AUDITOR-GENERAL OF PAKISTAN

February 2026

Audit Report on Karachi Development Authority FY 2024-25

Report No: DGAWPS-
Audit Year 2025-26

PREFACE

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

This report is based on audit of ***Karachi Development Authority (KDA)*** for the financial year 2024-25. The Directorate General Audit Works (Provincial) Sindh, Karachi conducted audit during Audit Year 2025-26 on a test check basis with a view to make an independent assessment of the entity and provide reliable information to the stakeholders for making sound decision making. The report also aims at improving the internal controls of the entity, thereby allowing the management to take corrective action and improve operational efficiency.

The Audit Report includes key facts about the entity, audit snapshot, findings on systemic issues, conclusion and recommendation for executive action. Audit findings indicate a number of matters related to stated roles & responsibilities of the entity, financial management, human resource management, procurement, operational processes, achievements of targets/KPI and digitization.

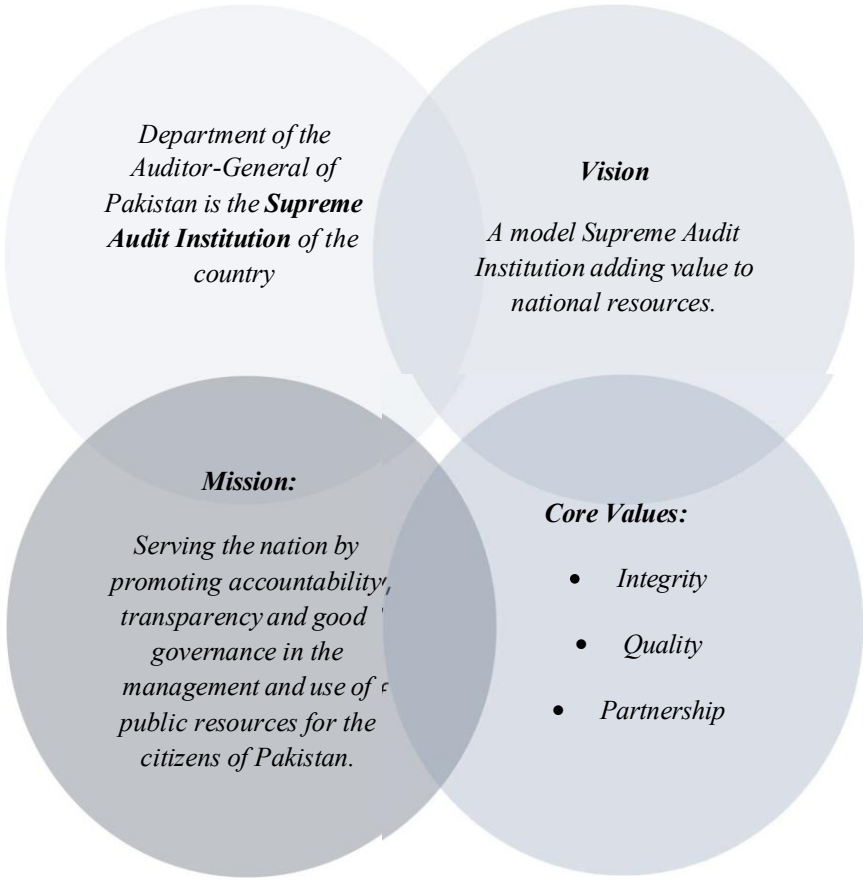
The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests.

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

Islamabad
Dated: February, 2026

(Maqbool Ahmad Gondal)
Auditor-General of Pakistan

Department of the Auditor-General of Pakistan



The Auditor General's organization is the prime institution in the country for ensuring public accountability and fiscal transparency in governmental operations. The organization is expected to bring about improvements in the financial discipline and internal control environment in the executive departments for minimizing the possibility of waste and fraud.

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

AUDIT SNAPSHOT

Why did we do this audit?

Assurance	Test Compliance	Check Controls
To provide independent assurance on utilization of public funds, land management and internal controls of Karachi Development Authority	To examine compliance with applicable laws, regulations, government instructions and court directives, particularly in land management, procurement, and financial operations.	To identify systemic weaknesses in governance and internal controls and recommend corrective measures to strengthen accountability and transparency.

What did we find?

Key Findings

- Non-conduct of financial attest audit as required under the Authority's Act.
- Non-approval of budget estimates from competent authority
- Some amenity plots and parks were commersializd/encroached, or left undeveloped.
- Cancelled plots were re-allotted and approvals issued without authority or beyond jurisdiction.
- Retirement dues remained unpaid causing hardship to employees
- Major revenue shortfalls were observed.
- Loss of interest revenue
- Irregular appointments, inadmissible payments, procurement and works violations, project delays, and weak ICT controls led to non-transparent transactions.

Key Assessments

Weak Revenue colletion Mechanism
- There is a steep and worsening gap between budgeted and actual revenue, with realization declining from 63% in 2022–23 to just 13% in 2024–25. This persistent underperformance signals serious deficiencies in revenue forecasting and collection mechanisms

Non-implementation of LMS
- Despite having LMS since decades, 53% of plots remain manually managed which hinders rent recovery and record accuracy. This reflects slow digital adoption and operational inefficiencies.

Mis-mangement of Auction reciepts
- Plots' auction collections have consistently underperformed, with realizations ranging from 21% to 74% of annual targets. Performance deteriorated sharply to 21% in 2024–25, compared to a peak of 74% in 2020–21, underscoring systemic weaknesses in auction planning and revenue realization mechanisms.

Poor Enforcement
- Encroachment on parks is highest in Gulistan-e-Johar (50) and Korangi/Landhi (48), undeveloped parks dominate in Clifton (87), Surjani Town (69), and Gulistan-e-Johar (43). These patterns reveal poor enforcement and flawed urban planning, causing misuse of green spaces.

What did we recommend?

Strengthening governance and accountability	Strengthening governance and accountability by ensuring compliance with laws, regulations, and court directives, and fixing responsibilities for non-compliance.
Protecting public land and assets	Protecting public land and assets by stopping misuse and encroachments on amenity plots, restoring them to approved purposes, and ensuring transparent leasing through open auction.
Improving financial discipline	Improving financial discipline by safeguarding pension and provident funds, clearing retirement dues, ensuring tax compliance, and enforcing budgetary controls.
Digitalization of HRM and recovery mechanism	Digitalization of human resource and land record to ensure transparency. Discontinuation of inadmissible payments and recovery of outstanding amounts.
Strengthening project management	Strengthening of planning and monitoring mechanism to ensure timely completion of development schemes.

HIGHLIGHTS

ENTITY SUMMARY SHEET – KDA (FY-2024-25)

Disclaimer: The financial information presented herein has not been independently verified, as Karachi Development Authority's financial statements have not been audited by an independent Chartered Accountant firm. Accordingly, the figures cited in this audit report are drawn from the draft financial statements provided by management and are subject to adjustment upon completion of statutory audit.

Description	Detail
Legal Framework of Entity	KDA was established under the Karachi Development Authority Order, 1957 as a statutory body for urban planning and development in Karachi. Its mandate and governance were later revived and amended under the Karachi Development Authority (Revival & Amending) Act, 2016 (Sindh Act No. XVI of 2016).
Key Responsibilities/Mandate and Objectives	The mandate of Karachi Development Authority includes planning and development of residential, commercial, and industrial schemes; land acquisition and its disposal, provision of infrastructure such as roads, and public amenities and implementation of government housing and urban development projects within its jurisdiction.
Total Assets (Current/ Longterm)	Fixed assets, including land, buildings, infrastructure works, and development schemes, were not properly recorded, valued, or supported with updated asset registers. Depreciation was not accounted for and ownership and custody of several assets could not be verified since Authority failed to prepare and maintain its annual accounts and balance sheet.
Total Liabilities (Current/ Longterm)	Rs. 4,349.203 million
Income/Revenue	Rs. 1,834.811 million
Government Grants/ ADP	Rs. 15,460.332 million (Govt Grant Rs4,685.824 million & ADP Rs10,774.508 million)
Expenditure	Rs. 17,293.022 million (Salary-Rs. 5,468.891 million, Non-Salary-Rs. 840.560 million & Development Rs. 10,983.571 million)
Receipts	Rs. 17,295.143 million
Cash Balances	Rs. 2.122 million
Funding Sources (Govt/ Donor agency)	• Government grants • Sale/lease of plots and properties • Development charges and fees • Other receipts as authorized by law
Accounting policy	The accounts of Karachi Development Authority are maintained on cash basis of accounting, whereby receipts are recognized when actually received and expenditures are recognized when payments are made.
Status of financial statements	Karachi Development Authority did not prepare complete and reliable financial statements in accordance with prescribed accounting standards and applicable financial rules for the year under audit. The Authority maintained its accounts on cash basis; however, key components of financial reporting, including proper statement of assets and liabilities, notes to the accounts, and reconciliation of balances, were either incomplete or not prepared.
Composite (risk) Rating (derived from audit finding to provide an at-a-glance summary of entity integrity and performance)	C
Compliance Status of audit recommendations	Awaited

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ABBREVIATIONS

A.A	Administrative Approval
AAR	Annual Audit Report
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
BPS	Basic Pay Scale
C/W	Compound Wall
CA	Chartered Accountant
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
DGAWPS	Directorate General Audit Works (Provincial) Sindh
DPUD	Director Planning Urban Design
FBR	Federal Board of Revenue
FD	Finance Department
FIR	First Information Report
FY	Financial Year
GFR	General Financial Rules
GoS	Government of Sindh
GST	General Sales Tax
HR	Human Resources
ICB	International Competitive Bidding
ICT	Information and Communication Technology

JV	Joint Venture
KDA	Karachi Development Authority
KPIs	Key Performance Indicators
LMS	Land Management System
M&E	Monitoring and Evaluation
M&R	Maintenance and Repair
MB	Measurement Book
MfDAC	Memorandum for Departmental Accounts Committee
MPAs	Members of the Provincial Assembly
NCB	National Competitive Bidding
NOC	No-Objection Certificate
O&M	Operation and Maintenance
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission Proforma-I
PD	Project Director
PDP	Project Development Proposal
PDWP	Provincial Development Working Party
PEC	Pakistan Engineering Council
POL	Petrol, Oil and Lubricants
PSO	Pakistan State Oil
PWD	Public Works Department
RA	Running Account
RCC	Reinforced Cement Concrete
RFT	Running Feet
SBCA	Sindh Building Control Authority
S/F	Supplying and Fixing
SFR	Sindh Financial Rules
SFT	Square Feet
SGA&CD	Services, General Administration & Coordination Department
SLGO	Sindh Local Government Ordinance
SMBBT	Shaheed Mohtarma Benazir Bhutto Township
SMPA	Sindh Master Plan Authority
SOPs	Standard Operating Procedures
SPPRA	Sindh Public Procurement Regulatory Authority
SRB	Sindh Revenue Board
SST	Sindh Sales Tax
ToRs	Terms of Reference
TS	Technical Sanction
XEN	Executive Engineer

OVERVIEW OF THE ENTITY

Karachi Development Authority (KDA) was established in 1957 through the merger of Karachi Improvement Trust and Karachi Joint Water Board under Presidential Order No. 5 of 1957. It was merged with City District Government Karachi in 2002, however, the Government of Sindh restored KDA to its original position vide Provincial Assembly Notification No. PAS/Legis-B-06/2016 dated 11.05.2016 under the Karachi Development Authority (Revival & Amending) Act, 2016 (Sindh Act No. XVI of 2016). All major policy matters and important cases are dealt with by the Governing Body of the Authority.

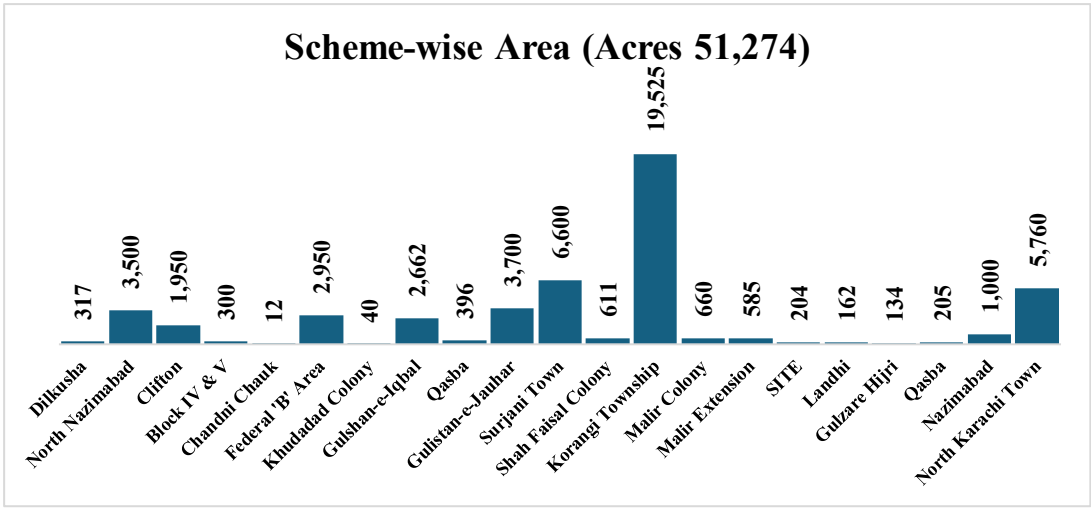
KDA is governed under relevant laws and policies including KDA (Employee's Service) Regulations, 1973, Sindh Financial Rules, CPW Code (A&D), and Sindh Public Procurement Act, 2009.

KDA has played a historic role as the principal development authority of Pakistan since 1957. It developed around 7 lakh plots in 45 schemes, out of which four schemes (Shah Latif Town, Hawkes Bay, Taiser Town and Halkani Town) were transferred to MDA and LDA in 1993. Presently, KDA manages 24 schemes covering an area of 51,274 acres comprising residential, commercial, flat sites and amenity areas.

At the time of establishment, KDA's core mandate was development of Karachi city when its population was about 1.6 million, which has now increased to nearly 22 million. Despite growing urban needs, KDA is unable to play a proactive role due to financial constraints.

