054	ws01 & 01.06.24	IPC 01	65,308,917	3,265,446	2,775,629	0.489817	
				ws027 & 11.06.24	IPC 02	29,780,414	1,489,021	1,265,668	0.223353	
835 & 06.12.23	Pkg-18, Rehabilitation & Improvement of Roads in Dist: Shikarpur & Kashmore @ Kandhkot	M/s Sardar M.Ashraf D.Balouch	2,039,820,049	ws017 & 17.06.24	IPC 01	57,674,833	2,883,742	2,451,180	0.432562	
TOTAL							52,985,638	45,037,792	7.94785	



GOVERNMENT OF PAKISTAN
Ministry of Science & Technology No. FC-018/2024-2025
5026357
Pakistan Council of Scientific & Industrial Research
Laboratories Complex, Karachi
 Shahrah-e-Salam, Zamzama Road, O.H. University Road, Karachi-75240
 (EPA-LAB/Certificate/MUET/USPCASW/21/2020)

TEST REPORT

Test Report No. ILD/ATR-2024-32538-2 Date: 19-09-2024

1. Name and Address of Client: Mr. Maqbool Ahmed,

Ref. No: _____ Date of Receipt: 12-09-2024

2. Description of the Sample: Sample No. 2 "Miri Bah" Make: _____
 Item: Water Mark if any: _____

Lab. Code No: ILDS/TP-2024-32538-2

3. Condition found on receipt: Properly Packed Date of Sampling: _____

4. Environmental Conditions (Where applicable): Within Acceptable Limits Humidity: _____

5. Method Used: Standard Methods for the Examination of Water & Wastewater, 23rd Edition, American Public Health Association, 2017 Uncertainty: _____

6. Measurement & Results:

Chemical Analytes	Results	WHO Guidelines
pH	7.1	6.5 - 8.5
*E-Conductance	12080 µS/cm	
Calcium	800 mg/L	
Magnesium	590 mg/L	200 mg/L
Sodium	1220 mg/L	250 mg/L
Chloride	1420 mg/L	250 mg/L
Sulfate	460 mg/L	250 mg/L
*Total Dissolved Solids	6020 mg/L	1000 mg/L
Turbidity	07 NTU	05 NTU

7. Statement of Compliance: N/A

8. Opinion / Interpretation: _____

*Accredited from PMAC (ISO/IEC 17025:2017)

End of Report

Prepared by: [Signature] Head of the Centre
 Counter Signatures: [Signature] Director General

PH: Director General: +92-21-99241922; 8141-192-21-99241919
 FAX: +92-21-99241911; 8141-192-21-99241917
 Email: gc@pcsil.gov.pk; info@pcsil.gov.pk
 Website: www.pcsil.gov.pk; www.pcrb.gov.pk

* This test report is based solely on the particular samples supplied by the client and should not be reported in part.
 * Sampling has not been performed in the PC-SIL Lab and PC-SIL does not accept the responsibility for the results supplied in case of any re-sampling or re-test or any other test.
 * While the PC-SIL agrees to take every reasonable precaution to ensure validity of its test results, it assumes no liability beyond the amount of the fee charged for the analysis.
 * The party shall assume full responsibility for the actual use of the results in the test report until the laboratory shall be held free from any and all claims, which may result from the use of such data by the client or others.
 * After completion of the test report the sample, if required, will be retained for one month and requested otherwise.
 * The contents of this certificate issued by us are intended, used for the publicity of the product in any advertisement.
 * Electronic copies of this certificate can be provided on request.

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JAMSHORO 76062, SINDH, PAKISTAN
 Sindh-EPA Certified Water Air and Soil Quality Labs
 (EPA-LAB/Certificate/MUET/USPCASW/21/2020)

ADVANCED WATER & WASTEWATER QUALITY CONTROL LABORATORY (AW&QCL)

TEST REPORT Page: 4/11

Customer's Name	Mr. Maqbool	Test Report No	AWQCL-27/2024
Customer's E-mail	-----	Customer's Contact #	-----
Location	-----	Reporting Date	14-11-2024
Receiving Date	05-11-2024	Sample Code	WS-44/2024
Sample Description	Sample 4: Bewato (Raw)	Sampling Date	05-11-2024
Quotation No.	---	Invoice No.	146

PARAMETERS	TEST METHOD	TEST RESULTS	
		Sample 4: Bewato (Raw)	Spec. Limits
pH	pH Meter (HANNA)	7.4	6.5-8.5
TDS (mg/l)	WTW (Cond 3110)	6110	<1000 mg/l
EC (µS/cm)	WTW (Cond 3110)	9400	---
Turbidity (NTU)	Turidcheck (Lovibond)	1.3	<5 NTU

*Note: Samples received in PET non-sterilized bottles.
 ** This report is not valid for any legal action.

