

AUDIT REPORT ON THE ACCOUNTS OF IRRIGATION, WORKS & SERVICES, PUBLIC HEALTH ENGINEERING & RURAL DEVELOPMENT DEPARTMENTS, EDUCATION WORKS DIVISIONS AND DEVELOPMENT AUTHORITIES GOVERNMENT OF SINDH AUDIT YEAR 2022-23

AUDITOR-GENERAL OF PAKISTAN

Table of Contents

PREFACE		**i**
ABBREVIATIONS AND ACRONYMS		**ii**
EXECUTIVE SUMMARY		**iv**
Chapter-1	**SECTORAL ANALYSIS**	**1**
1.1	**Introduction**	**1**
1.2	**Development Portfolio of the Sindh**	**1**
1.3	**Overall Budget, Releases and Utilization pattern of departments falling under purview of this Office**	**4**
1.4	**Monitoring Issues**	**5**
1.5	**Budgeting Issues**	**5**
1.6	**Operational Issues**	**6**
1.7	**Nature of Observations**	**6**
Chapter-2	**DEVELOPMENT AUTHORITIES**	**8**
2.1	**Introduction**	**8**
2.2	**Section-I: Gorakh Hills Development Authority**	**10**
2.3	**Section-II: Hyderabad Development Authority**	**18**
2.4	**Section-III: Karachi Development Authority**	**32**
2.5	**Section-IV: Lyari Development Authority**	**46**
2.6	**Section-V: Sehwan Development Authority**	**55**
2.7	**Section-VI: Zulfikarabad Development Authority**	**62**
Chapter-3	**EDUCATION WORKS DIVISIONS**	**67**
3.1	**Introduction**	**67**
3.2	**Comments on Budget and Accounts (Variance analysis)**	**67**
3.3	**Classified Summary of Audit Observations**	**67**
3.4	**Comments on the Status of Compliance with PAC Directives**	**68**
3.5	**Audit Paras**	**69**

Chapter-4	**IRRIGATION DEPARTMENT**	**103**
4.1	**Introduction**	**103**
4.2	**Comments on Budget and Accounts (Variance analysis)**	**103**
4.3	**Classified Summary of Audit Observations**	**103**
4.4	**Comments on the Status of Compliance with PAC Directives**	**104**
4.5	**Audit Paras**	**105**
Chapter-5	**PUBLIC HEALTH ENGINEERING & RURAL DEVELOPMENT DEPARTMENT**	**150**
5.1	**Introduction**	**150**
5.2	**Comments on Budget and Accounts (Variance Analysis)**	**150**
5.3	**Classified Summary of Audit Observations**	**151**
5.4	**Comments on the Status of Compliance with PAC Directives**	**151**
5.5	**Audit Paras**	**152**
Chapter-6	**WORKS & SERVICES DEPARTMENT**	**187**
6.1	**Introduction**	**187**
6.2	**Comments on Budget and Accounts (Variance analysis)**	**187**
6.3	**Classified Summary of Audit Observations**	**188**
6.4	**Comments on the Status of Compliance with PAC Directives**	**188**
6.5	**Audit Paras**	**189**
Chapter-7	**THEMATIC AUDIT**	**240**
7.1	**Improvement of link roads infrastructure for rural prosperity**	**240**
7.2	**Introduction**	**240**
7.3	**Background:**	**241**
7.4	**Establishing the Audit Theme**	**242**
7.5	**Legal framework governing the theme**	**244**
7.6	**Stakeholders and governmental organizations identified as directly/indirectly involved**	**244**
7.7	**Role of important organizations**	**245**

7.8	**Organization's Financials**	**245**
7.9	**Field Audit Activity**	**245**
7.10	**Departmental Responses**	**256**
7.11	**Recommendations**	**256**
7.12	**Conclusion**	**257**
Memorandum for Departmental Accounts Committee (MfDAC)-Annex-A		**258**
Chapter-02 Section-I Annexes		**272**
Chapter-02 Section-II Annexes		**273**
Chapter-02 Section-III Annexes		**277**
Chapter-02 Section-IV Annexes		**284**
Chapter-02 Section-V Annexes		**288**
Chapter-03 Annexes		**291**
Chapter-04 Annexes		**293**
Chapter-05 Annexes		**309**
Chapter-06 Annexes		**319**
Chapter-07 Annexes		**359**

PREFACE

Articles 169 and 170 (2) of the Constitution of Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor-General (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor-General of Pakistan to conduct audit of expenditure from the Provincial Consolidated Fund and Public Account.

This report is based on the audit of various offices of Irrigation, Works & Services, Public Health Engineering & Rural Development Department, Development Authorities and Education Works Divisions for Financial Year 2021-22. It also includes audit findings pertaining to above mentioned departments for the Financial Year 2020-21 which were reported to Principal Accounting Officers (PAOs) after finalization of Audit Report 2021-22. The Directorate General of Audit Works (Provincial) Sindh, Karachi conducted audit on a test check basis, with a view to report significant findings to the relevant stakeholders. The main body of the Audit Report includes systematic issues and significant audit findings. Besides, a section comprising Thematic Audit has also been made part of this report, which is an attempt to improve organization's performance through critically reviewing its business processes and identifying those risks which are hindering it from achieving intended objectives. Relatively less significant issues are listed in the Annex-A (MfDAC) of this report which shall be pursued with the PAOs at the DAC level and in all cases where the PAOs do not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Audit findings indicate the need for adherence to the regulatory framework besides, instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities. The report has been finalized in the light of written responses of the departments concerned, where provided. DAC meetings were not convened by the PAOs despite pursuance by Audit and frequent reminders, with the exception of Public Health Engineering & Rural Development, Irrigation Department and Zulfikarabad Development Authority.

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

(Muhammad Ajmal Gondal)
Dated: **Auditor-General of Pakistan**

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
AIR	Audit Inspection Report
ASTM	American Society for Testing and Materials
BER	Bid Evaluation Report
BoQ	Bill of Quantities
CC	Cement Concrete
CDR	Call Deposit Receipt
CSR	Composite Schedule of Rate
CWT	Hundred Weight
C/W	Compound Wall
CFT	Cubic Feet
CPWA	Combined Public Works Account
CPWD	Combined Public Works Department
CRC	Complaint Redressal Committee
Cu.M	Cubic Meter
DAC	Departmental Accounts Committee
DAO	District Account Office/Divisional Accounts Officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DG	Director General
FAP	Foreign Aided Project
FD	Finance Department
FY	Financial Year
GFR	General Financial Rules
GoS	Government of Sindh
GST	General Sales Tax
ICB	International Competitive Bidding
JV	Joint Venture
KDA	Karachi Development Authority
KWSB	Karachi Water and Sewerage Board
LDA	Lyari Development Authority
M&E	Monitoring and Evaluation
M&R	Maintenance and Repair
MB	Measurement Book
MDA	Malir Development Authority
MfDAC	Memorandum for Departmental Accounts Committee