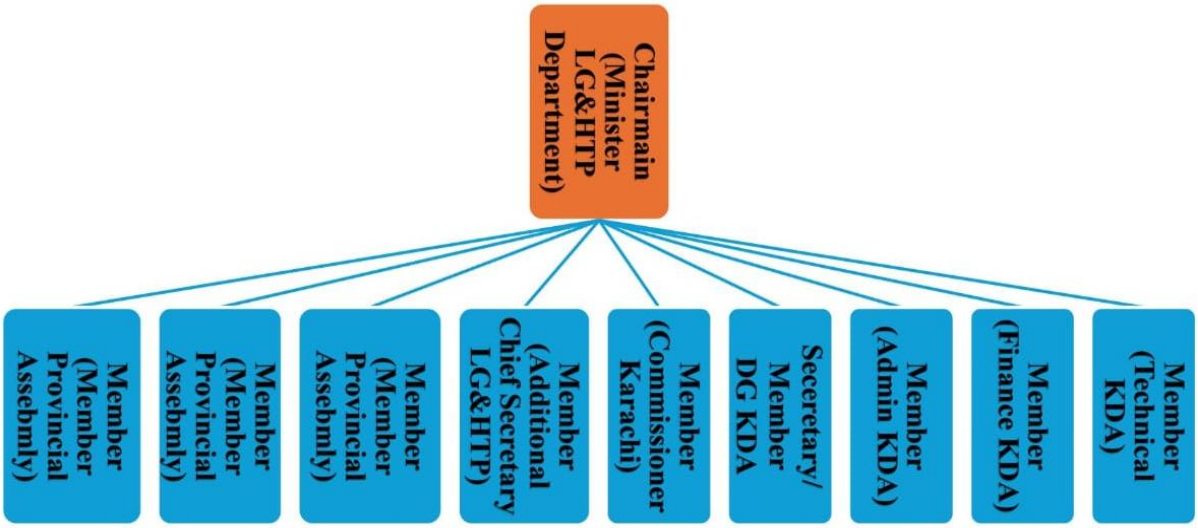
The Authority remains accountable to the Provincial Legislature and Government of Sindh and is subject to statutory audit by the Auditor-General of Pakistan. Its operations are required to comply with applicable financial and procurement regulations to ensure transparency, accountability, and proper utilization of public resources.

Initially responsible for Karachi's water supply and building control, these functions were later transferred to KW&SB and SBCA. Currently, KDA performs functions including planning and coordination, land development, public and low-cost housing, development of roads and bridges, infrastructure design, anti-encroachment and resettlement, research and publication, horticulture and parks, computerization and archiving of land records, and land acquisition.

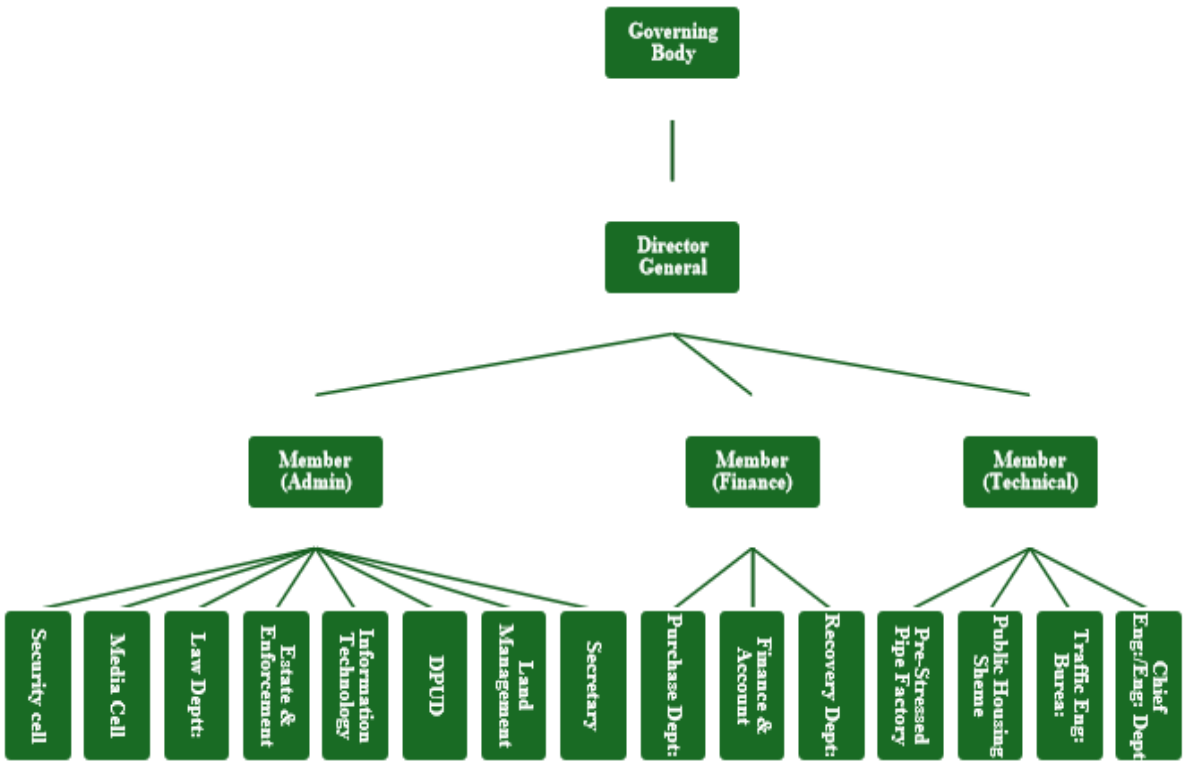


Governing Body

The Governing Body of Karachi Development Authority is constituted by the Government of Sindh through official Gazette notification under Section 4 of the KDA Act, 2016.



Organization Structure



AUDIT FINDINGS

SUMMARY

KDA demonstrated weak governance due to ineffective safeguarding of public land and amenity assets, weak regulatory enforcement, and repeated violations of court orders and statutory provisions.

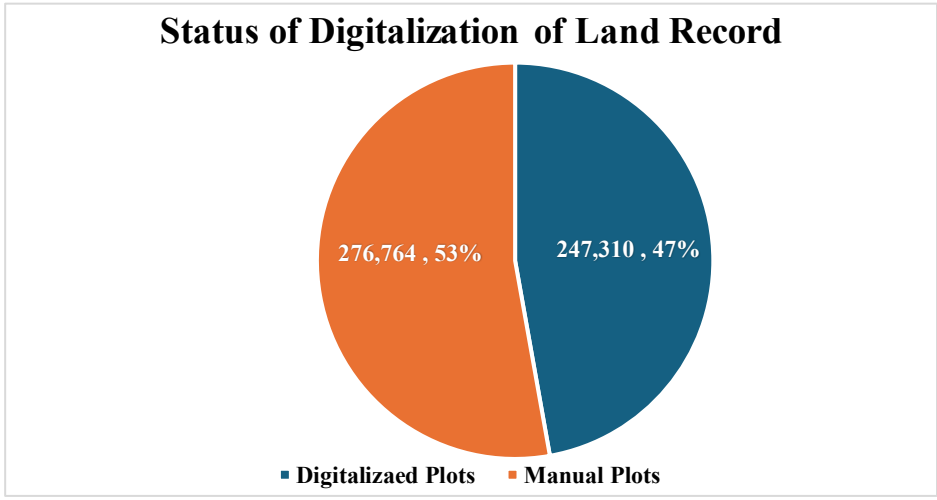
KDA faced serious fiscal risk due to absence of mandatory attest audit, unauthorized expenditure, significant revenue shortfall, misuse of pension and provident funds, accumulation of retirement liabilities, and weak tax compliance.

KDA reflected non-compliance with service rules through irregular appointments, incomplete employee records, and substantial employee-related payments without mandatory supporting documentation.

KDA's procurement processes lacked transparency due to execution of works beyond permissible limits, splitting of expenditure to bypass competition, unauthorized extra items, and unjustified rates and quantities.

KDA's service delivery and value for money were adversely affected by delayed projects, ineffective utilization of public assets, and prolonged non-development of amenity spaces.

Despite initiation of land record digitization, only 47% of plots were digitized while 53% remained manual, reflecting weak ICT utilization and constrained transparency, monitoring, and governance. The position is illustrated below:

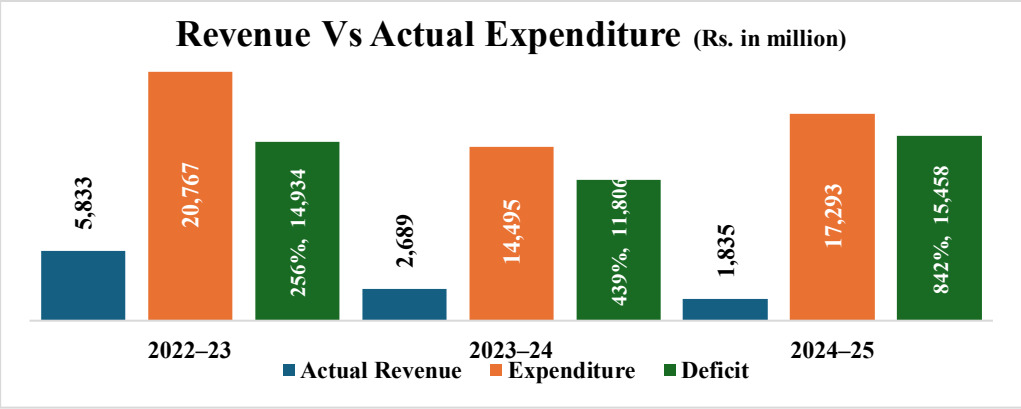


1 FINANCIAL PERFORMANCE ANALYSIS KDA (FY 2024-25)

The financial performance of KDA is not up to the mark over the period under review. Weak budget approval mechanisms, chronic revenue under-performance, ineffective recovery of dues, misuse of trust funds, poor tax compliance, and mounting long-term liabilities severely constrained financial sustainability of the organization. Without structural reforms in financial governance, revenue management, and internal controls, KDA's ability to deliver public value and meet statutory obligations will remain at risk.

1.1 Deterioration of Fiscal Discipline and Financial Independence

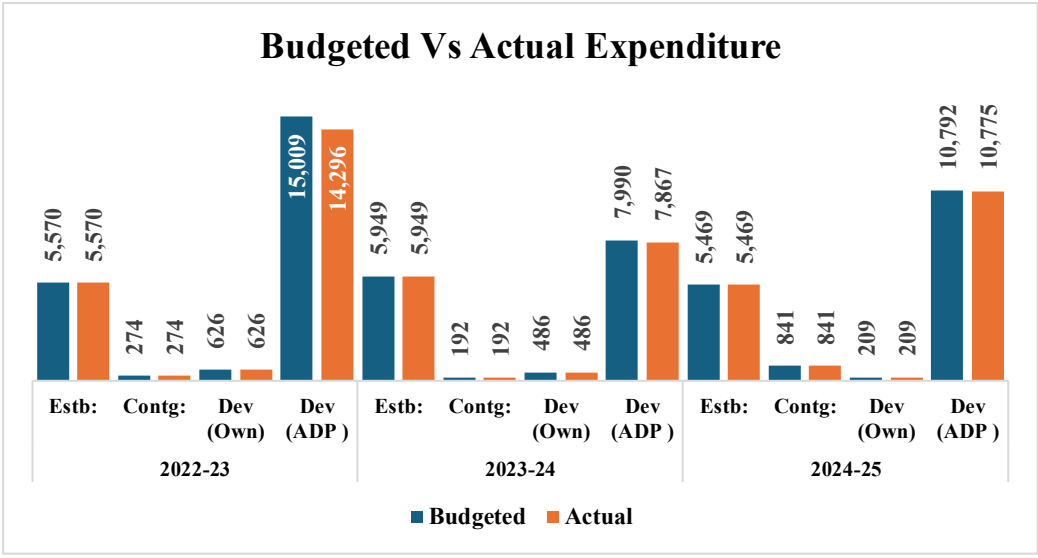
KDA's financial performance over the last three fiscal years demonstrates a severe and escalating imbalance between revenue generation and expenditure. While 2022–23 showed relatively better performance with 63% of the revenue target achieved, revenue realization declined sharply in subsequent years, falling to 21% in 2023–24 and further to just 13% in 2024–25. During the same period, expenditures remained consistently high, resulting in rapidly widening deficits. The deficit-to-revenue ratio increased dramatically from 25% in 2022–23 to an unsustainable 842% in 2024–25, indicating that KDA spent more than eight times its earnings. This persistent deterioration reflects systemic weaknesses in revenue collection, enforcement, financial planning, and expenditure control. As a result, KDA has deviated from its basic operational model of financial independence as defined in KDA Act, 1957 & KDA Revival & Amending Act, 2016 and has become increasingly dependent on government funding, raising significant concerns about its long-term financial stability, governance practices, and overall institutional strength.[1]



[1] Un-audited Financial Statements of KDA for the year 2024-25

1.2 Budget Position

As illustrated in the Budgeted vs Actual Expenditure graph, KDA's actual expenditure closely followed budgeted allocations across establishment, contingent, and development heads during 2022-23 to 2024-25. However, despite near-full utilization of allocated funds, an amount of Rs. 6,518.514 million was incurred without prior approval from the competent forum / Provincial Government, undermining the legality and credibility of budget execution. This indicates that expenditure control was procedural rather than governance-driven and lacked effective financial oversight.[2]

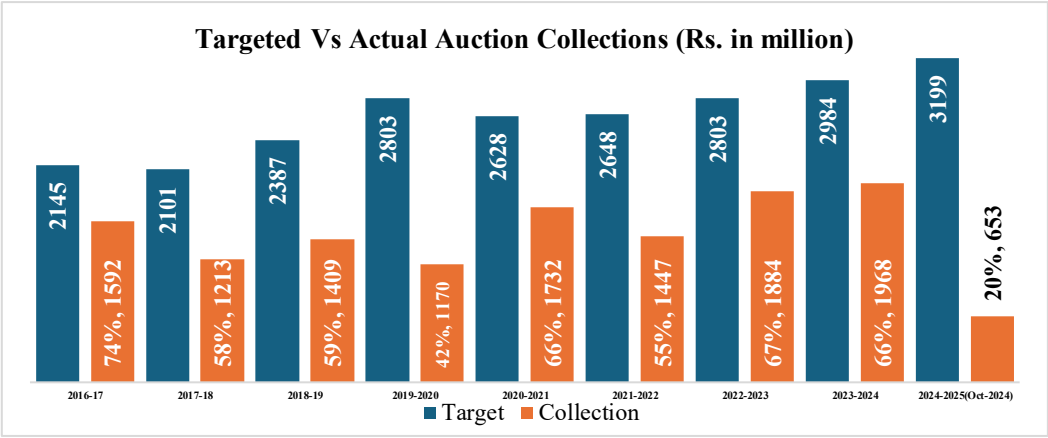


1.3 Non-recovery of Auction Dues

The Target vs Actual Collection from Auctioned Plots graph demonstrates that KDA persistently failed to achieve targeted collections from auctioned plots. A huge amount of Rs. 1,154.812 million pertaining to plots auctioned during 2017, 2021, and 2023 remained unrecovered despite lapse of stipulated time. Encroachments, litigation, and weak enforcement significantly impaired recoverability, adversely affecting liquidity and financial sustainability.[3]