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ADVANCED WATER & WASTEWATER QUALITY CONTROL LABORATORY (AW&QCL)

TEST REPORT Page: 5/11

Customer's Name	Mr. Maqbool	Test Report No	AWQCL-27/2024
Customer's E-mail	-----	Customer's Contact #	-----
Location	-----	Reporting Date	14-11-2024
Receiving Date	05-11-2024	Sample Code	WS-65/2024
Sample Description	Sample 5: WAWADI Dora (Raw)	Sampling Date	05-11-2024
Quotation No.	---	Invoice No.	146

PARAMETERS	TEST METHOD	TEST RESULTS	
		Sample 5: WAWADI Dora (Raw)	Spec. Limits
pH	pH Meter (HANNA)	7.5	6.5-8.5
TDS (mg/l)	WTW (Cond 3110)	8476	<1000 mg/l
EC (µS/cm)	WTW (Cond 3110)	13040	---
Turbidity (NTU)	Turidcheck (Lovibond)	1.2	<5 NTU

*Note: Samples received in PET non-sterilized bottles.
 ** This report is not valid for any legal action.

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ADVANCED WATER & WASTEWATER QUALITY CONTROL LABORATORY (AW&QCL)

TEST REPORT Page: 18/34

Customer's Name	Mr. Maqbool	Test Report No	AWQCL-28/2024
Customer's E-mail	-----	Customer's Contact #	-----
Location	-----	Reporting Date	25-11-2024
Receiving Date	14-11-2024	Sample Code	WS-40/2024
Sample Description	Sample 18: Civil Hospital Chundaro Thar	Sampling Date	14-11-2024
Quotation No.	---	Invoice No.	147

PARAMETERS	TEST METHOD	TEST RESULTS	
		Sample 18: Civil Hospital Chundaro Thar	Spec. Limits
pH	pH Meter (HANNA)	7.6	6.5-8.5
TDS (mg/l)	WTW (Cond 3110)	5083	<1000 mg/l
EC (µS/cm)	WTW (Cond 3110)	7320	---
Turbidity (NTU)	Turidcheck (Lovibond)	4.3	<5 NTU

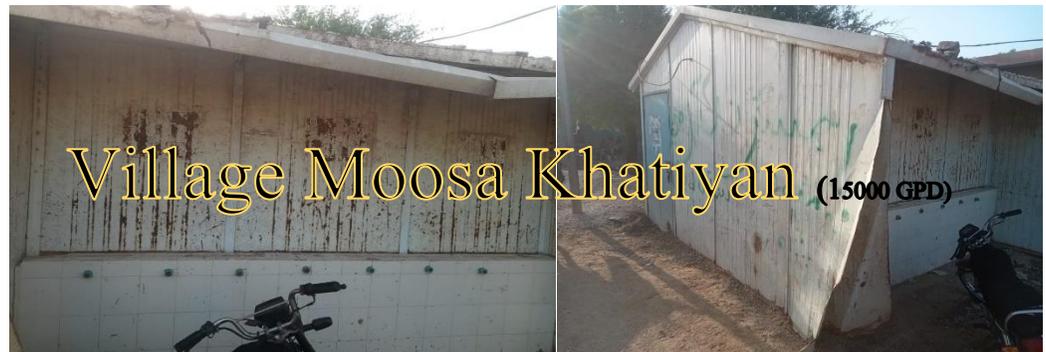
*Note: Samples received in PET non-sterilized bottles.
 ** This report is not valid for any legal action.



Tando Qaiser R.O (15000 GPD)



Talib-Ul-Mola Colony R.O (15000 GPD)



Village Moosa Khatiyani (15000 GPD)