NAB	National Accountability Bureau
NCB	National Competitive Bidding
NGOs	Non-Government Organizations
NOC	No-objection Certificate
O&M	Operation and Maintenance
P&D	Planning and Development
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission Proforma-I
PD	Project Director
PDWP	Provincial Development Working Party
PEC	Pakistan Engineering Council
P/F	Providing and Fixing
PHE&RD	Public Health Engineering and Rural Department
POL	Petrol Oil and Lubricant
PSDP	Public Sector Development Programme
PWD	Public Works Department
RA	Running Account
RCC	Reinforced Cement Concrete
RFT	Running Feet
RO	Reverse Osmosis
SAP	Systems, Applications and Products
SDGs	Sustainable Development Goals
SDOC	Stipulated Date of Completion
SFR	Sindh Financial Rule
SFT	Square Feet
SGA&CD	Services, General Administration & Coordination Department
SIDA	Sindh Irrigation and Drainage Authority
SLGO	Sindh Local Government Ordinance
SPPRA	Sindh Public Procurement Regularity Authority
SRB	Sindh Revenue Board
SST	Sindh Sales Tax
S/F	Supplying and Fixing
TMA	Taluka Municipal Administration
TS	Technical Sanction
WAPDA	Water and Power Development Authority
WASA	Water and Sanitation Agency
XEN	Executive Engineer

EXECUTIVE SUMMARY

The Director General Audit Works (Provincial), Sindh is responsible to carry out the audit of 403 entities under the administrative control of the Secretaries of the Irrigation, Works & Services, Public Health Engineering & Rural Development, School Education and Literacy Department (Education Works Divisions) and Development Authorities under different Principal Accounting Officers. This office was created in 2021 subsequent to the transfer of audit mandate of the above specified departments from the Directorate General Audit, Sindh and Directorate General Audit, Local Councils, Sindh.

The Directorate General has a human resource of 60 officers and staff for the purpose of conducting audit, which involves 120,000 man-hours.

Audit mandate includes Regularity Audit (Financial Attest Audit of Foreign Aided Projects and Compliance with Authority Audit), Performance Audit, PSDP Audit, Special Audit and Thematic Audit. Audit was conducted with the following objectives:

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

a) Scope of Audit

This office has mandate to conduct audit of 403 formations working under PAOs specified above. Total expenditure of these formations was Rs. 173,551.743 million for the Financial Year 2021-22. Audit coverage relating to expenditure for the current audit year comprises 130 formations having a total expenditure of Rs. 134,711.263 million for the Financial Year 2021-22. In terms of percentage, the audit coverage for expenditure is 77.6% of auditable expenditure.

Total budgeted revenue / receipt for the authorities was Rs. 22,511 million for the Financial Year 2021-22. Audit coverage relating to revenue / receipt for the current

audit year comprises 03 formations (Development Authorities) under Secretary Local Government and Secretary Services, General Administration & Coordination Department having a total revenue receipt of Rs. 13,402 million. In terms of percentage, the audit coverage for revenue / receipts is 60%.

This audit report also includes audit observations resulting from the audit of previous Financial Year i.e. 2020-21 which could not be included in the respective audit report. In addition to Compliance Audit, Director General Audit, Works (Provincial), Sindh, conducted Financial Attest Audit of five (05) Foreign Aided Projects and one (01) Thematic Audit. The theme selected for Thematic Audit i.e. **Improvement of link roads infrastructure for rural prosperity** is in conformity with the Sustainable Development Goals (SDGs) of the United Nations 2030 agenda.

Thematic Audit has been included as an exclusive chapter in this report, wherein key audit findings, critical review and recommendations have been incorporated as per the prescribed template.

Compliance related issues highlighted in the reports of Foreign Aided Projects have also been included in this report. This office is also mandated to conduct Performance and Special Audits, the reports thereof will be issued separately.

b) Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs. 5,643.215 million has been pointed out in this report. Recovery affected from July to December 2022 was Rs. 9.639 million which was verified accordingly.

c) Audit Methodology

The audit exercise was carried out in accordance with Department of Auditor General of Pakistan auditing standards as prescribed in Financial Audit Manual. Prior to the field activity, desk review was conducted to attain comprehension of the system, procedures and environment of audit entities. The permanent files of the entities maintained in the Directorate General were utilized for understanding their business and legal / institutional framework. The evidence was primarily gathered after applying systematic procedures by means of enquiries from the management, review of monitoring and progress reports and examination of payment vouchers. In thematic audit the integral information based on comparative analysis of data was obtained from Bureau of Statistics, subsequent to which the significant issues pertaining to the relevant theme have been highlighted.

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

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

d) Audit Impact

- Audit observations have been raised highlighting excess in civil engineering works done over and above the final estimates. Consequent to which, the entities would be apprised about the pragmatic planning and execution of the schemes/projects conceived.

- Pilferages and excesses made against the items in civil works have been highlighted, which would help the line departments to minimize loss and wastage of materials while adhering to the principles of financial propriety.

- Issues regarding mismanagement of human resource pertaining to payment of unauthorized allowances have been made cognizant, which would curtail the budgetary constraints besides, effecting recoveries.

- Audit has also pointed out significance of internal controls to PAOs, resultantly the departments have assured to strengthen internal control mechanism by maintaining record such as cashbook, stock registers, security deposit register, measurement books and bank reconciliation statements etc. as per required criteria.

e) Comments on Internal Controls

The audit observations in the report clearly indicate that the system of internal controls within the departments is ineffective and weak. Internal control violations are reported by the Audit every subsequent year, but the response of the entities to address

this pressing issue is extremely lethargic. A general review of the activities and transactions of various formations of departments with regard to Internal Control System are embodied in the following comments:

- The instances of losses to government, recoveries and violation of rules are outcome of the laxity in exercise of internal controls and violation of authorized procedures for processing transactions.
- The instances of splitting the expenditure to avoid sanction of the higher authority were observed to be a common practice. This is in violation of the process of delegation of financial powers as laid down in 'The Sindh Delegation of Financial Powers and Financial Control Rules 2019.'
- Frequent deviations were observed regarding contract management, whereby the scope of the work was increased beyond the permissible limits resulting in irregular and uneconomical expenditure.
- Maintenance of the security deposit register is a mandatory requirement which was missing in most of the cases in order to link the refund of security deposit with SAP system.
- The functioning of maintenance of security deposit register is also missing in SAP system which should be maintained in the system as all payments are being made therein.
- Another common issue observed by Audit was the improper recording of measurement books, as most of the measurements were recorded without mentioning their dates.
- Another important issue highlighted was allowing secured advance on building material to the contractors without fulfilling the required criteria.
- Internal Audit, being a basic component of Internal Controls, investigates and appraises the efficiency of an organization. An independent, effective and efficient internal auditing system ensures well planned evaluation and proficiency. A major reason for weak internal controls is the non-existence of internal audit.

f) Key Audit Findings

i. Non-production of record in eight (08) cases.[1]
ii. Non-recovery of dues in twenty-four (24) cases - Rs. 5,643.215 million.[2]

[1] Paras - 2.2.6.1, 2.4.6.1, 2.5.6.1, 2.6.6.1, 3.5.1, 4.5.1, 5.5.1, 6.5.1
[2] Paras - 2.2.6.7, 2.3.6.4, 2.3.6.7, 2.3.6.8,2.3.6.9, 2.3.6.10, 2.3.6.11, 2.3.6.12, 2.5.6.5, 2.5.6.6, 2.5.6.8, 2.6.6.6, 3.5.29, 3.5.30, 3.5.31, 3.5.32, 3.5.33, 4.5.2, 4.5.19, 4.5.31, 4.5.33, 5.5.29, 5.5.30, 6.5.54

iii. Irregular expenditure in violation of rules- Rs. 38,350.822 million.
iv. Others - Rs. 14,405.894 million.