[2] Un-audited Financial Statements of KDA for the year 2024-25

[3] Un-audited Financial Statements of KDA for the year 2024-25

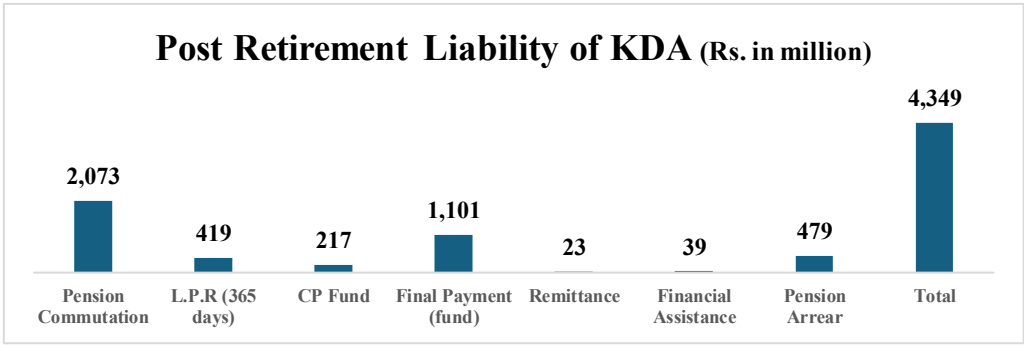


1.4 Absence of Financial Attest Audit

KDA failed to conduct mandatory financial attest audit of its accounts by Chartered Accountants since 2016, in violation of statutory requirements. The absence of independent certification impaired transparency, reliability, and credibility of financial statements and prevented assurance regarding the Authority's true financial position, as reflected in the weak financial governance indicators.

1.5 Accumulation of Post-Retirement Liabilities

As reflected in the liabilities analysis, KDA failed to clear post-retirement dues amounting to Rs. 4,349.203 million, comprising pension commutation, LPR, CP fund, pension arrears, and other employee benefits. Persistent accumulation of these liabilities imposed financial hardship on employees and created substantial contingent obligations for the Authority.[4]



[4] Un-audited Financial Statements of KDA for the year 2024-25

2 STATED MANDATE, ROLES AND RESPONSIBILITIES

KDA is mandated to develop public housing schemes and essential infrastructure such as parks, amenities, industrial zones, roads, and bridges; however, it failed to develop public parks, amenity areas, and new housing schemes for the poor segment of the society as per approved layout plans. Ill-planning, poor execution, and delayed implementation of projects, coupled with non-convening of regular Governing Body meetings, weakened oversight and governance. Moreover, systemic lapses in safeguarding public land were observed through non-production of record, misuse and encroachment of amenity plots, irregular allotments in violation of court orders, unauthorized NOCs and layout approvals, and weak enforcement of land regulations, resulting in financial loss, increased litigation risk, and erosion of public trust.

2.1 Illegal grant of license agreement on amenity plot for commercial purposes in violation of Supreme Court Orders

According to Regulation 18-4.1 of Karachi Building & Town Planning Regulations, 2002**,** "No amenity plot reserved for a specific purpose shall be converted or utilized for any other purpose, and its approved land-use category shall not be changed. Further, Supreme Court of Pakistan in Suo Moto case No. 16 of 2011 and in subsequent orders dated 02-02-2011, 10-08-2020 & 24-04-2024 has categorically directed that all amenity plots including parks, playgrounds & green spaces must be restored to their original purpose and cancellation of illegal allotments.

An amenity plot measuring 4 acres, located at Aziz Bhatti Park, was allotted to M/s Wonderland in 1981 for establishment of an amusement park / water rides and slides, in violation of applicable regulations and Supreme Court Orders, Pictorial evidences are at **Annex-1 of Appendix-II.**

Following irregularities were also observed:

An amenity plot measuring 4 acres, located at Aziz Bhatti Park, was allotted to M/s Wonderland in 1981 for establishment of an amusement park / water rides and slides, in violation of applicable regulations and Supreme Court Orders. Pictorial evidences are at Annex-1 of Appendix-II.

Following irregularities were observed:

• Despite the Supreme Court's orders to restore amenity plots to their original purpose, the plot continued to be used for commercial activities.

• The license was renewed despite it being established in 2015 that M/s Wonderland was using excess area measuring 3,792 square yards, including commercial shops, illegally from 1983 to 2015.

• The licensee constructed multiple commercial shops, charged parking fees, and failed to develop amusement facilities in violation of the rent agreement and approved layout plan.

• The lease of 28,939 square yards (5.9 acres) was initially granted for 34 years at a nominal rent of Rs. 14,520 per month. In 2016, it was extended for 15 years up to 2030, with rent fixed at Rs. 18 per square yard (Rs. 0.520 million per month). The rent has not been revised since 2016, causing significant financial loss to the government.

• M/s Wonderland did not pay required provincial and federal taxes since inception of the agreement in 1981. Utility bills for electricity, gas, and water were also not available on record.

Details are given in **Annex-2 of Appendix-II.**

Misuse of amenity park plot for commercial purposes at lower rates caused financial loss to KDA and deprived the public of intended facilities.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends implementation of KDA Regulations-2002 and Supreme Court directives besides fixing of the responsibility on the person(s) at fault

AIR KDA-2024-25 (PDP#21)

2.2 Delay in execution of KDA People's Sky View Apartment Scheme

As per Clause 5-1 of Karachi Building and Town Planning Regulations 2002, "All buildings having more than three units (residential, commercial, amenities) to be constructed for onward transfer of title in piece meal (in form of sub lease) are bound to obtain NOC for sale from the Authority in accordance with these regulations." Further, as per Governing Body Resolution No. 13 dated 28th December 2018, "A dedicated project account was required to be opened for the People's Sky View Apartment Scheme to ensure proper financial management, transparency, and safeguarding of public deposits."

Execution of the People's Sky View Apartment Scheme, announced in November 2022, comprising seven towers of 25 storeys with 1,700 residential flats, has been delayed due to mismanagement. Audit noted following irregularities:

- The project was initiated without obtaining mandatory SBCA approval for a high-rise building.
- Rs. 8.550 million received from 171 applicants was not deposited in a dedicated project bank account as required under the Governing Body Resolution
- Rs. 37.143 million was paid to SBCA for issuance of NOC, which is still pending.
- Mandatory balloting of flats was not conducted, resulting in refund requests and adversely affecting the financial viability of the project.
- Non-availability of record of consultants hired for the project.

An initiation of residential project without NOC from SBCA and financial indiscipline exposed KDA to reputational risk and litigation.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends inquiry in the matter besides strengthening of administrative and financial controls to avoid such recurrences in future.

AIR KDA-2024-25 (PDP#28)

2.3 Rental contract of Parking Plaza, Saddar Karachi without public auction and its ineffective utilization

According to Rule-77(4) of Sindh Local Government Act, 2013 "All contracts for transfer by grant, sale, mortgage, lease or otherwise of immovable property or any interest and right thereto or disposal or sale of movable property or for leasing out rights to collect taxes shall, subject to the rules be entered into after inviting offers in an open auction". Further, as per rule-5(1) chapter II of Auctioning of Collection Rights of Local Government Department Gazette issued on 3rd November, 2016, "A public notice for conduct of an auction, in not less than three widely circulated newspapers in Urdu, Sindh and English languages, shall be published by the Local Council, at least fifteen days before the date of auction."

An annual rental contract worth Rs. 18.0 million was awarded to M/s Abdul Qader for Saddar Parking Plaza on 18th August, 2023 bypassing the public auction process. Further, commercial shops (280) of the plaza remained vacant since 2010 showing negligence and wastage of public resources.

Contract of Parking Plaza on rental basis is violation of above rules and undue benefit was extended to specific person at the cost of public exchequer. Further, non-auction of offices / shops since long indicated negligence on the part of the management.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Responsibility may be fixed on the person(s) at fault besides taking remedial measures for transparent and effective utilization of public resources.

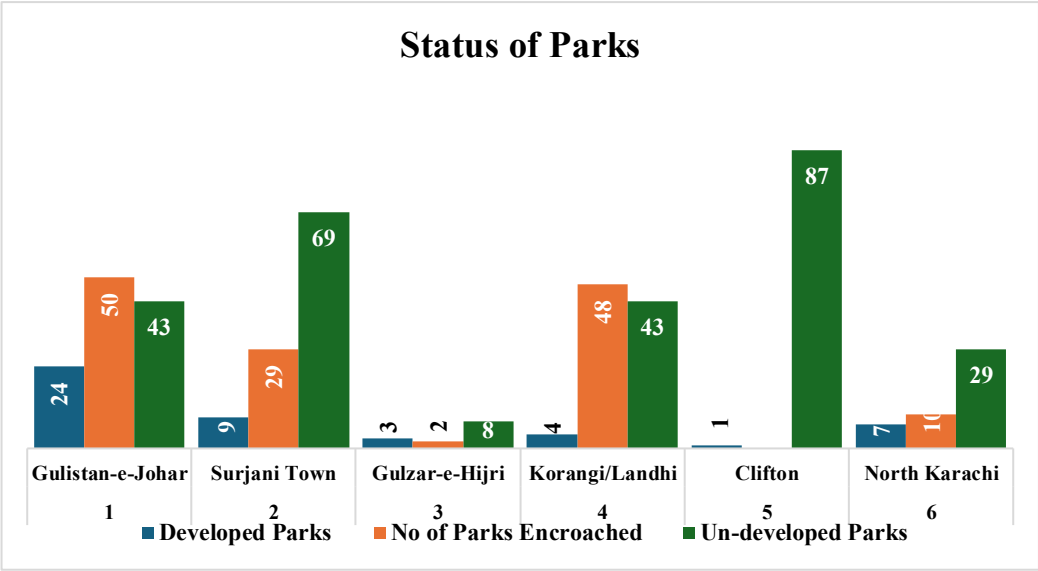
AIR KDA-2024-25 (PDP#23)

2.4 Encroachment and non-development of amenity plots

According to Rule 4 (j) of Sindh Local Councils (Property) Rules, 2017 **"**Responsibility of the Officer In-charge be vigilant about and check encroachments or wrongful occupation on property and in case there is any encroachment or wrongful occupation, take necessary steps for the removal thereof."

The amenity plots were neither protected nor developed in accordance with approved layout plans. Several parks were illegally encroached and converted into commercial or residential plots. Out of 466 parks under KDA jurisdictions, 139 parks (30%) were encroached, and 279 parks (60%) remained undeveloped. Detail is illustrated as under:[5]

[5] Data provided by parks and recreation department KDA



Illegal encroachments and non-development of amenity spaces reflected weak administrative controls.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends retrieval of encroached amenity plots and development of parks as per approved layout plans thereon besides fixing of the responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.3. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#22)

2.5 Irregular re-allotment of canceled plots in violation of court orders

According to the Directive of the Secretary Local Government dated 16th August 1990, "All residential plots exceeding 120 square yards allotted between 1st December 1988 and 5th August 1990 were to be cancelled, and no further action was permissible on such cancelled plots. Further, as per established principles of land management, jurisdictional ownership must be verified before any fresh allotment or re-confirmation of allotments is made."

The two cancelled plots were re-allocated in contrary to above rule. Plot B-03 (200 sq. yds) and Plot B-04 (301 sq. yds) allotted on 13.05.1990 were cancelled on 16.08.1990 by Director Land under Secretary LG's directive. Subsequently, KDA in 2024 confirms that above cancelled plots does fall under the jurisdiction of Karachi Water & Sewerage Board. Further, High Court vide Suit No. 1633/1998, dated 23.11.2006 confirmed KW&SB ownership on above plots. Despite above, Director DPUD re-confirmed allotment on 18.06.2024 after lapse of 24 years in violation of above administrative orders and Court decision.

Re-allotment disregarded cancellation orders, jurisdictional clarifications, and High Court ruling. Action indicates weak controls, misuse of authority, and risk of encroachment/litigation.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit Recommends inquiry in the matter besides fixing of the responsibility on the person (s) at fault.

AIR KDA-2024-25 (PDP#29)

2.6 Unauthorized issuance of NOCs for sub-division/amalgamation of plots without approval of competent authority

According to Sections 9, 11, and 12 of the Karachi Development Authority Order, 1957, as revived and amended under the Karachi Development Authority (Revival & Amending) Act, 2016 (Sindh Act No. XVI of 2016), the Karachi Development Authority, through its Governing Body, is the competent authority to exercise final approval of policies, schemes, projects, and major administrative and financial matters. The Director General, being the chief executive of the Authority, may exercise such powers only as are specifically delegated to him by the Authority through general or special orders.

The department issued all types of plot-related NOCs amounting to Rs. 85.590 million, including those for amalgamation, subdivision, and withdrawal of amalgamation, directly through the Director, DPUD, without referring the cases to the Director General or the Governing Body in violation of above rules. Details are given in **Annex-3 of Appendix-II.**

The DPUD irregularly issued NOCs without obtaining approval of the competent authority, which constituted exercise of powers beyond mandate and created legal and financial risks for the authority.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends discontinuing the practice of issuing NOCs without proper approval besides fixing of the responsibility on the person(s) at fault.

AIR KDA-2024-25 (PDP#20)

2.7 Non-cancellation of vacant industrial plots worth millions of Rupees

According to Notification No. KDA/DR/NUF/2000/966 Section (09), "The allottee company is bound to construct the industry within three months of allotment. For verification of construction, the following documentary evidence is mandatory:

i) Proof of construction up to 50% of the prescribed built-up area.
ii) Construction as per approved plan raised up to roof level/structure (50% built-up area completed and needing finishing touches).
iii) Completion plan/certificate issued by KBCA.
iv) PT-1 and PT-10 issued by the Excise and Taxation Department, Government of Sindh.
v) Paid copy of the estimate of Sui Gas connection along with the first paid bill.
vi) Two photographs of the building
vii) Undertaking on the stamp paper as prescribed from time to time."

The 21 plots remained vacant since more than thirty years with no industrial activity and instead of enforcing cancellation of allotments, undue favour has been extended to allottees. Details are given at **Annex-4 of Appendix-II.**

Non-cancellation of vacant industrial plots reflected weak enforcement of rules and ineffective land management.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends inquiry in the matter besides, ensuring construction of industries on these plots.

AIR KDA-2024-25 (PDP#30)

2.8 Un-authorized issuance of layout plans beyond KDA's jurisdiction

According to the Government of Sindh, Local Government & Housing Town Planning Department letter dated 24.08.2023, "A complete ban was imposed on approval of all kinds of layout plans, sub-divisions, amalgamation and building plans, except residential houses/NOCs for sale of housing schemes/apartments, and strict compliance was directed in the Province of Sindh."

The Planning & Urban Design Department accorded approval of layout plans even for areas falling outside the jurisdiction of KDA by the Director, DPUD without any authority despite ban imposed by the Government of Sindh. Details are as under:

Sr. No.	Nature & No of plot	Plot Size	Dated
1	Industrial plot No 1-5/4 out of survey No.276	1000 Sq Yards	25.02.2025
2	Residential cum Commercial Sr. No.626	3346 Sq yards	25.11.2024
3	Commercial Layout Plan, Plot No.21/A	856 Sq Yards out of 20 Acres	28.11.2024
4	Sr. No. 44-A & 45-A, Situated at Deh Sub-division Korangi	01.31 Acres	30.09.2024
5	Nature of plot Not mentioned, Plot No-02 from Sr. 06	2444 Sq Yards	17.07.2025

The unauthorized approvals were issued due to non-compliance with government instructions, which may lead to illegal development and disputes over land use.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends to stop issuance of approvals outside jurisdiction and review all such cases for necessary action by the competent authority.

AIR KDA-2024-25 (PDP#19)

2.9 Unauthorized Sub-division of Industrial Plot

As per Regulation 18-3.1.5 of the Karachi Building and Town Planning Regulations, 2002, "In the case of industrial plots, a sub-divided plot shall not

be less than 1,000 square yards (840.3 square meters) or twenty-five percent (25%) of the original allotted plot size**,** whichever is greater."

The DP&UD approved the sub-division of Industrial Plot No. LA-05, Block-22, FB Area, measuring 7,500 sq. yds., into six smaller plots of 1,250 sq. yds. each. Audit noted the following observation:

- The plot was originally allotted as 2.06 acres (9,970.4 sq. yds.) vide allotment letter dated 16.01.1963, and this represents the second sub-division of the same plot.
- The current size of plot is less than 25% of its original size.
- The resultant smaller plots are not viable for industrial operations, effectively defeating the original industrial allotment purpose.
- The second sub-division was executed without providing any legal authority, justification, or rule permitting repeated fragmentation of an industrial plot.

The unauthorized sub-division violated statutory regulations, defeated the industrial purpose, and facilitated irregular land use, creating financial and legal risks for the Authority.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends inquiry in the matter besides fixing of the responsibility on the person (s) at fault.

AIR KDA-2024-25 (PDP#31)

2.10 Non-recovery of outstanding dues from auction of Plots

"As per Sindh Financial Rules (Vol-I) and KDA Land Disposal Regulations, auction proceeds are required to be fully recovered and deposited into government accounts within the prescribed period.

A huge amount Rs.1154.812million of auction dues pertaining to plots auctioned during 2017, 2021, and 2023 remained unrecovered despite lapse of stipulated time. The record shows that:

- Some plots, despite part payments, were subsequently encroached upon, blocking recovery.
- Several plots are under litigation, leading to indefinite delays in realization of government dues.

The weak recovery enforcement and poor monitoring blocked significant revenue and created legal complications.

Audit recommends fixing responsibility, retrieving encroached plots, expediting litigation, and ensuring timely recovery of dues.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.14. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#38)

3 FINANCIAL MANAGEMENT

The last three years' financials of the authority reflected that no efforts were being made to improve the revenue targets. Further, non-preparation and statutory financial attest audit from the independent Chartered Accountants significantly impeded financial transparency by preventing stakeholders from obtaining a clear, accurate and timely financial position. Non-approval of annual budget estimate from the competent forum also indicates weak financial management.

3.1 Non-conducting of financial attest audit of accounts from Chartered Accountants

As per Rule-25(1&2) of Karachi Development Authority Act, 2016, "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."

The management failed to carry out mandatory financial attest audit of accounts of the authority from chartered accountants since 2016 which is violation of above rule.

Non-conducting of 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, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends immediate conducting of financial attest audit of the authority.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.2. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#04)

3.2 Weak budgetary controls and revenue shortfall

According to Rule- (1) of the Karachi Development Authority Act 2016, "The Authority shall within three months after the end of every financial year, submit to the Provincial Government an annual report on the conduct of its affairs for that year. It shall also submit its proposals and budget estimates for the next ensuing financial year six months before the commencement of such year and obtain their approval. Further, 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."

An amount of Rs. 6,518.514 million was spent by the authority without prior approval from Provincial Government. Further, authority collected an amount of Rs. 1,457.259 million against the set target of Rs. 4,598.500 million. This resulted in short recovery of Rs. 3,141.241 million. Details are given in **Annex-5 of Appendix-II.**

The unauthorized expenditure and significant revenue shortfall reflected weak financial discipline and ineffective monitoring of revenue realization.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends that approval of expenditure be obtained from the competent authority, short recovery be addressed through effective revenue efforts and fixing of the responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit reports for Audit Years 2022-2023 & 2024-25 vide para numbers 2.4.6.7 & 2.2.6.12. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#03)

3.3 Unauthorized utilization of pension & provident fund

According to Section 104(3) of the Sindh Local Government Act, 2013, "Refundable deposits credited by any person shall not form part of the Local Fund and shall be kept in a separate "Deposit Fund." Further, as per Rule 44 of Sindh Treasury Rules, "Moneys credited to the Public Account, including pension funds, are held in trust by the Government and can only be utilized or invested as authorized by specific orders of the Government, ensuring safety of principal and compliance with prescribed financial controls."

The management utilized an amount of Rs. 692.177 million deducted on account of pension contribution and provident fund for salaries / operating expenditures instead of investing the same into approved investment schemes in violation of above rules. Details are as under:

(Rs. in million)

Sr#	Month	Total Deduction
01	July-2024	59.325
02	Aug-2024	56.328
03	Sept-2024	56.396
04	Oct-2024	56.230
05	Nov-2024	55.475
06	Dec-2024	56.559
07	Jan-2025	55.492
08	Feb-2025	54.797
09	March-2025	55.636
10	April-2025	60.631
11	May-2025	74.046
12	June-2025	51.262
	Total	**692.177**

An unauthorized utilization of pension and provident fund is a serious violation which reflected weak financial management. This situation will create serious pension / provident fund liabilities in future.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends adherence to the rules and financial discipline in the organization so that post-retirement benefits of the employees can be safeguarded in future.

Note: The issue was reported earlier also in the audit report for Audit Year 2023-2024 vide para number 2.3.6.6. Recurrence of same irregularity is a matter of serious concern.

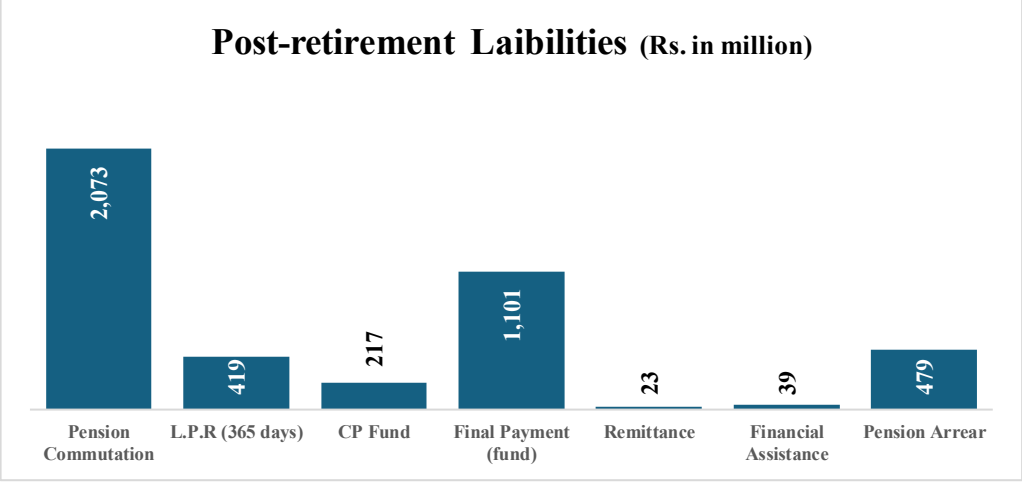
AIR KDA-2024-25 (PDP#01)

3.4 Non-clearance of outstanding liabilities

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."

The management failed to clear post-retirement dues of employees i.e., pension, leave preparatory to retirement (LPR), pension commutation, and contributory provident fund (CP Fund) amounting to Rs. 4,349.203 million. Details are as under:

Non-clearance of retirement dues resulted financial hardship to



employees, which reflected poor financial management.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends corrective measures may be adopted to clear the pending retirement dues of the employees.

AIR KDA-2024-25 (PDP#32)

3.5 Non-deposit / recovery of Government taxes

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 @ 15%. 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 rule-26 of General Financial Rules, "It is the duty of controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited in public account."

An amount of Rs. 80.214 million was deducted on account of income tax and sales tax from salaries and civil works remained parked in the deposit account instead of being deposited into the relevant government revenue heads. In addition, income tax and sales tax on services amounting to Rs. 6.609 million were also not recovered from payments made to contractors. Details are as under:

(Rs. in million)

Sr.No.	Description	Particulars	Amount
1	Non-remittance of deducted taxes	Income Tax on contingency, works & salaries	78.927
		Sindh Sales Tax on Services (SRB)	1.287
		Sub total	80.214
2	Non-recovery of various taxes	Income Tax short deduction	1.0347
		SST on works (not deducted)	5.031
		SST on suppliers (not deducted)	0.5433
		Sub total	6.609
		Grand total	**86.823**

Non-deposit and non-recovery of government taxes reflected weak tax compliance and internal control mechanism in an organization.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite

written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025

Audit recommends immediate deposit of deducted taxes into the relevant revenue heads and recovery of pointed out income tax and SST amount besides strengthening of internal controls to avoid such lapses in future.

Note: The issue was reported earlier also in the audit reports for Audit Years 2022-2023 & 2024-25 vide para number 2.3.6.11 & 2.2.6.16. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#05)

3.6 Loss of revenue by operating current bank accounts

As per Notification No. FD/RO/FS/30/2006 dated 28/9/2006 issued by Finance Department, Government of Sindh, Karachi, "All bank accounts o`f 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."

The management opened (17) current bank accounts instead of Profit and Loss Sharing (PLS) accounts which resulted in loss of annual interest income amounting to Rs. 11.716 million (approx.). Details are given at annexure.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

The operation of current bank accounts instead of Profit and Loss Sharing (PLS) accounts reflected non-compliance with Finance Department instructions, resulting in loss of interest income.

Audit recommends that management should convert all current bank accounts into Profit and Loss Sharing (PLS) accounts and ensure strict compliance with Finance Department instructions to avoid such recurrences in the future.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.19. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#33)

3.7 Irregular payment of previous years liability

According to President's Order No. 5 of 1957, Chapter II, Section 4(2), "The general direction and administration of the Authority and its affairs shall vest in the Governing Body, which may exercise all powers and do all acts and things which may be exercised or done by the Authority."

An expenditure of Rs. 5.339 million was incurred on clearance of more than nine to fourteen years liabilities without approval/concurrence of Governing Body. No documentary evidence was available in record which indicated genuineness of the liability. Details are given as under:

(Rs. in million)

Sr. No	CV# & Date	Name of Work	Contractor	Date of Start	Actual date of completion	Amount of liability
1	154/ dt: 02.08.2024	Repair/Maintenance Work in the office of D.D.O (Revenue) Saddar Town at D.C.O Camp Office	M/S. K.A & Brothers	07.02.2011	09.02.2011	1.344
2	15.01.2025	Improvement of Central Island with seasonal Plants at Sharah-e-Faisal, KDA	M/s Al-Noor Enterprises	22.05.2016	20.06.2016	1.996
3	25.02.2025	Supply of Cowdung Manure at Sir Syed Park KDA	M/S. Saeed Construction	22.05.2016	20.06.2016	1.997
					Total	**5.339**

Clearance of previous years liabilities without approval from the Governing body constituted weak financial management.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends inquiry in the matter and fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.22. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#34)

4 HUMAN RESOURCE MANAGEMENT

The HR management of the authority is remained problematic area due to irregular appointments/promotions, weak controls over HR payments, non-availability of record in the system and excess payments of allowances without approval from the competent forum.

4.1 Irregular appointments and incomplete employees records

According to Government Service Rules and internal control requirements, appointments and promotions must be made in accordance with prescribed qualification criteria and complete employee particulars must be recorded in the system.

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."

The salaries amounting Rs. 28.479 million were disbursed through Oracle-based PIS without mandatory employee particulars i.e. CNIC, Date of Birth and Date of Appointment. Non-availability of required mandatory documents in the record raised doubts on the appointments/promotions of the employees. Following further irregularities were also observed:

- Twenty-six employees were appointed/promoted in violation of rules, without seniority lists, advertisements, cadre change approvals or required academic and professional qualifications.
- Three employees were appointed before attaining the minimum prescribed age of 18 years.
- Present incumbents working as Director, Additional Director and Deputy Director did not fulfil mandatory qualification and experience criteria but continued exercising urban planning and regulatory powers.

Details are given in **Annex-6 of Appendix-II.**

These irregular appointments and unauthorized promotions reflected non-transparency and weak compliance with service rules in appointments/promotions.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends verification of service credentials, regularization or reversal of irregular cases and fixing of the responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.10. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#06)

4.2 Weak controls over employee-related payments without mandatory supporting documents

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." Further, according to Sr. No.85 (vii) of Pension Manual 2006, "Personal appearance of pensioners and payment through life certificate, a pensioner must take payment in person after identification by comparison with the Pension Payment Order, at least once a year."