g) Recommendations

i. Responsibility should be fixed for non-production of record in accordance with rules and regulations and the same be produced to audit for verification.
ii. Disciplinary action should be taken against the officials involved in cases of embezzlement of public money, mis-procurements, violation of rules and regulations and recovery should be expedited from the officials involved.
iii. Recovery of belated outstanding dues and realization of government revenue should be prioritized.
iv. Inquiries should be conducted to fix responsibility for losses and wasteful expenditure.
v. There is a need to strengthen internal controls to ensure that reported lapses may not be repeated in future and fair value for money is obtained subsequent to public spending.
vi. Systemic issues such as application of incorrect rates, unauthorized payment of secured advance, non-obtaining of performance/additional performance securities as well as their revalidation need to be focused to avoid recurrence of such instances.
vii. Asset management mechanism needs to be put in place to safeguard government assets.
viii. An internal audit wing, directly reporting to the PAO, is required to be established in the departments to strengthen the effectiveness of the prescribed internal controls.
ix. Principal Accounting Officers need to conduct Departmental Accounts Committee meetings on a regular basis and ensure timely compliance of decisions taken therein. The directives of Public Accounts Committee should be implemented emphatically.
x. Feasibility reports should be prepared as per prescribed financial rules.

Chapter-1 SECTORAL ANALYSIS

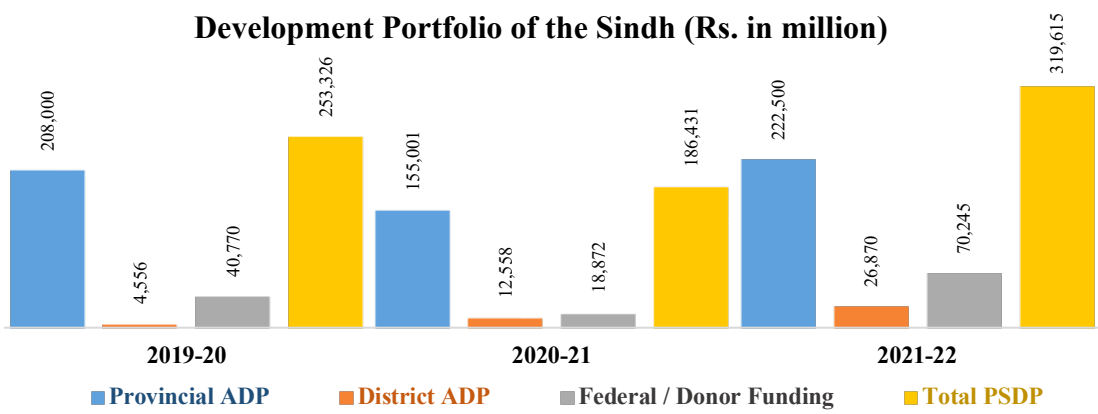
1.1 Introduction

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

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

1.2 Development Portfolio of the Sindh

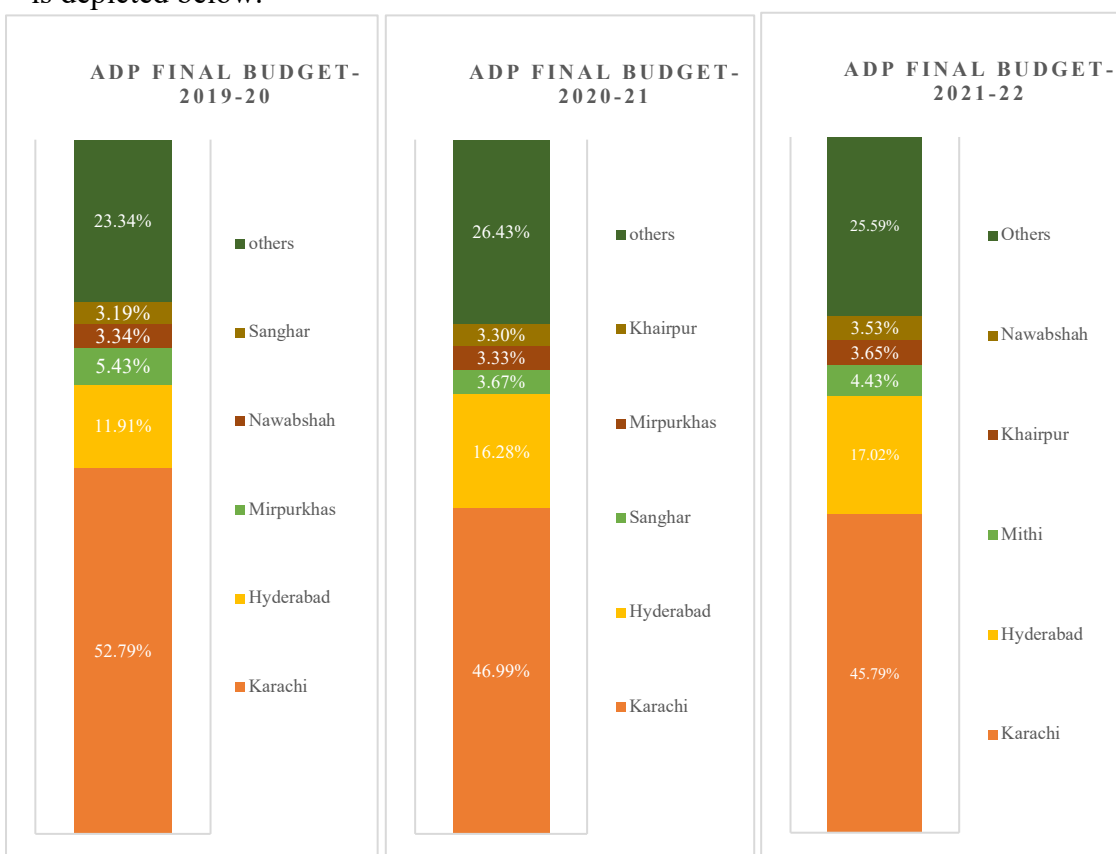
The final budget allocated against Public Sector Development Program (PSDP) of Sindh for the last three years is depicted in the following graph:



The figure reflects a decline in the allocation of development funds from 2019-20 to 2020-21 - plummeting from Rs. 253 billion to Rs. 186 billion (a decline of 26%). Similar trend is also observed in the individual figures of provincial ADP and in federal/donor fundings. However, district ADP has shown a continuous upward trend. The major reason behind the decline in the allocation of funds during the specified period was due to the government's decision to divert funds for countering pandemic i.e., Covid-19. As a result, releases of the third and fourth quarters of most of the departments were either completely withheld or major cuts in their respective budgets were made. However, as the situation normalized the allocation of development funds also rose i.e. from Rs. 186 billion to Rs. 319 billion (an increase of 71%) in 2021-22.