Following irregularities in HR related payments worth Rs. 3,111.685 million, impacted transparency in disbursements of public resources:

- Rs. 3,077.293 million was paid as monthly pensions without obtaining life certificates and no-marriage certificates.
- Rs. 3.873 million was paid to officers/officials instead of actual suppliers/vendors.
- Rs. 5.039 million on account of Group Insurance and Rs. 4.545 million as financial assistance were paid without mandatory supporting documents such as FRC, death certificate and service book.
- Salaries of Rs. 11.524 million were paid to contractual staff without advertisements, recruitment record, appointment orders and attendance sheets.
- Salaries of Rs. 4.008 million were disbursed to regular employees without MR numbers and without personal files and supporting records.
- Original Medical Registration Registers were not produced to audit and no seizure memo was provided despite management's claim that the records were handed over to NAB.

- Advance medical payments of Rs. 3.103 million were made without supporting certificates and proper dependents verifications. Medical bills and cheque dates were also mis-matched in some cases.
- Advances amounting to Rs. 2.30 million paid to two employees without subsequent adjustment in accounts.

Details are given in **Annex-7 of Appendix-II.**

The various HR related payments without mandatory supporting documents and service records reflected weak internal controls.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends strengthening of internal controls over employee-related payments, reconstruction of missing service records and fixing of the responsibility on the person(s) at fault.

AIR KDA-2024-25 (PDP#02)

4.3 Inadmissible Payments of various Allowances

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 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." The allowances worth Rs. 297.534 million were paid to the employees contrary to the government instructions and approval of the Governing Body. The details are as under:

(Rs. in million)

Particulars	Amount
House Rent Allowance	129.436
Utility Allowance	168.098
Total	**297.534**

The payment of HRA at higher rates and utility allowance without approval of the Finance Department resulted loss to the public exchequer which reflected weak internal controls.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends strict compliance with Finance Department's rules.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.8. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#35)

4.4 Irregular appointment and payment to advocates

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."

The 08 legal counsels were appointed and payments of Rs 9.357 million were made to advocates without consent of the Law Department contrary to the above instructions.

Following irregularities were also noticed:

i. No any selection criteria of advocates were available.
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. Sindh Sales Tax at the rate of 13% amounting to Rs. 1.4 million was not deducted from the payment of their remuneration.
iv. No criteria were defined for fixing of remuneration due to which variations in payments were observed and possibility of favouritism could not be ruled out.

Details are given in **Annex-8 of Appendix-II.**

The 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 September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends implementation of government rules besides taking remedial measures.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.27. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#18)

5 PROCUREMENT

Audit observed non-compliance of procurement rules and contract management. Execution of works beyond 15% without inviting fresh tenders, excess rate allowed without justification and expenditure was split to avoid competitive bidding. Payments to the contractors were allowed on reduced rates without justification and execution of extra items without approval from competent authority. These lapses indicated weak planning, inadequate monitoring and violation of SPPRA rules.

5.1 Irregular execution of work beyond 15% of the original contract amount

As per Rule 16 (1) (e) of Sindh Public Procurement Regulatory Authority (SPPRA) Rules 2010 on Alternate Methods of Procurements, "A procuring agency may utilize Repeat Orders for 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 item(s) shall not exceed 15% of the original contract amount."

The works were awarded at a cost of Rs. 675.674 million to contractors. Later, the cost and scope of the works were enhanced to Rs. 1,074.149 million i.e., beyond the permissible limit of 15% of the original works. Details are as under:

(Rs. in million)

Sr.No.	Name of Department	Scheme/Work	Original Amount/ TS	Revised Amount /total expenditure	Excess Amount	Excess %
1	Engineering Department	Improvement of Lal Qila Park Azizabad	433.026	680.181	247.155	57%
2	Engineering Department	Annual Running Contract for Civic Center Building and Field Offices KDA	95.407	130.541	35.134	37%
3	Traffic Engineering Bureau	Installation/Up-gradation and Maintenance of Existing Traffic Signals in Karachi	27.869	78.396	50.527	181.30%
4	Engineering Department	Annual Running Contract for Civic Center Building and Field Offices KDA	96.025	130.541	34.516	35.94%
5	Traffic Engineering Bureau	Installation/Up-gradation and Maintenance of Existing Traffic Signals in Karachi (12th RA, CV#192 dt: 04.07.2025)	23.347	54.49	31.14	133.43%
		Total	**675.674**	**1074.149**	**398.472**	

The execution of works beyond prescribed limit of 15% without calling fresh tender is irregular and violation of SPPRA rules.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends inquiry in the matter besides strengthening of planning and procurement process to avoid such lapses in future.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.24. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#08)

5.2 Loss due to allowing excess rates on construction of sub-base of the road

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."

An expenditure of Rs. 47.112 million was incurred on preparation of sub-base course in excess of the approved estimated rate without any justification. Details are as under:

(Rs. in million)

Name of work	Bill# dt	Item	Qty	Estimated Rate	Bill rate	Excess rate	Excess payment
Construction of link road along with Nala from RCD highway moach goth to hawksbay, Karachi	4th 6.3.25	Preparing Sub base course	856341	4381.76	9883.4	5501.6	47.112

The execution of items at higher rate than estimated rate resulted in an excess payment to the contractor.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit seeks recovery and fixing of the responsibility on the person(s) at fault besides strengthening of internal controls to avoid such lapses in future.

AIR KDA-2024-25 (PDP#12)

5.3 Splitting of expenditure to avoid competitive bidding

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."

An expenditure of Rs. 3.493 million was incurred by way of splitting to avoid competitive bidding process. Details are as under:

(Rs. in million)

Date	Name of Work	Amount
05.08.2024	Replacement of computer hardware for different Servers	0.499
02.09.2024	Replacement of APC UPS Dry Batteries MAH Power	0.499
04.09.2024	Purchase of Desktop Corei5 and Printers for different sections	0.499
14.10.2024	Purchase of Photocopy Paper Full size & A-4 size	0.499
14.10.2024	Purchase of 80 Column & Cartage Printronix for I.T Department	0.499
14.10.2024	Purchase of 132 Column Payroll for I.T Department	0.499
16.10.2024	Purchase of Thin Client T630 & UPS for different sections of I.T Department	0.499
	Total	**3.493**

Due to splitting of expenditure, the authority was deprived of competitive rates which reflected weak internal controls.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends strengthening of financial controls to avoid recurrence of such lapses in future besides fixing of the responsibility on the person(s) at fault.

AIR KDA-2024-25 (PDP#24)

5.4 Unjustified execution of asphalt wearing in excess to asphalt binder

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."

The quantities of asphalt wearing were executed in excess than the quantities of asphalt binder. This is illogical as asphalt binder is the base item

upon which asphalt wearing is laid, hence the quantities of the latter cannot be exceeded. Details are as under:

(Rs. in million)

Name of work	Bill#	V. & Date	Asphalt Binder Qty	Asphalt Wearing Qty	Excess wearing	Rate	Unit	Excess Amount
Improvement of road from Murtaza Chaurangi to Landhi graveyard	6th RA	18/06/25	23625	30714.391	7089.391	1620.33	Sqm	11.486
Remarks	BOQ and Estimate quantities for both Asphalt binder and Asphalt wearing are same i.e. 42789.60 Sqm.							

An excess execution of asphalt wearing over binder indicated weak monitoring mechanism which resulted in an excess payment to the contractor.

The matter was reported to the management in the month of September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends recovery of the excess amount besides fixing of the responsibility on the person(s) at fault.

AIR KDA-2024-25 (PDP#09)

5.5 Irregular payment on reduced rates

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."

The payment for an item of work costing Rs. 87.297 million was allowed on reduced rates without recording any reasons. Further, composite item cannot be executed on reduced rates until and unless works were faulty/defective. Details are as under:

(Rs. in million)

Name of work	Bill#	V. & Date	Item	Est. Qty	Full Rate	Reduce Rate	Unit	Amount
Improvement of road from Murtaza Chaurangi to Landhi graveyard	6th RA	18/06/25	P/L RCC	3433.5	33900.42	25425.32	Cm	87.297

Allowing the reduced rate payments without justification reflected weak financial controls.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit requires justification for the payment on reduced rate besides, fixing of the responsibility on the person(s) at fault.

AIR KDA-2024-25 (PDP#10)

5.6 Irregular execution of extra items of work

As per Para 711 of Public Works Department Manual, "The officer competent to sanction tender to the execution of extra item of work not provided in the tender subject to the condition that the amount of the extra item together with the amount of the tender does not exceed the amount of sanctioned estimates."

An expenditure of Rs. 87.555 million was incurred on execution of extra items of various work without approval of competent authority. Details are as under:

(Rs. in million)

Name of work	Bill#	Date	Esti. cost	Extra Item %	Item	Qty	Unit	Rate	Amount
Construction/ Rehabilitation of road 13000 from road 12000 to road 20000 i/c service roads and storm drains Distt. Korangi, Karachi	3rd RA	18/6/25	536.5	16.32	Dismantling of RCC	3712.84	Cft	229.72	0.853
					Cleaning of existing drain Nala	485014	Cft	16.52	8.012
					Cartage of rubbish	756473	Cft	35.93	27.180
					Stone soling	83071	Cft	167.63	13.925
					Carriage 100 cft/5 ton	83071	Cft	24	1.994
					Full hire charges for pumping set	135	/day	7468	1.008
					RCC pipe 24" dia	517	/Rft	3240	1.673
					Granular Backfill	170530	Cft	134.92	23.008
					Dismantling CC pain	66319	Cft	149.32	9.903
								Total	**87.556**

The payment on extra items without approval from competent authority stands irregular which reflected weak internal controls.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit requires regularization of expenditure incurred on extra items besides fixing of the responsibility on the person(s) at fault.

AIR KDA-2024-25 (PDP#11)

5.7 Irregular payment of secured advance

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."

An amount of Rs. 19.999 million was recovered against the secured advance, however, the same was recovered in the Running bill in which no utilization of steel was shown. This indicated that the original payment against secured advance was irregular. Details are as under:

(Rs. in million)

Name of work	Bill#	Date	Contractor	Item	Amount
Construction of under pass at Munawar Chaurangi at Gulistan-e- Jauhar scheme 36 distt. East Karachi	1st IPC	28/03/25	M/s Sherjan Musakhel	Secured advance	19.999

An undue benefit was accorded to the contractor by paying irregular secured advance without bringing the steel at site. This indicated financial mis-management in the organization.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit seeks fixing of the responsibility on the person(s) at fault besides strengthening its financial controls.

Note: The issue was reported earlier also in the audit report for Audit Year 2023-2024 vide para number 2.3.6.18. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#27)

5.8 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."

The works of Rs. 39.965 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 under:

(Rs. in Million)

Name of Work	Contractor	Cost of work paid
Improvement and Rehabilitation of Traffic Signals including Civil Works of Surrounding Area. 1st & final dt: 06.09.2024	M/S. Allied Business	39.965

The award of works without adhering to the relevant procurement rules reflected non-transparency in the tendering process.

The matter was reported to the management in September, 2025. However, no reply was received.

Audit recommends fixing of the responsibility on the person(s) at fault besides taking remedial measures.

AIR KDA-2024-25 (PDP#37)

5.9 Non-accountal of procured articles

According to Rule 113 of S.F.R Volume-I, "Purchases must be recorded in a stock register, and Rule 114 of S.F.R Volume-I mandates the maintenance of an issue account."

IT equipment and other electrical/mechanical items amounting to Rs. 8.182 million were procured, but the management failed to maintain proper stock and consumption records. Details are as under:

(Rs. in million)

Department	Description	Amount
IT Department	IT Items and Equipment	3.796
Electrical & Mechanical Engineering	A.Cs / Fans / Submersible Pump, Generator Battery & others etc.	4.386
	Total	**8.182**

Non-maintenance of stock and consumption registers reflected weak internal controls and raised the risk of misuse or misappropriation of government assets.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends immediate maintenance of proper record for physical assets of the authority.

AIR KDA-2024-25 (PDP#25)

6 OPERATIONAL PROCESSES, TARGETS AND KPIS

Due to in-effective and weak monitoring mechanisms, public importance schemes such as Karimabad Underpass, Munawar Chorangi underpass were delayed caused suffering to the general public and cost escalation of the schemes. Excess execution of various items in deviation of approved revised estimate, over payments to the contractors, non-preparation of PC-IV-V of the scheme and non-maintenance of the security deposit/ contractor's ledgers are the areas which indicate operational in-efficiencies in an organization.

6.1 Abnormal delay in the execution of public infrastructure schemes

According to Para-17 of CPWA 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."

The various important schemes worth Rs. 866.432 million were not executed despite lapse of 2 to 3 years. In all nine schemes, 5% expenditure has so far been made and subsequently no progress was made on these development schemes. Details are given in **Annex-9 of Appendix-II.**

The non-completion of the schemes within stipulated time reflected negligence on part of the management which resulted into cost and time overrun of the schemes.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite

written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

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

AIR KDA-2024-25 (PDP#07)

6.2 Unauthorized excess execution of various items despite revised estimate

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."

An expenditure of Rs. 8.366 million was incurred on various items executed in excess of 100% revised estimated quantities of items of work without approval from the competent authority. Details are as under:

(Rs. in million)

Name of work	Bill#	Date	Item	Revised Estimated Quantity	Executed Qty	Excess	Excess %	Rate	Excess Amount
Construction of 2+2 lane under pass at Karim Abad.	14th RA	18/06/25	Excavation	47491	197674	150183	316%	107700%cft	1.617
			Excavation	47491	270834	223343	470%	241500%cft	5.393
			P/L RCC pipe 12" dia	328	2625	2297	700%	590.75 rft	1.356
								Total	**8.366**

The execution of items in excess of revised estimate reflected poor planning and weak estimation of the engineering works.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends justification of abnormal variation in revised estimate and executed quantities besides strengthening of planning and monitoring mechanisms to avoid such abnormal variations during execution of works in future.

AIR KDA-2024-25 (PDP#15)

6.3 Over payment and sub-standard execution of road works

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."