1.2.1 District-Wise Development Portfolio of the Sindh

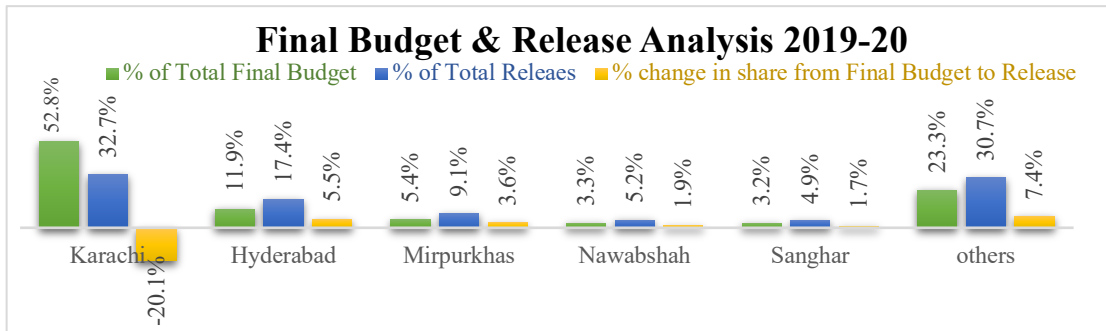
The district-wise priority of the government with respect to the allocation of the provincial development budget at the planning stage for the last three years is depicted below.

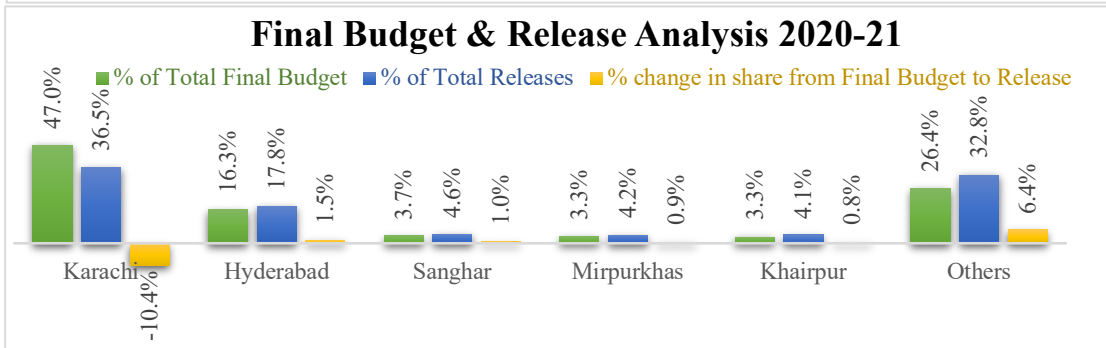


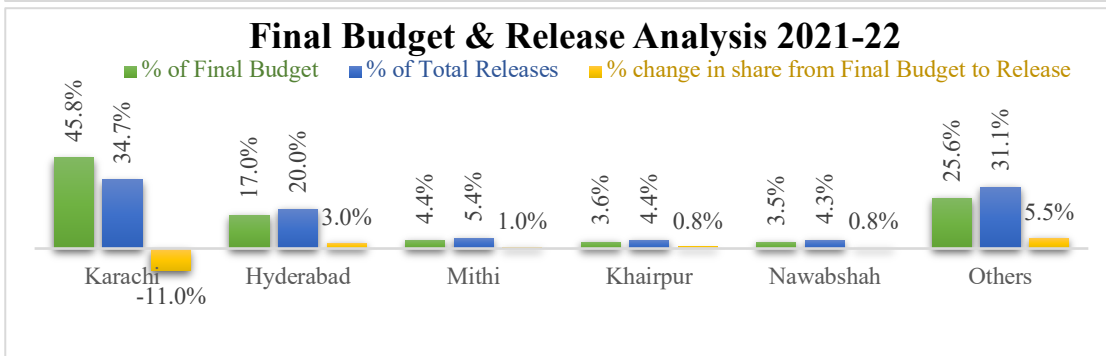
These graphs depict the prioritized districts in terms of development budget allocation. Every year, five districts get more than 73% of the total development budget share of the whole province. Among these five districts Karachi and Hyderabad are given priority as they get more than 60% share in development budget allocation every year.

1.2.2 District-Wise budget and release pattern of Development Portfolio of the Sindh

The district-wise analysis of final budget and total releases of development portfolio for the last three years is reflected in the following graphs.





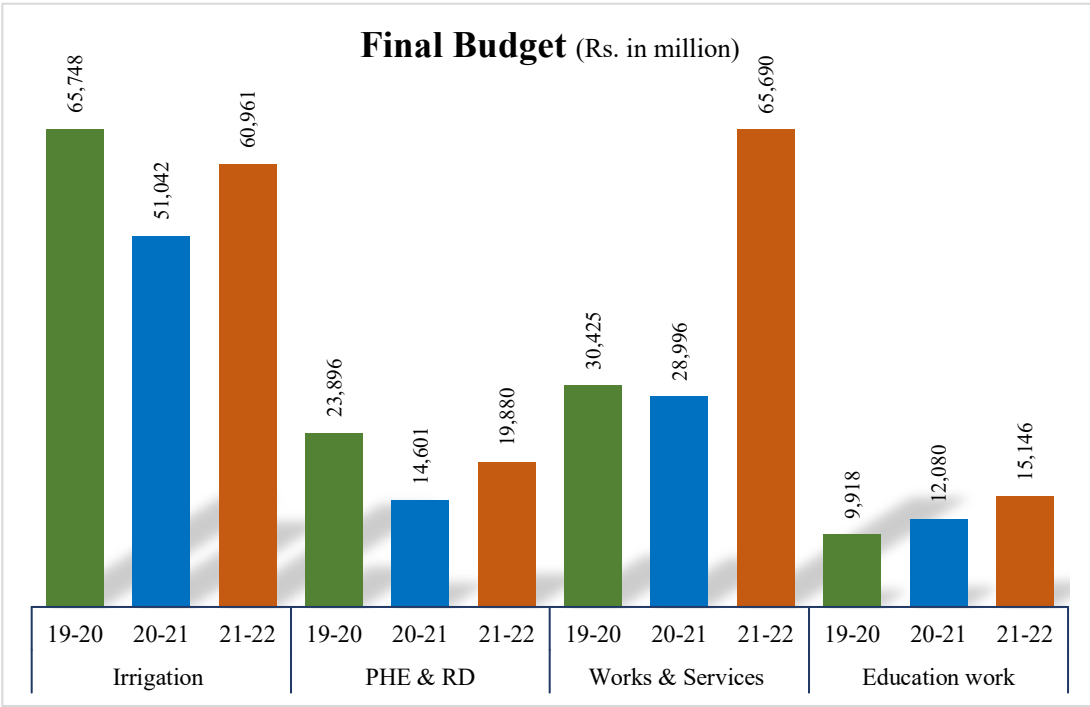


It can be observed from the graphs that in the successive years among the five districts, Karachi is the only exception whose share decreased in terms of releases against allocation. Whereas the share of the other four districts increased. In the year 2019-20, besides Karachi the share of Badin and Dadu at the release stage also decreased, while the share of all other districts increased periodically. The major decline in the share of releases as compared to final allocated budget was observed in Karachi i.e., -20.1%, -10.4% and -11.0% in 2019-20, 2020-21 and 2021-22 respectively. Whereas, a major increase was witnessed in the share of Hyderabad i.e., 5.5%, 1.5% and 3% in the respective years.