An excess payment of Rs. 27.144 million was made to the contractor on asphaltic base-course. However, the initial item of prime coat was executed only up to 35% and subsequent item "asphaltic base-course" was executed up to 72% of its estimated quantities which is irrational and without any justification. In the same work, the essential 2" thick asphalt was not executed despite lapse of 05 months which increased the risk of deterioration of initial items since without the binding asphalt road work could not hold for longer period. Details are as under:

Name of Work: Construction of link road along with Nala from RCD highway moach goth to hawksbay, Karachi								
Bill# & Dt.	**Item**	**Estd. Qty**	**Bill Qty**	**Execution %**	**Excess qty**	**Rate**	**Unit**	**Excess Amount**
4th 6/3/ 25	Primary coat	1,420,320	500,594	35%				
	3" Asphaltic basecourse	710160	500594	72%	252,038	107.699	%Sft	27.144

Irrational execution of road items resulted in sub-standard works and excess payment to the contractor, indicating weak managerial oversight.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends recovery of excess payment besides fixing of the responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the audit report for Audit Year 2024-25 vide para number 2.2.6.6. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#13&14)

6.4 Irregular expenditure on non-scheduled item without rate analysis

According to Clause-3 of the Composite Schedule of Rates, Vol-III, Part-II, w.e.f. from 1st March 2012, "The non-schedule items will not cease to crop

up even after the introduction of the Schedule of Rates to come thereafter, with the modern trend of adoption of more scientific methods of construction. Non-schedule items in all the Engineering Fields are unavoidable. Hence the Superintending Engineers of the Department may sanction the Rate Analysis within their jurisdictions. The Superintending Engineer shall sanction Rate Analysis for non-schedule items up to Rs. 1000/- per standard unit and the rates exceeding this amount shall be sanctioned by the Chief Engineer/Officers exercising the power of Chief Engineers."

An expenditure of Rs. 54.491 million was incurred on various non-scheduled items without conducting market rate analysis and approval of competent authority. Details are given in **Annex-10 of Appendix-II.**

A payment without conducting rate analysis on the market-based items indicated weak monitoring mechanism in the organization.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends regularization of the non-scheduled items from competent authority besides strengthening of internal controls.

Note: The issue was reported earlier also in the audit report for Audit Year 2023-2024 vide para number 2.3.6.15. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#16)

6.5 Non-preparation of PC-IV/V of the completed scheme

According to Para 258 & 294 of CPWA Code, "Sub-Divisional Officer is required to prepare the work completion report and to submit the same to the divisional officer for completion of the register of works."

A scheme amounting to Rs.39.965 million was completed during 2024-25, but Work Completion Report (PC-IV) and Evaluation Report (PC-V) were not prepared. The details are as under:

(Rs. in million)

Name of Work	Contractor	RA dt:	Up to date payment
Improvement and Rehabilitation of Traffic Signals including Civil Works of Surrounding Area	M/S. Allied Business	1st & final dt: 06.09.2024	39.965

Non-preparation of mandatory completion and evaluation reports indicated weak administrative and internal controls.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025, 27.11.2025 and 26.12.2025.

Audit recommends preparation of PC-IV and PC-V for the completed scheme and fixing of the responsibility on the person (s) at fault.

Note: The issue was reported earlier also in the audit reports for Audit Years 2023-2024 vide para number 2.3.6.21. Recurrence of same irregularity is a matter of serious concern.

AIR KDA-2024-25 (PDP#36)

6.6 Non-maintenance of contractor ledger and security deposit register

According to Para 298 Central Public Works Account Code "A personal account should be opened in the ledger for every contractor, whether or not a formal contract has been entered into with him unless the work or supply entrusted to him is not important and no payment is made to him except on a First and Final Bill, Form 24, on completion. If any materials are issued to the contractor or any payments are made on his behalf, a ledger account must be opened. Further. Security deposits of subordinates and contractors, whether made in cash or in one of the forms of security referred to in paragraph 390, are-covered by a bond or agreement setting forth the conditions under which the security is held and may be ultimately refunded or appropriated. Reference-to such bond or agreement should be recorded in the Deposit Register or the Register of Securities as the case may be.

Neither contractor ledger nor security deposit register was maintained in order to ensure that security deposit refunded to the contractor was as per deduction from running account bill of the work.

Non-maintenance of security deposit register and contractor ledger amount reflected in the Form-78 cannot be authenticated.

The matter was reported to the management in September, 2025. However, no reply was received.

Non-maintenance of security deposit register and contractor ledger may be justified.

AIR KDA-2024-25 (PDP#39)

7 ICT AND DIGITIZATION

KDA's ICT and digitization framework remained ineffective due to weak controls over computerized records, incomplete data integrity, and limited utilization of IT systems in land management, financial reporting, and HR administration, constraining transparency, monitoring, and informed decision-making.

7.1 Non-digitalization of essential records

According to the Sindh Land Revenue Act, 1967 read with the Land Administration & Revenue Management Information System (LARMIS) framework implemented by the Board of Revenue, Government of Sindh, "LARMIS has been established for computerization and digitization of land records, and the computerized record maintained under this system serves as the official source of land ownership and record-of-rights in the Province of Sindh and is easily accessible by the general public." Further, according to Section 4(2) of the Sindh Financial Management and Accountability Act, 2011, "All financial transactions shall be recorded promptly, clearly, accurately, logically, and coherently. Furthermore, under the Government of Sindh directives for biometric verification, attendance of employees is to be recorded through biometric systems to ensure transparency and control over ghost or absentee employees."

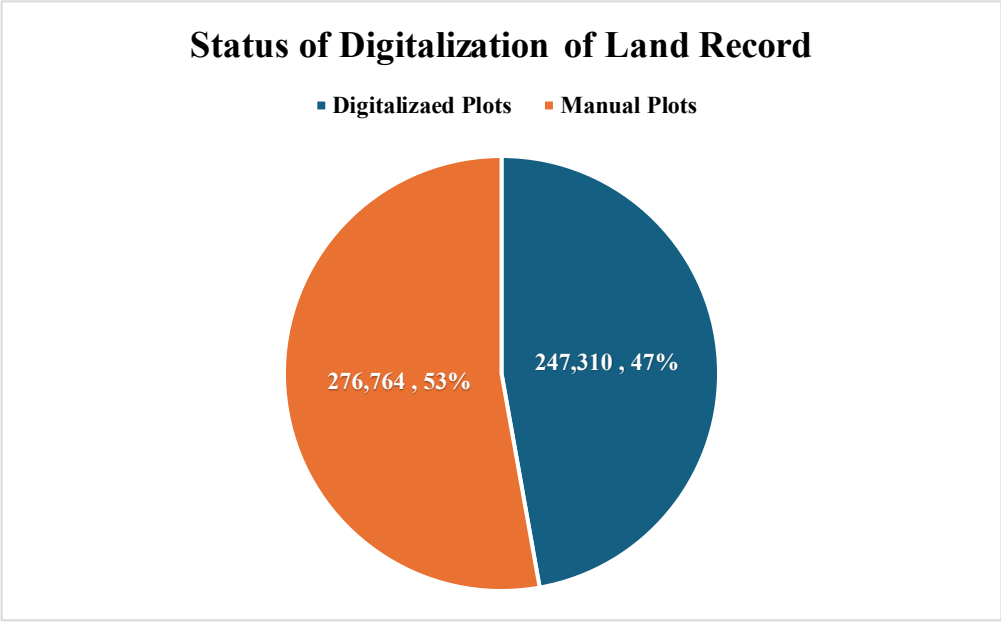
Inadequate maintenance of essential records and weak IT controls caused in unsupported and unverified transactions amounting to Rs. 1,638.540 million. Details are as under:

- Complete digitized record of 276,764 plots across 23 schemes was not available in the system out of 524,074 plots. Due to non-digitalization of record, annual ground rent and other receivable from plots could not be recovered.
- Salaries of Rs. 1,608.531 million were disbursed without ensuring biometric attendance records.
- No proper record of promotion, upgradation, pay fixation, retired employees and leave accounts was maintained, while pension payments were processed outside Oracle-based PIS.
- Receipts of Rs. 30.009 million were neither reconciled with bank statements nor relevant receipt records were produced to audit.

Non-digitization of essential land/HR record reflected poor record management which have financial and HR implications.

The matter was reported to the management in September, 2025. However, no reply was received. No DAC was convened by the PAO despite written requests dated 15.10.2025, 24.10.2025, 11.11.2025, 25.11.2025 and 28.11.2025.

Audit recommends that the Authority should completely digitalize all records and ensure biometric-based attendance along with system-integrated payroll and pension processing to strengthen transparency, accuracy, and internal controls. Details are illustrated as under:



AIR KDA-2024-25 (PDP#26)

CONCLUSION

Audit of Karachi Development Authority for the financial year 2024–25 revealed weaknesses in governance, compliance, financial management, land administration, human resource management, procurement, and project execution. Instances of non-production of record, disregard of statutory provisions and court directives, unauthorized approvals, misuse of amenity plots, weak internal controls, and ineffective monitoring were observed.

Significant financial risks arose from unauthorized utilization of pension and provident funds, non-recovery of government taxes, budget overruns, revenue shortfalls, and inefficient asset and cash management. Irregular appointments, inadmissible allowances, unsupported employee payments, and non-digitization of critical land and HR records further undermined transparency and accountability.

Serious deficiencies were also noted in procurement and works management, including violations of procurement rules, unjustified execution of works, weak quality controls, delayed completion of schemes, and inadequate post-completion evaluation. Management responses were not received, and DAC meetings were not convened.

These weaknesses adversely affected the general public by delaying housing and infrastructure schemes, mismanaging public land and amenity assets, and depriving citizens of planned civic facilities and improved urban services, thereby eroding public trust.

Overall, these systemic issues expose the Authority to financial loss, legal disputes, and reputational damage. Timely implementation of audit recommendations, strengthened internal controls, strict compliance with laws, and effective oversight are essential to safeguard public resources and improve service delivery.

RECOMMENDATIONS

- Management should ensure timely production of auditable record, proper record-keeping, and initiation of the action against officials responsible for non-production.
- To strictly comply with Karachi Building & Town Planning Regulations/court directives and stop commercial misuse of amenity plots.
- Effective anti-encroachment drive be started to vacate encroachment from parks/playgrounds as per approved layout plans.
- Internal controls may be strengthened to ensure that all plot-related NOCs, layout approvals, and sub-division/amalgamation cases are processed only with approval of the competent authority and all irregular approvals be reviewed.
- Management may ensure leasing of public assets strictly through open auction, periodic rent revision, and effective utilization of vacant shops/offices to prevent revenue loss.
- To ensure timely payment of retirement dues, maintain pension/provident funds in separate deposit/investment accounts, and establish a sustainable pension mechanism for future liabilities.
- Management should ensure prompt deposit and recovery of government taxes, strengthen tax deduction and reconciliation controls, and prevent future non-compliance.
- Budgetary discipline may be enforced to align expenditure with approved budgets and improving revenue realization.
- Management should strengthen HR controls by ensuring transparent appointments/promotions, digitalization of HR records, discontinuation of inadmissible allowances etc.
- Strict adherence to SPPRA rules to avoid splitting/excess execution overpayments, quality and execution of works lapses.
- Digitization of records and implementation of biometric attendance with integrated payroll and pension systems to enhance transparency.

APPENDICES:

A. Audit Objectives

The primary objective of this was to assess KDA's governance framework, operational efficiency and compliance with statutory and regularity requirements during FY 2024-25. Specifically, the audit aimed to:

- To assess compliance with applicable laws, rules, regulations, court directives, and government instructions governing KDA's operations.
- To evaluate the effectiveness of internal controls relating to financial management, land administration, HR, procurement, and project execution.
- To identify irregularities, non-compliance, and control weaknesses and recommend corrective measures to strengthen accountability and transparency.

B. Audit Scope

- Review of financial transactions, revenues, expenditures, retirement benefits, and fund management for the audit year.
- Examination of land management and regulatory functions**,** including allotments, NOCs, layout approvals, and amenity plots.
- Assessment of procurement, works execution, HR management, and project implementation**,** including selected schemes and contracts.
- Evaluation of ICT, record management, and reporting systems relevant to compliance and accountability.

C. Audit Methodology

- Examination of records, documents, contracts, approvals, and financial statements produced to audit.
- Compliance against applicable laws, rules, regulations, and prescribed procedures.
- Sampling and analytical review of transactions, payments, and projects based on risk.
- Discussion of observations with management and evaluation of responses, where received.

Memorandum for Departmental Accounts Committee (MFDAC)

Sr#	Title of observation	Nature of Observation
1	Irregular appointment of Chief Security Officer – Rs. 3.6 million	HR/Employees related irregularities
2	Irregular renewal of Security Service Contract – Rs. 3.88 million	Procurement related irregularities
3	Non Recovery from Auction and Irregular Assessment by Private Firm amounting Rs. 61.300 Million	Recoveries
4	Irregular POL Usage by Collective Bargaining Agent-Rs. 0.555 million	Others
5	Irregular payment without obtaining mandatory report - Rs.1 million	Others
6	Misuse of Government Tariff Meter amounting Rs.253.347 million	Others
7	Irregular Drawl of POL Without Activity Data Amounting to Rs. 5.329 Million	Others
8	Verified over statement of reported receipt amount Rs.10.461287 million	Others
9	Non-production of record	Others

Annex-1

2.1 Illegal grant of license agreement on amenity plot for commercial purposes in violation of Supreme Court Orders





Annex-2

2.1 Irregular grant of license agreement on amenity plot for commercial purposes in violation of Supreme Court Orders

Layout Plan of Schemes and Current Status of Schemes/			
S. No	**Scheme Name**	**Original Plot in layout**	**Current Position of Plot/satellite View**
1	North Nazimabad Block-U	ST No.03 Hospital 10 Acres	Commercial and Residential Buildings
2	North Nazimabad Block-C	ST No.02 Nishat Bagh Park	Partially encroached with Commercia/residential Building
3	North Nazimabad Block-A	ST No.09 Park 8 Acres	Commercial and Residential Buildings
4	Clifton Sector-3	KDA Nursery	Bahria Icon+ Jabees Funland (commercial purpose)
5	Gulistan-e-Johar Block-07	Garden (4 Acres)	Commercial and Residential Buildings
6	Gulistan-e-Johar Block-10	PIA Shaver	Bismillah Tower+ Nawaz Sharif Housing Scheme
7	Gulshan-e-Iqbal Block-10	ST-06-ST-08 Hilly Land & Nursery	Commercial Marriage Hall+ Bungalows and Factory
8	F.B Area Block-10	ST-1A to ST-1F (6 Plots of Amenity measuring 20000 Sq yards	Commercial buildings and Flat sites are developed