1.3 Overall Budget, Releases and Utilization pattern of departments falling under purview of this Office

1.3.1 Budget Pattern

The following graph shows the final budget allocation for the departments falling under the audit purview of this office during the last three years. It is evident that a large chunk of budget was allocated to the Irrigation



Department in 2019-20 and 2020-21 whereas, in 2021-22 priority was given to Works & Services Department. Comparatively, the Education Works Divisions received the least budget allocation during the last three years.

1.3.2 Releases and Utilization of Budget during FY 2021-22

The table below reflects that, as compared to the last year, a considerable improvement was witnessed regarding the releases made and their subsequent utilization. The gap between allocation and releases has been decreased significantly as 90% funds were released against the actual appropriation. Similarly, the departments also utilized the budget to the optimum.

(Rs. in million)

Department Description.	Final Budget	Releases	Releases % of Final Budget	Actual Expenditure	Expenditure % of Final Budget	Expenditure % of Releases
Irrigation	60,961.2	55,488.4	91%	53,710	88%	97%
Public Health Engineering and RD	19,880.2	19,496.1	98%	16,811	85%	86%
Works & Services	65,689.7	65,429.4	100%	63,511	97%	97%
Education work	15,146.1	14,904.6	98%	13,533	89%	91%

1.4 Monitoring Issues

It has been observed that the oversight mechanism to supervise the progress of schemes is not adequate at the PAO level. Mechanism to authenticate the data provided by field formations about completion of schemes and their physical progress needs to be strengthened. Planning and Development and line departments need to strengthen the monitoring system to ensure achievement of targets delineated in ADP.

1.5 Budgeting Issues

The role of Finance Department bears a predominant significance as it has to ensure that the projects are adequately and timely funded to keep the development works on the track. However, it has been observed that main issue with respect to the execution of schemes is an abnormal delay in the release of funds which has adversely affected the pace of development.

1.6 Operational Issues

During audit, the following issues were found to occur repeatedly at the execution level which need immediate attention of the Administrative Departments:

i. Audit has pointed out numerous cases of overpayment to contractors. Due care was not taken while making payments to contractors. This also shows that the internal control mechanism to check such payments lost its vitality and needs to be redesigned. Common reasons found by Audit for overpayment included incorrect rate analyses, non-revision of Composite Schedule of Rates 2012, not taking into account the available earth or dismantled material, payment against inadmissible items, etc.

ii. Performance Security is a significant protection against sub-standard work executed by the contractor. In several instances the executing formations have not been obtaining performance security from contractors or getting those renewed on regular basis.

iii. Government departments often collaborate with other departments and agencies to benefit from their specialized expertise. Audit observed that on many occasions, payments were made to other departments and agencies by the executing formations, but the vouched accounts were not obtained to ensure that the resources had been fully utilized for the intended purpose. One such example is the issue of payments made against land acquisition to the District Administration.

1.7 Nature of Observations

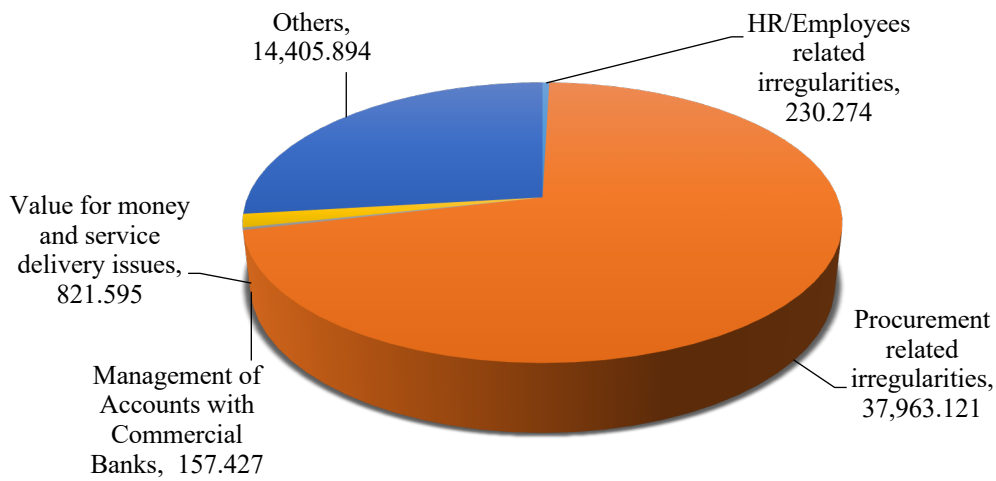
From the analysis of audit paras issued to the Principal Accounting Officers the Audit observed partial or complete departure from necessary compliance process in certain cases. Systematic issues reported to the management are classified as under:

(Rs. in million)

Classification	Amount
HR/Employees related irregularities	230.274
Procurement related irregularities	37,963.121
Management of Accounts with Commercial Banks	157.427

Value for money and service delivery issues	821.595
Others	14,405.894
Total	**53,578.311**

The analysis of the audit paras revealed that major cases under observation were due to non-compliance of SPPRA Rules, less deduction of government taxes than the applicable rates, non-compliance of government rules and instructions while dealing with HR matters and non-provision of auditable record which indicates government's weak commitment towards transparency in public spending. Audit also found issues relating to year-end budget releases resulting in rush of expenditure at the end of June, causing multiple deviations from compliance of rules. Negligence of the procedures resulted in non-transparent and uneconomical expenditure contrary to SPPRA Rules and blockage of government funds due to unjustified and irregular advance payments to avoid lapse of funds. Audit observed prevalence of weak internal controls and poor financial management prevailing within the line departments.



Audit recommends prioritizing the achievement of development targets in conformity with Sustainable Development Goals 2030 of the United Nations and compliance of government rules while spending public money and making fresh appointments. Principal Accounting Officers (PAOs) are required to revisit their budgetary requirements on realistic grounds in order to avoid unnecessary savings causing blockage of government funds. Systematic and prompt release of funds coupled with adherence to applicable rules will result in economical cost of development projects besides, their timely completion.

Chapter-2 DEVELOPMENT AUTHORITIES

2.1 Introduction

This office is mandated to conduct audit of eleven (11) development authorities under administrative control of various Principal Accounting Officers as mentioned below:

Sr #	Names of Authority	PAOs
1.	Karachi Development Authority	Secretary Local Government, Department.
2.	Lyari Development Authority	
3.	Malir Development Authority	
4.	Hyderabad Development Authority	
5.	Sehwan Development Authority	
6.	Larkana Development Authority	
7.	Zulfikarabad Development Authority	Secretary Services, General Administration & Coordination Department
8.	Gorakh Hills Development Authority	Secretary Culture, Tourism & Antiquities Department
9.	Sindh Cooperative Housing Authority	Secretary Cooperative Department
10.	Sindh Coal Authority	Secretary Energy Department
11.	Sindh Mass Transit Authority	Secretary Transport & Mass Transit Department

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

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

The Sindh Cooperative Housing Authority was established under the Sindh Cooperative Housing Authority Ordinance 1982 for the purpose of reorganizing, regulating and supervising the activities of cooperative societies dealing in the housing development in Sindh. A Board of Directors controls the

affairs of the Authority. It comprises three (3) officials and six (6) non-official members. The Secretary, Cooperation Department, Government of Sindh is the Chairman of the Authority.