Parks & Re-creation Department KDA					
S.No	**Schemes**	**No. Of Parks**	**Developed Parks**	**No of Parks Encroached**	**Un-developed Parks**
1	Gulistan-e-Johar	117	24	50	43
2	Surjani Town	107	9	29	69
3	Gulzar-e-Hijri	13	3	2	8
4	Korangi/Landhi	95	4	48	43
5	Clifton	88	1	0	87
6	North Karachi	46	7	10	29
Total		**466**	**48**	**139**	**279**

Annex-3

2.6 Unauthorized issuance of NOCs for sub-division/amalgamation of plots without approval of competent authority

(Rs. in Million)

Description	Outer Development Charges	Scrutiny Fee Lay out Plan	Sub-Division Industrial Fee	Sub-Division Residential Fee	Amalgamation (Industrial) Fee	Amalgamation (Commercial) Fee	Amalgamation (Residential) Fee	Portal Fee Residential	Portal Fee Commercial	Portal Fee (Industrial)	Total
No. of Cases entertained	4	2	3	27	3	15	6	641	88	10	**799**
Collected amount	13,893,000	150,000	15,370,820	16,652,858	15,240,710	13,121,150	815,500	7,982,352	1,928,616	435,400	**85.590**

Annex-4

2.7 Non cancellation of vacant industrial plots worth millions of Rupees

S. No	Plot	Plot Size	Nature	Block / Sector	Scheme / Township	Client Name	Challan Date	Charges	Amount in Rs.	Total
1	AK-252	160	Industrial	6-C	Korangi	RIZWAN MIRZA	30-Aug-24	NUF	16800	0.035
2	AK-228	160	Industrial	6-C	Korangi	SYED TAIMUR ASGHAR	7-Aug-24	NUF	8400	0.04
3	AK-284	160	Industrial	6-C	Korangi	SYED TAIMUR ASGHAR	7-Aug-24	NUF	8400	0.04
4	AK-226	160	Industrial	6-C	Korangi	SYED TAIMUR ASGHAR	7-Aug-24	NUF	8400	0.04
5	AK-405	160	Industrial	6-A	Korangi	MUHAMMAD ALI	29-Aug-24	NUF	58879	0.161
6	AK-312	160	Industrial	6-A	Korangi	JAHANGIR ALI KHAN	13-Sep-24	NUF	40200	0.145
7	IND-491	160	Industrial	7-A	Korangi	MUBARAK ALI & OTHER	4-Nov-24	NUF	115900	0.224
8	AK-157	160	Industrial	6-C	Korangi	MUHAMMAD ZOHAIB	13-May-25	NUF	16800	0.118

9	AK-243	160	Industrial	6-D	Korangi	ATHAR JEHAN	8-May-25	NUF	54500	0.157
10	CID-89	240	Industrial	6B	North Karachi Township	SHAKEEL AHMED WAST	14-Oct-24	NUF	26950	0.17
11	CID-204	240	Industrial	6B	North Karachi Township	ABDUL HAFEEZ QURESH	9-Jan-25	NUF	133056	0.226
12	CA-90	194.44	Industrial	GABOL GOTH	Scheme-16 F.B Area	MUHAMMAD IQBAL	19-Jun-25	NUF	469993	0.49
13	RI-96	126.7	Industrial	7D	Surjani Township, 41	MUHAMMAD YAMEEN K	6-Sep-24	NUF	29084	0.054
14	CI-58	236.8	Industrial	7A	Surjani Township, 41	ZAHID ALI	9-Sep-24	NUF	104280	0.148
15	RI-93	124.33	Industrial	1	Surjani Township, 41	MST. ZEENAT BEGUM	19-Nov-24	NUF	31305	0.071
16	LT-06	1504.56	Industrial	9	Surjani Township, 41	BILQEES FAREED	18-Nov-24	NUF	29700	0.691
17	CI-34	236.8	Industrial	5C	Surjani Township, 41	MUHAMMAD ASIF	11-Oct-24	NUF	277997	0.29
18	LT-116	1017.79	Industrial	8	Surjani Township, 41	MOAZZAM ALI	11-Apr-25	NUF	69950	0.441
19	LT-252	1017.79	Industrial	8	Surjani Township, 41	JAWWAD AHMED & OTH	15-Nov-24	NUF	80200	0.445
20	LT-91	1017.79	Industrial	8	Surjani Township, 41	MUHAMMAD ZUBAIR	4-Nov-24	NUF	20050	0.299
21	RI-90	150.69	Industrial	5C	Surjani Township, 41	MEHREEN KHURRAM & O	29-Apr-25	NUF	22150	0.073
									Total	**4.357**

Annex-5

3.2 Weak budgetary controls and revenue shortfall

(Rs. in million)

Description	Expenditure 06/2025
Salary	720.869
W.char	24.903
S.Salary	37.295
Fund	178.795
Larp	42.139
LPR	68.99
Pension	98.193
Commutation	12.611
Penal Advocate	2.293
Works-I	209.063
Contingencies	46.097
Pol	41.488
NTC	1.451
Medical	82.358
Income Tax	115.12
State Life	8.98
Officers Association	0.813
Refund	1.027
Remittance	4.153
Janitorial	2.364
Group Insurance	5.039
Financial Assistance	4.545
Post Retirement Dues	124.104
Pension	3,077.293
Salary	1,608.531
Total	**6,518.514**

Annex-6

4.1 Irregular appointments and incomplete employee records

Irregular appointment of employees

Sr. No	Employee Name	Current Designation	BPS	D.O..B	D.O.A	Appointed at the Age of
1	Hassam Uddin	A.E.E	17	14.02.1995	05.09.2012	17y, 22d
2	Hamza Shafi	Tech: staff	16	18.07.1992	10.05.2010	17y, 09m, 22d
3	Uzair Ahmed Quraishi	Assistant	16	31.01.1997	03.03.2014	17y, 01m, 03d

Unjustified appointment and promotions of officers/officials

Sr #	Name of Employee	D.O.B	D.O.A	Appointed as	1st Promotion	2nd Promotion	3rd Promotion	4th Promotion	Remarks
1	Intikhab Alam	23.09.1971	25.05.2009	Khallasi (BPS-01)Vide letter No.4308/2009 on 23.05.2009	Tracer (BPS-07)Vide letter No.2135/2011 on 09.07.2011	Sub-Engineer (BPS-16)Vide letter No.1380/2013 on 01.10.2013	Superintendent (BPS-17)Vide letter No.2023/113/L on 06.03.2023		No academic/professional qualifications are attached Seniority list is missing Advertisement is missing Cadre change promotion Rapid promotion without having even a single relevant/attached document of promotion.
2	Zia Ahmed Alvi	14.11.1991	21.05.2010	Junior Clerk (BPS-07)Son Quota, Vide letter No.1870/2010 on 21.05.2010	Junior Auditor (BPS-07)Vide letter No.2014/2205 on 02.06.2014	Assistant (BPS-16)Vide letter No.2016/560 on 04.02.2016			Rapid promotion No academic/professional qualifications are attached Seniority list is missing Cadre change promotion.
3	Syed Kumail Hussain	23.05.1989	09.07.2011	LDC (BPS-07)Vide letter No.2011/3152 on 09.07.2011	Sub-Engineer (BPS-16)Vide letter	Assistant Executive Engineer (BPS-17)Vide letter			Rapid promotion No academic/professional qualifications are attached Seniority list is missing

					No.2014/3171 on 31.12.2014	No.2023/623/L on 14.12.2023			Advertisement is missing Cadre change promotion.
4	Muhammad Zulqarnain Ahmed	21.09.1897	22.05.2009	Security Guard (BPS-02)Vide letter No.4014/2009 on 22.05.2009	LDC/Computer Operator Vide letter No.2010/293 on 24.11.2010.	Data Processing Officer (BPS-16)Vide letter No.2011/2333 on 29.07.2011	Assistant District Officer (BPS-16)Vide letter No.2013/642 on 11.07.2013	Programme Officer (BPS-17)Vide letter No.2013/1377 on 29.10.2013.	Rapid promotion No academic/professional qualifications are attached Seniority list is missing Advertisement is missing Cadre change promotion
5	Muhammad Farooque Khan		09.07.2011	Khallasi BPS-01, Son Quota, Vide letter No.3860/2011 on 09.07.2011	Sub- Engineer (BPS-16)Vide letter No.2023/91/L on 06.03.2023				Rapid promotion No academic/professional qualifications are attached Seniority list is missing Advertisement is missing Cadre change promotion.
6	Syed Muhammad Ali	23.08.1974	22.05.2009	LDC (BPS-07)Vide letter No.2660/2009 on 21.05.2009	Assistant District Officer (BPS-16)Vide letter No. 2011/3856 on 09.07.2011	Assistant Director (BPS-17)Vide letter No.2022/1013/L on 04.08.2022	Current serving as Programme Officer (BPS-18)		Rapid promotion No academic/professional qualifications are attached Seniority list is missing Advertisement is missing Cadre change promotion.
7	Turab Alam Khan	01.05.1967	22.08.1993	Steno-typist (BPS-12)Vide letter No.93/220 on 19.08.1993	Stenographer (BPS-15)Vide letter No.3379/2002 on 25.09.2002	Stenographer (BPS-17)Vide letter No.1072/2004 on 27.05.2004	BPS-17 TO (BPS-18)Vide letter No.2013/139/L on 11.11.2013	Private Secretary (BPS-18)Vide letter No-- -------- on ----------/ then Sr. Private Secretary (BPS-19)Vide letter No.2022/1389/L on 26.09.2022	A big number of show cause notices and explanation letters issued against him, at every designation for multiple times. Rapid promotion No academic/professional qualifications are attached Seniority list is missing Cadre change promotion.
8	Junaid Ahmed		26.09.1989	LDC (BPS-07)Vide letter No.89/583 on 10.10.1989	Steno typist (BPS-12)	Stenographer (BPS-16)Vide letter No.319/2004 on 31.05.2004	Senior Stenographer (BPS-17)senior scale, Vide letter No.2013/1258 on 04.10.2013 Joining report is missing	Private Secretary (BPS-18)Vide letter No.265/2012 on 21.03.2021 Joining report is missing.	Advertisement is missing Rapid promotion No academic/professional qualifications are attached Seniority list is missing Cadre change promotion.
9	Abbass Ali Khan	05.03.1968	27.08.1991	Sub-Engineer (BPS-14) Vide	Assistant District Officer (BPS-16) vide	Deputy District Officer (BPS-17)Vide letter			Advertisement is missing Rapid promotion No academic/professional

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				letter No. 91/666 on 27.08.1991	letter no. & joining report is missing.	No.2067/2009 on 20.06.2009			qualifications are attached Seniority list is missing Cadre change promotion.
10	Naushad Ahmed Siddiqui	30.08.1967	27.02.2008	Junior Clerk (BPS-07) purely contract basis, Vide No.2008/98/L on 27.02.2008	Senior Clerk (BPS-10) temporary post, Vide letter No.2008/136/L on 19.03.2008	Assistant District Officer (BPS-16)Vide letter No. 192/2010 on 21.10.2010	Data Processing Officer (BPS-16)Vide letter No.2013/1004 on 24.07.2013	Programme Officer (BPS-17)Vide letter No.2013/1380 on 29.10.2013	Advertisement is missing Rapid promotion No academic/professional qualifications are attached Seniority list is missing Cadre change promotion.
11	Khalid Akhtar Qureshi	08.01.1967	13.01.1987	Typist/LDC BPS-07 on 11.01.1987.					
12	Syed Muhammad Yousif	10.01.1996	14.03.2014	Junior Clerk (BPS-07) son quota, Vide letter No.2014/265 on 014.03.2014	Sub-Engineer (BP-16)Vide letter No.2019/199 on 07.03.2019	Asst: Executive Engineer (BPS-17)Vide letter No.2022/139/L on 30.06.2022			Advertisement is missing Rapid promotion No academic/professional qualifications are attached Seniority list is missing Cadre change promotion.
13	Zaheer Uddin	01.08.1971	01.02.1990						
17	Shayan Akhtar	06.02.1993	09.07.2011	LDC (BPS-07)Vide letter No.2011/2560 on 09.07.2011	Sub-Engineer (BPS-16)Vide letter No.2013/837 on 24.07.2013	AEE (BPS-17) Vide letter No.---- on ---------.			Advertisement is missing Rapid promotion Seniority list is missing Cadre change promotion.
18	Azhar Raza Khan	20.10.1965	01.06.1983/ 29.04.1985	Chowkidar, BPS-01, Vide letter No. is missing.	Data Entry Operator, BPS-16, Vide letter No.is missing.	Re-designated into BPS-16, Vide letter No.83/2004 on 06.06.2005		Programme Officer BPS-18, Vide letter No. is missing.	Advertisement is missing Rapid promotion Rapid promotion without having even a single relevant/attached document of promotion. Seniority list is missing Cadre change promotion.
19	Syed Abrar Hussain Zaidi	23.03.1970	23.06.1986	Naib Qasid,BPS-01 Vide letter No. is missing.	L.D.C BPS-11	Re-designated & up-graded as Data Processing Operator BPS-16, vide letter No. 84/2004 on 06.06.2004	Re-designated & up-graded as Programme Officer BPS-17, Vide letter No.2013/91 on 20.02.2013	Programme Officer BPS-18, Vide letter No. is missing.	Advertisement is missing Rapid promotion Rapid promotion without having even a single relevant/attached document of promotion. Seniority list is missing Cadre change promotion.

									Vide Letters NOs are missing.
20	Muhammad Talat Bhatti	05.01.1978	30.05.1992	Naib Qasid,BPS-01, Son Quota on temporary basis. Vide letter No. 92/373 on 28.05.1992	Re-designated & up-graded from BPS-01 to BPS-02	Sub Engineer/ADO (BPS-16)Vide letter No.2011/3848 on 09.07.2011			Cadre change promotion. Rapid promotion No academic/professional qualifications are attached Seniority list is missing
22	Shamas Ul Haq	09.09.1970	02.08.1988	LDC BPS-07, Vide letter No. 88/970 on 13.07.1988	Data Entry Operator BPS-16, Vide letter No.15/2010 on 12.08.2010	Data Processing Officer (BPS-16)Vide letter No.1591/2010 on 03.09.2010	Re-designated & up-graded as Programme Officer BPS-17, Vide letter No.2013/91 on 20.02.2013	Programme Officer BPS-18, Vide letter No. is missing.	Cadre change promotion. Rapid promotion No academic/professional qualifications are attached Seniority list is missing
23	Muhammad Zubair	06.09.1970	25.07.1987	Naib Qasid, BPS-01, Vide letter No.390/ on 25.06.1987	Steno typist Vide letter No. is missing.	Data Entry Operator BPS-12 Vide letter No. is missing.	Data Processing Officer (BPS-16)Vide letter No.84/2005 on 06.06.2005 Re-designated & up-graded as Programme Officer BPS-17, Vide letter No.2013/55 on 20.02.2013	Adl: Dir/Dy: Sec: BPS-18 Vide letter No. is missing.	Cadre change promotion. Rapid promotion No academic/professional qualifications are attached Seniority list is missing Vide letter is missing.
24	Naeem Karim	09.12.1968	28.04.1986	LDC BPS-07, Vide letter No. 86/464 on 27.04.1987				Programme Officer BPS-18, Vide letter No. is missing.	Cadre change promotion. Rapid promotion No academic/professional qualifications are attached Seniority list is missing Vide letter is missing.
26	Tariq Moiz Alvi	05.01.1970	21.12.1987	Typist BPS-07	Stenographer BPS-14	Technical Staff BPS-16			Cadre change promotion. Rapid promotion No academic/professional qualifications are attached Seniority list is missing Vide letter is missing.