The Sindh Coal Authority came into existence through an act passed by the Sindh Assembly in 1993 with a view to accelerate the pace of activities relating to utilization of coal resources. It is managed by a Board headed by the Minister, Energy Department, Government of Sindh.

The Sindh Mass Transit Authority (SMTA) was established in October 2017 under the Sindh Mass Transit Authority Act, 2014. Its main goal is to provide a sustainable, safe, reliable and affordable transport system for the people of Sindh.

During this year three development authorities i.e. Hyderabad Development Authority (HDA), Karachi Development Authority (KDA) and Zulfikarabad Development Authority (ZDA) were audited and the relevant findings are elaborated in their respective sections.

The report also includes the findings of three development authorities i.e. Sehwan Development Authority (SDA), Lyari Development Authority (LDA) and Gorakh Hills Development Authority (GDA) which were audited during Audit Year 2021-22.

2.2 Section-I: Gorakh Hills Development Authority

2.2.1 Introduction

Gorakh Hill is a hill station situated at one of the highest plateaus of Sindh in the Kirthar Mountain Range with an expanse of over 2500 acres. It lies at an elevation of 5,689 feet in the northwest of Dadu district, offering breathtaking views and a serene atmosphere. It is the only location in Sindh that receives snowfall on yearly basis.

The Gorakh Hills Development Authority was established under the Gorakh Hills Development Authority Act, of 2008. The area under the administrative and operational jurisdiction of the Authority comprises the Gorakh Hills, Kurchat Hills, Darharyo Hills and Kirthar Range Hills. The main purpose of the authority is to formulate and execute schemes of Gorakh Hills Resorts through land development, hill development, commercial, residential, official, industrial and any other development which would elevate the socio-economic conditions of the native population.

The main objectives of the Authority are:

i. Development & beautification of Gorakh Hills site and adjacent vicinity.
ii. Safeguarding the nearby land and Government property.
iii. Development of summer resorts at Gorakh Hills to promote tourism.
iv. Development of infrastructure to facilitate the tourists/visitors.
v. Collection of revenue through the recovery of betterment fees from the property owners, through toll tax & rent.
vi. Engaging the business community, investors, representatives of NGOs, media personnel and general masses to help transform the area into a flagship tourist spot of Sindh.
vii. Establishing a sustainable and eco-friendly tourist destination by involving local communities and the private sector.

2.2.2 Governing Laws & Policies

i. Gorakh Hills Development Authority Act, 2008.
ii. Sindh Public Procurement Act, 2009.
iii. Sindh Financial Rules.
iv. CPW A-Code & D-Code.

2.2.3 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

Formation	Particulars	Budget	Expenditure	Excess/ savings
Gorakh Hills Development Authority	Development	100.000	99.231	(0.769)
	Non-Development	200.000	200.000	-
Total		**300.000**	**299.231**	**(0.769)**

The budgeted allocation of Gorakh Hills Development Authority for the Financial Year 2020-21 was Rs.300.00 million, against which the total expenditure was Rs.299.231 million.

2.2.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 1,399.200 million were raised as a result of this audit. This amount also includes recoverable of Rs. 34.691 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	-
B	Procurement related irregularities	1,269.970
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	0
5	Others	129.230
	Total	**1,399.200**

2.2.5 Brief comments on the status of compliance with PAC Directives

The audit of Culture and Tourism Department falls within the jurisdiction of Director General Audit Sindh, Karachi. However, this office has only conducted audit of Development Authorities under this department after the creation of this office from Audit Year 2022-23. No PAC meeting of Culture and Tourism Department on the accounts of Gorakh Hills Development Authority was convened since the last audit report. Further the status of printed paras is as follows:

Name of Authority	Year	No of Paras	PAC Para discussed
Gorakh Hills Development Authority	2015-16	4	Nil
	2016-17	10	Nil
	2019-20	3	Nil

2.2.6 Audit Para

2.2.6.1 Non-production of record

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

(2) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor-General regarding the inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of Director General, Gorakh Hills Development Authority for the Financial Year 2020-21, auditable record pertaining to development and non-development expenditures and revenue receipts was not provided despite repeated requisitions. The details are given in **Annex-1 of Section-I of Chapter-02.**

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

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIR Para#19)

2.2.6.2 Irregular subletting of contract work -Rs.57.187 million

As per Condition 4 of standard bidding documents, "The contractor shall not subcontract the whole of the works. The contractor shall not subcontract any part of the works without the consent of the Procuring Agency."

During audit of Director General, Gorakh Hills Development Authority for Financial Year 2020-21, it was observed that the management awarded work 'Widening & Reconditioning of Road' from Wahi Pandhi to Gorakh Hills Station, measuring 9.6 kms (Package-3) to M/s AFFCO Oil & Gas Services (Pvt.) Ltd. at a cost of Rs.274.500 million, but later on the contractor sublet portion of the work measuring 2 km to M/s Gul Construction Company with an approximate value of Rs.57.187 million in violation of the contractual provisions. Further, as per the record the contractor was also absolved from any kind of responsibility towards construction and quality of the remaining work by submitting a mutual agreement which was duly endorsed by the management.

Subletting of the contract was held irregular in audit, as for remaining work, separate bidding process should have been initiated.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter besides, forfeiture of security deposit of the contractor.

(AIR Para#7)

2.2.6.3 Unjustified procurement on the basis of Single stage one envelope – Rs.985.310 million

As per SPPRA Rule 47 (2) Single Stage Two Envelope Bidding Procedure shall be used where the bids are to be evaluated on technical and financial grounds and the price is taken into account after technical evaluation.

As per SPPRA Rule 47 (3) Two Stage Bidding Procedure shall be adopted in large and complex contracts where technically unequal proposals are likely to be encountered or where the procuring agency is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to the procuring agency.

During audit of Director General, Gorakh Hills Development Authority for the Financial Year 2020-21, it was observed that the bidding of work 'Widening & Reconditioning of Road from Wahi Pandhi to Gorakh Hills Station' amounting to Rs.985.310 million, being in difficult terrain and involving complex technical expertise was required to be conducted as per Rule 47 (2) or Rule 47 (3). Contrary to that Single Stage One Envelope method was adopted

and bids were accepted without technical evaluation. Further, the project valued more than Rs.500 million, wherein feasibility study was a mandatory requirement at the planning stage to safeguard the government assets and minimize any risk involved.

Audit is of the opinion that keeping in view the technical complexities and huge financial implications, feasibility study was imperative and the work was required to be awarded by following Rule 47 (2 or 3).

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para# 8 & 16)

2.2.6.4 Irregular execution of work beyond 15% of the original contract amount - Rs. 6.065 million

According to SPPRA, 2013, "Repeat Orders means, procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount."

During audit of Director General, Gorakh Hills Development Authority for the Financial Year 2020-21, it was observed that works were awarded at a cost of Rs. 29.905 million. Later on, cost and scope of the works were enhanced to Rs. 35.970 million with an average increase of 20.280% beyond the permissible limit of 15% of the original work.