Annex-7

4.2 Weak controls over employee-related payments without mandatory supporting documents

Irregular payment to the employees – Rs3.873 million

(Rs. in Million)

CV# & Date	Description	Bill Amount
10/ DT: 13.06.2025	Maintenance of Vehicle No.GSF-985 under the use of Member (Admin) Director (F&A) KDA.	0.041
21/ DT: 13.06.2025	Reimbursement amount in favour of Mr. Riaz Ahmed Rashid, PS to DG, KDA.	0.098
20/ DT: 13.06.2025	Purchase of Stationary for the office of D.G, KDA.	0.298
25/ DT: 13.06.2025	Stationeries and Furniture repairing A.S General Secretary KDA.	0.025
23/ DT: 13.06.2025	Reimbursement payment to Mr. Muhammad Akram Deputy Director, Public Relations Department, KDA for special arrangement video documentary on KDA Assets, Township and all KDA Schemes.	0.300
29/ DT: 13.06.2025	Payment of Entertainment bill for the office of the Director (PRD) KDA.	0.050
61/ DT: 16.09.2024	Payment of TR-30 Bill of vehicle No.GL-6480 (Suzuki Cultus) allocated to Mr. Jawaid Alam, Addl, Dir (BPS-18) Land Department KDA.	0.199
66/ DT: 16.09.2024	Reimbursement payment to Mr. Muhammad Akram Deputy Director, Public Relations Department, KDA for facilitation the visit of the members Delegation of the Peshawar Press Club to Member Manora Beach, Karachi.	0.180
82/ DT: 12.09.2024	Payment of monthly miscellaneous items & office expenditure for the office of P.S to D.G, KDA and payment of professional fee to Panel Advocate.	0.133
73/ DT: 06.09.2024	Reimbursement payment to Mr. Muhammad Akram Deputy Director, Public Relations Department, KDA for making day night videography for the celebration of Independence Day 13th & 14th August 2024, Additionally, 02 Dell Computer screens and Wireless microphones with stands for office use.	0.223
55/ DT: 11.09.2024	Purchase of 07-Seater sofa Set & 06 visiting chairs for the office of the Member (Admin), KDA.	0.195
87/ DT: 12.09.2024	Reimbursement for Payment for repair of vehicle No. GL-7860 in the use of Major Imran Chief Security Officer, KDA.	0.299
24/ DT: 09.09.2024	Reimbursement payment for repair of vehicle No. GL-0323 (Khyber) under the use of Mr. Khalid Naeem, Executive Engineer, Engineering Department, KDA.	0.099
13/ DT: 02.09.2024	Reimbursement payment for purchase of office chair & Centre Table in favour of Mr. Zafar Hameed Abbasi, Deputy Secy (Imp), Sectt, KDA.	0.028
13/ DT: 02.09.2024	Reimbursement payment for purchase of computer, printer and Office Chair in favour of Mr. Zafar Hameed Abbasi, Deputy Secretary (Imp), Sectt, KDA.	0.095
10/ DT: 13.06.2025	Recoupment of imprest bill for the month of Aug-2024 in f/o Mr. Muhammad Akram, Deputy Director (PRD) KDA.	0.025
11/ DT: 02.09.2024	Entertainment of imprest bill for the month of Aug-2024 in f/o Mr. Muhammad Akram, Deputy Director (PRD) KDA.	0.050
285/ DT: 30.10.2024	Reimbursement payment for the work of Tender Books Binding.	0.495

285/A. DT:	Payment of monthly renewable in f/o Major (Rtd) Imran Muhammad Khan Chief Security Officer in security cell for the month of Sep-2024.	0.300
254/A. DT: 15.10.2024	Payment to Assistant Director Recoveries for purchasing items.	0.490
166/ DT: 11.10.2024	Reimbursement payment to Mr. Muhammad Akram Deputy Director, Public Relations Department, KDA for Award Ceremony & Dinner, organized for Local Bodies Reporter Association (LBRA).	0.250
Total		**3.873**

Irregular disbursement of pension payments without obtaining mandatory certificate-Rs. 3,077.293 million

(Rs. in Million)

Particulars	Amount
Pension Paid	3077.293

Irregular payment of Financial Group Insurance and Assistance – Rs.9.584 million

(Rs. in Million)

Sr. No.	Particular	Amount
01	Group Insurance	5.039
02	Financial Assistance	4.545
Total		**9.584**

Irregular payment to contractual employees-Rs.11.524 million

(Rs. in Million)

Salaries	
Month	**Contractual Staff**
July-2024	3.241
Aug-2024	2.123
Oct-2024	1.775
Nov-2024	1.129
Jan-2025	1.543
Feb-2025	1.713
Total	**11.524**

Irregular withdrawal of salaries - Rs. 4.008 million

(Rs. in Million)

Sr.No.	Name of employee	Designation	Per Month Salary	Up to date payment
1	Malik Shahid Nawaz	Jr.Clerk	69,340	4.008
2	Syed Muhammad Saifuuan	Jr.Clerk	69,340	

3	Muhammad Usaid Khan	Jr.Clerk	69,340	
4	Muhammad Huzaifa Khan	Jr.Clerk	69,340	
5	M.Ali Riaz	Jr.Clerk	69,340	
6	Shaheer Ali	Jr.Clerk	69,340	
7	Naseer Ali	Jr.Clerk	63,053	
8	Bushra Mubeen	Jr.Clerk	63,053	
9	Muhammad Sattar	Driver	55,716	
10	Abdul Rauf	Naib Qasid	44,868	
11	Hammad Saleem	Naib Qasid	44,868	
Total			**687,598**	**4.008**

Irregular payment in advance for medical facility – Rs. 3.103 million

(Rs. in Million)

Particulars	Amount
Advance medical payments to employees	3.103

Non-adjustment of advances-Rs 2.30 million

(Rs. in Million)

CV# & Date	Name of Work	Bill Amount
47 dt: 10.09.2024	Temporary advance to Mr. Arshad Abbas Dir.EE for removal of encroachment	1.00
209 dt: 18.08.2024	Temporary advance to Mr. M.Ali Assistant Secretary for Flag hoisting ceremony for Yom-e-Azadi	1.30
Total		**2.30**

(Rs. in Million)

Description	Amount
Irregular payment to the employees	3.873
Irregular payment to contractual employees	11.524
Irregular withdrawal of salaries	4.008
Non-adjustment of advances	2.3
Irregular disbursement of pension payments without obtaining mandatory certificate	3077.293
Irregular payment of Financial Group Insurance and Assistance	9.584
Irregular payment in advance for medical facility	3.103
Grand Total	**3111.685**

Annex-8

4.4 Irregular appointment and payment to advocates

(Rs. in Million)

Date	Description	Amount
10.04.2025	Paid to Khursheed Javeed	0.300
04.07.2025	Paid to S.Ali Ahmed Zaidi	0.800
13.06.2025	Payment to 7 panel of expert	1.350
13.06.2025	Paid to Khursheed Javeed	0.300
13.06.2025	Payment made to 6 panel of expert	0.457
02.09.2024	Payment made to 5 panel of expert	0.450
09.09.2024	Payment made to 10 panel of expert	0.750
06.09.2024	Payment made to 8 panel of expert	0.600
11.10.2024	Payment made to 8 panel of expert	0.600
11.10.2024	Payment made to 6 panel of expert	0.600
11.10.2024	Payment made to 7 panel of expert	0.525
1.10.2024	Payment made to 10 panel of expert	0.750
11.10.2024	Payment made to 10 panel of expert	1.875
Total		**9.357**

Annex-9

6.1 Abnormal delay in the execution of public infrastructure schemes

(Rs. in million)

ADP # 24-25	ADP # 25-26	Sector / Sub-sector / Name of Scheme	Estimated cost	Up to date expenditure	Overall Physical Progress	Completion Period
2558	1995	Beautification and Recreational Places in the empty spaces under bridges at different locations of Karachi	231.643	2.000	5%	24 months
2204	1780	Construction of Internal roads and CC flooring at Hijrat Colony UC-29 Karachi (4.26 Km)	69.378	2.000	5%	24 months
2205	1781	Construction of Main Roads Carpeting With Curb Stone and Footpath in Defence View and all Surrounding connected areas of District East Karachi (4.30 Km)	85.288	2.000	5%	24 months
2207	1783	Construction of Road Along with Footpath From Metrovill Post Office to Goal Building Metrovil Road Orangi Town Sector 4F, Karachi (2.44 Km)	75.806	2.000	5%	24 months
2209	1785	Reconstruction of Drainage System And Road From Ziauddin Hospital to Manzoor Pump at Shahrah-e-Ghalib Service Road and Surrounding Area, Karachi (2.44 Km)	74.518	2.000	5%	24 months
2210	1786	Improvement / Rehabilitation of Drainage System and Internal Roads, at Kashmir Colony, Akhtar Colony & Azam Basti Near Defence View Mehmood Abad. (3.81 Km)	91.918	2.000	5%	24 months
2211	1787	Improvement/Rehabilitation of Internal Roads/Streets from Block-9 to 19 Gulshan-e-Iqbal Karachi. (1.89 Km)	89.243	2.000	5%	24 months
2212	1788	Improvement of road Karachi Administration Society (3.26 Km)	69.618	2.000	5%	24 months
2213	1789	Improvement of Sewerage system including Road work in Chishty Nagar, Gulistan-e-Johar, District East, Karachi (2.89 Km)	79.02	2.000	5%	24 months
			866.432	**18.000**		

Annex-10

6.4 Irregular expenditure on non-scheduled item without rate analysis

(Rs. in million)

Name of Scheme/ contractor	S. No	Item	Qty executed since last	Rate	Per month/each	up to date expenditure
installation/ upgradation and maintenance of existing traffic signals, M/s Silicon Comm: & Security, 12th RA	1	Routine maintenance of traffic light signal equipment of UTC and non utc system as per terms and condition and scope of maintenance attached				
		38 signals for 04 months	4	24000	P.month	3.648
		35 signals for 07 months	7	24000	P.month	5.880
		34 signals for 02 months	2	24000	P.month	1.632
		33 signals for 02 months	2	24000	P.month	1.584
		31 signals for 02 months	2	24000	P.month	1.488
		29 signals for 03 months	3	24000	P.month	2.088
		31 signals for 05 months	5	24000	P.month	3.720
		33 signals for 02 months	2	24000	P.month	1.584
		38 signals for 03 months	3	24000	P.month	2.736
		40 signals for 01 months	1	24000	P.month	0.960
		38 signals for 02 months	2	24000	P.month	1.824
	2	Routine maintenance of traffic light signal				

		equipment of UTC and non utc system as per terms and condition and scope of maintenance attached and as per direction of engineer in-charge				
		37 signals for 04 months	4	10500	P.month	1.554
		27 signals for 07 months	7	10500	P.month	1.985
		27 signals for 02 months	2	10500	P.month	0.567
		27 signals for 02 months	2	10500	P.month	0.567
		43 signals for 02 months	2	10500	P.month	0.903
		35 signals for 03 months	3	10500	P.month	1.103
		33 signals for 02 months	2	10500	P.month	0.693
		31 signals for 03 months	3	10500	P.month	0.977
		32 signals for 02 months	2	10500	P.month	0.672
		22 signals for 03 months	3	10500	P.month	0.693
		22 signals for 03 months	3	10500	P.month	0.693
		Sub total				**37.550**
	3	Chargeable maintenance of utc and non utc system				
		supplying and replacement of parts				
		parts of Simatic or equivalent controller				

	4	Simatic or equivalent controller	13	60000	each	0.780
	5	Central processing card	12	8000	each	0.096
	6	Power supply	1	7000	each	0.007
	7	output relay card	60	8000	each	0.480
	8	Electric Flasher	38	1500	each	0.057
	9	3-way aspect 200 mm with led module	29	52000	each	1.508
	10	3-way aspect 300 mm with led module	2	65000	each	0.130
	11	2-way aspect 200 mm with led module	9	35000	each	0.315
	12	construction of foundation for standard pole	2	9000	each	0.018
	13	supplying & lying of 1 no G.I pipe (HD) 4 dia in duct under the road carriage	93	1900	meter	0.177
	14	supplying & lying of 1 no G.I pipe (HD) 2 dia in duct under the road carriage	86	1700	meter	0.146
	15	Power cable 3 core 6 mm	3997	400	meter	1.599
	16	wire 15 core Pvc/pvc copper	5096	650	meter	3.312
	17	count down meter complete 300 mm dual colour	67	40000	each	2.680
	18	providing & applying pavement thermoplastic T.P paint with	26236	135	sft	3.542

		drop on glass shell				
	19	T-400 or st-800 controller 16-phase i/c commissioning & testing	18	8000	each	0.144
	20	T-400 or st-800 controller 8-phase i/c commissioning & testing	15	8000	each	0.120
	21	Simatic or equivalent controller i/c commissioning and testing	5	7000	each	0.035
	22	3-way aspect 200 mm	248	2000	each	0.496
	23	3-way aspect 300 mm	48	3000	each	0.144
	24	2-way aspect 200 mm	53	1500	each	0.080
	25	1-way aspect 300 mm	61	1500	each	0.092
	26	1-way aspect 200 mm	85	1500	each	0.128
	27	standard pole as per existing sample	114	3000	each	0.342
	28	mast arm pole as per existing sample	28	11000	each	0.308
	29	laying of cable 12 core	1377	150	meter	0.207
		Total				**54.491**