(Rs. in million)

Name of Work	Name of Contractor	Work Order Reference	Bill Ref	Bid Amount	Up-to-date Payment	Excess Amount	% Above
Repair & maintenance of Water Supply Scheme, Hanjan	M/s Habibullah Janwari	No. PD/GHDA/5 (42)/2014-2015/15 dated 06-08-2018	2nd R/a Bill Chq#257883 dated 14-12-18	29.905	35.970	6.065	20.28

Audit is of the view that quantities exceeded more than 20% with overall impact exceeding 15% of the work order which required separate tender under Rule 16(1)(e) of SPPRA. Thus, the execution of work beyond the limit of 15% and without calling fresh tender is held irregular.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#9)

2.2.6.5 Irregular refund of Security Deposit prior to completion of works – Rs.4.095 million

As per Rule 7.12.3 (i) of SPPRA, Procurement Regulation (Works), "Security Deposit can be released in either of the following ways:

(a) On completion of the works, half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction;
(b) Full amount be released after completion of defect liability period."

During audit of Director General, Gorakh Hills Development Authority for the Financial Year 2020-21, it was observed that the management refunded security deposit amounting to Rs.4.095 million to the contractors prior to the completion of the ongoing works and defects liability period. The detail is given in **Annex-2 of Section-I of Chapter-02.**

Audit is of the view that due to the refund of security deposit prior to the completion of the works and defects liability period, the government interest was not safeguarded and favour was extended to the contractors.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the irregular refund and fixing responsibility on the person(s) at fault.

(AIR Para#5)

2.2.6.6 Unauthorized inclusion of additional premium on estimated cost - Rs.94.539

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

During audit of Director General, Gorakh Hills Development Authority for the Financial Year 2020-21, it was observed that the management in the estimate of the work 'Widening & Reconditioning of Road' from Wahi Pandhi to Gorakh Hills Station, between the length of 16 to 22 miles consisted 08 components costing Rs.149.572 million, included additional premium ceilings amounting to Rs.94.539 million (Difficult Terrain 50%, Chief Engineer Ceiling 9% and Asphalt laying at 20%) above the Schedule Rate without any justification and authorization from the competent forum i-e CSR committee for enhancing the schedule rate.

Audit is of the view that inclusion of additional premium ceilings in the estimated cost of the work resulted in enhancement of rates of items without approval of the CSR committee which is held unauthorized.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#1)

2.2.6.7 Overpayment due to non-adjustment of quantities of work done - Rs.34.691 million

According to Rule-23 of GFR Vol-I, "Every Government officer should realize fully and clearly that he will be personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contributes to the losses by his own action or negligence."

During audit of Director General, Gorakh Hills Development Authority for the Financial Year 2020-21, it was observed that an over-payment of Rs.34.691 million was allowed against the work 'Widening & Reconditioning of Road' from Wahi Pandhi to Gorakh Hills Station (Package-3) vide 4th R/A bill awarded. The quantities of the works already paid up to the 3rd RA bill were not deducted from the total work executed as mentioned in 4th RA bill.

Audit is of the view that the quantity/value of the works executed up to the 3rd R/A bill was not deducted from the succeeding bill passed for payment, resultant to which chances of over/dual payment cannot be Ruled out.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for non-deduction of already executed quantity/value from the total work done in the 4th RA bill besides, fixing responsibility on the person(s) at fault.

(AIR Para#2)

2.3 Section-II: Hyderabad Development Authority

2.3.1 Introduction

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

The main Objectives of the Authority are:

i. To provide developed residential plots for low/medium income group.
ii. To establish a full-fledged housing scheme with all facilities, amenities and infrastructure in the suburbs of Hyderabad.
iii. To create jobs.
iv. To support the efforts of minimizing the severe shortage of housing.
v. To manage water supply and sewerage services to the citizens.

2.3.2 Governing Laws & Policies

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

2.3.3 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

Formation	Particulars	Budget	Actual Expenditure/ Revenue	Excess (+) Savings (-)
Hyderabad Development Authority	Salary	2150.816	1511.743	-639.073
	Non-salary	710.694	194.91	-515.784
	Development	3622.629	798.075	-2824.554
	Total Expenditure	**6484.139**	**2504.728**	**-3979.411**
	Revenue Receipts	6484.139	2504.728	-3979.411

The budgeted allocation of Hyderabad Development Authority for the Financial Year 2021-22 was Rs.6,484.139 million, against which the total expenditure was Rs.2,504.728 million, resulting in overall savings of Rs.3,979.411 million. Authority could not achieve its revenue targets as only 38.628% of targeted revenue was achieved.

2.3.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 3,124.448 million were raised as a result of this audit. This amount also includes recoverable of Rs. 3,049.725 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	67.692
B	Procurement related irregularities	2.746
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	3,054.010
	Total	**3,124.448**

2.3.5 Brief comments on the status of compliance with PAC Directives

Hyderabad Development Authority falls under the administrative jurisdiction of the Local Government Department. No PAC meeting of Local Government Department on the accounts of HDA was convened since the last audit report. Further the status of printed paras is as follows:

Name of Authority	Year	No of Paras	Total Paras discussed
Hyderabad Development Authority	2016-17	13	Nil
	2017-18	10	Nil
	2019-20	11	Nil
	2020-21	6	Nil

2.3.6 Audit Para

2.3.6.1 Irregular payment on account of Leave Encashment – Rs.2.846 million

As per Rule 18-A of Revised Leave Rules 1980, duly adopted by GoS, "A civil servant may fifteen months before the date of superannuation or thirty years qualifying service on or after the 1st July, 1983, at his option, be allowed to encash his leave preparatory to retirement if he undertakes in writing to perform duty in lieu of the whole period of three hundred and sixty-five days or lesser period which is due and admissible."

During audit of Director General Secretariat, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that leave encashment amounting to Rs.2.846 million was paid to employees at the end of each year based on available balance leaves instead of at the time of superannuation as per the criterion.

Audit is of the view that management failed to observe prescribed rules and procedures set forth by the Government, resultantly undue favor was extended to the employees in the shape of leave encashment before qualifying service. This resulted in irregular payment of Rs.2.846 million.

The irregularity was pointed to the management in the month September 2022. The Management replied that the DG HDA allowed leave encashment vide letter No.HDA/Estt:/1093(G)1267/2016 dated 20.05.2016 as allowed in SBCA & KDA in lieu of deduction of (30) days leave of each individual from the leave account. The reply was not tenable as the leave encashment is allowed only once before superannuation or having thirty years of qualifying service. The irregularity of same nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs. 64.484 million, but PAO did not take remedial measures to avoid recurrence.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends prompt discontinuation of this irregular disbursement besides, fixing responsibility against person(s) at fault.

(AIR Para#05)

2.3.6.2 Excessive financial burden on hiring of contract & work charge staff - Rs.64.846 million

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

During audit of Managing Director Water and Sewerage Agency, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that a huge number of staff i-e.1573 was hired on contract & daily wages basis against which an amount of Rs.64.846 million was paid to these employees, which constituted about 57% of the total expenditure against the salary of regular employees.

In this regard, it was noticed that in the presence of an already huge regular staff, the authority hired additional staff of 1573 personnel for executing routine works. The details are given in **Annex-1 of Section-II of Chapter-2.**

Audit is of the view that HDA was established to operate on a self-financing basis, but due to the hiring of excessive staff, the authority had to bear financial constraints, resultantly grant in aid from the Government was being obtained to disburse the salaries. Further, the actual sanctioned strength was not shared to formulate a comparative analysis of the excess staff.

The irregularity was pointed out to management in the month of September, 2022. The management replied that due to topography of Hyderabad, WASA is maintaining 58 pumping stations to supply water, 131 pumping stations for sewage and 5 filter plants which are running 24 hours daily with the help of workers in three shifts and relievers as well. In view of mushroom growth of housing in Hyderabad, the responsibilities of WASA are increasing rapidly. In order to run this system smoothly, it is necessary to recruit technical staff in WASA or to train the existing staff. The minimum wage is Rs.10,000/- which amounts to Rs.2.697 million per month. If the same work is done by regular employees (who will be kept in at least Grade-2) then WASA will have to pay a minimum basic salary of Rs.24,900/- to each. In this way, the department would

save Rs.3.833 million per month. The reply of the management is not tenable as in the presence of 1452 workers on regular strength, the engagement of daily wages staff without need assessment resulted in an excessive financial burden.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends providing pragmatic justification against the hiring of excessive staff despite availability of regular human resource.

(AIR Para#09)

2.3.6.3 Non-invitation of open tender on Security Services - Rs.2.746 million

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that, "Procurement over three hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority's websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language."

During audit of Managing Director, Water and Sewerage Agency, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that an expenditure of Rs.2.746 million was made against the hiring of security services from M/s Dogma Security Services ltd. without inviting open tender. The detail is as under:

(Rs. in million)

CV# & dated	Cheque No.	Name of Payee	Amount
15 dated.02.02.22	59333202 dated.02.02.22	M/s Dogma Security	1.373
39 dated. 20.06.22	65206252 dated.20.06.22		1.373
		Total	**2.746**

Audit is of the view that hiring of security services without following the prescribed tendering process is held irregular.

The matter was pointed out to management in the month of September 2022. The management stated that instruction has been noted for future. Reply of the management was not tenable because the tender process was not followed. The irregularity of same nature was also reported for the year 2021-22 with

financial impact of Rs. 5.381 million, but PAO did not take remedial measures to avoid recurrence.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#19)

2.3.6.4 Non-cancellation of allotment of auctioned plots against defaulters – Rs.164.247 million

As per General terms & conditions # 05 of the auction of plots, "If in case successful bidders failed to comply with the terms & conditions of the auction, his/her/their offer shall be liable to cancellation at his/her/their risk, cost and consequences with forfeiture of amount."

Further to that, as per General terms & conditions # 06 of auction, "In case a bid is approved by the authority, the successful bidder shall have to pay the 25% of the bid price at the time of auction. Further 25% of the total amount will be paid within one month of the auction and the remaining amount will be paid in 02 equal quarterly instalments."

During audit of Director, Planning & Development Control, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that during the auction, bids for various commercial & residential plots having occupancy value of Rs.164.247 million were approved, but management failed to recover the same even after the lapse of the scheduled instalment period. As per the terms and conditions, the allotments against late payment of instalments were liable to be cancelled. The details are given in **Annex-2 of Section-II of Chapter-2.**

Audit is of the view that the management did not take serious efforts against the defaulters, owing to which the timely development of various schemes was jeopardized.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends the earliest cancellation of plots allotted to the defaulters besides, reallocation of the same to new subscribers for revenue generation.

(AIR Para#22)

2.3.6.5 Irregular refund of security deposit against petrol pump and market - Rs.2.515 million

According to Para-10 (i) of GFR Volume –I, "Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money."

During audit of Director, Planning & Development Control, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that an amount of Rs.2.515 million was refunded vide cheque No. 50414858 dated 10.08.21 on account of security charges previously paid against approval of site plan R.S No.130,130/2 in Deh Rahuki for the construction of petrol pump & market. After the subsequent approval, the subject amount was refunded to the applicant on the pretext that the area did not fall within the controlled jurisdiction of HDA. Subsequent to audit exercise, the following observations were also noticed:

1. Factual site position report was not provided to authenticate whether the subject site came under the jurisdiction of HDA or otherwise.
2. Copy of the challan was not provided, substantiating that the amount refunded had been duly deposited in the Authority's account or otherwise.

Audit is of the view that in the absence of a factual site position report and proof of security charges deposit in the Authority's account, the admissibility of refund to the party concerned could not be established/ascertained.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends verification of the site position report and proof of security charges deposited.

(AIR Para#26)

2.3.6.6 Misclassified and irregular expenditure beyond jurisdiction – Rs.1.770 million

As per the notification issued by the Government of Sindh, Finance Department Karachi vide No. B/2(63)/78 Part-II/20 dated 30th November 1981, "The funds allocated for one unit of appropriation cannot be utilized for another unit without prior approval of the competent authority."

During audit of Project Director, Beautification & Traffic Engineering Cell, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that an expenditure of Rs.1.770 million was made on account of "Providing & Stacking of Books" for the library of Koh-e-Sar Public Housing Scheme, but the same was wrongly charged to an irrelevant head of account i.e. "Beautification Works." The details are given in **Annex-3 of Section-II of Chapter-2.**

Audit is of the view that booking of expenditure against an irrelevant head of account and its subsequent approval by the PD Beautification beyond jurisdiction was irregular.

The irregularity was pointed out to management in the month of September 2022. The management replied that the providing religious books to the library is for the good of the general public and a blessing, so the payment has been made against the head of account of Beautification works. The reply of management was not tenable, as the expenditure was charged in the wrong head of account.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para#30)

2.3.6.7 Non-crediting of revenue – Rs.14.208 million

As per Rule-26 of General Financial Rules, "It is duty of controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited in public account."

During audit of Managing Director, Water and Sewerage Agency, Hyderabad Development Authority for the Financial Year 2021-22, it was

observed that an amount of Rs.14.208 million was deducted on account of income tax from various contractors. However, the same was retained under Form-78 and was not credited into the government account. Further no evidence of CPR challans was shown to audit.

Audit is of the view that due to non-crediting of the revenue on a timely basis, financial interests of the government were not safeguarded.

The irregularity was pointed out to management in the month of September 2022. The management replied that Income Tax was to be credited into FBR but due to overburden at District Accounts Office, Hyderabad the hand receipt of said payment was misplaced due to which the payment of income tax remained unpaid. Later on, the said payment was made to FBR through crossed cheque No.4614466 dated 08-04-2022. The reply of the management was not tenable as no copy of CPR challans were produced.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends the punctual deposit of government revenue into treasury besides, fixing responsibility on the persons at fault.

(AIR Para#17)

2.3.6.8 Non-receipt of due share from SBCA - Rs.63.597 million

As per Notification No. SO/ G/HTP/SBCA/4-161/ 16 dated 19.07.2021 issued by Local Government & Housing Town Planning Department, the sharing formula of levy infrastructure Betterment Charges is hereby re-bifurcated as under:

Sr. #	Department	Sharing ratio
01.	SBCA	10%
02.	WASA	60%
03.	HMC	30%

During audit of Managing Director, Water and Sewerage Agency, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that an amount of Rs.79.496 million was collected by Sindh Building Control Authority, Hyderabad on account of Betterment Charges on behalf of WASA, out of which only Rs.15.899 million was paid to WASA through cheque No. 19038635 dated 06.09.21 in the year 2020-21. Thus, an amount of Rs.63.597 million still remained outstanding on part of SBCA, Hyderabad. The details are as follows:

(Rs. in million)

Particulars	Year	WASA Share @60%	Amount Received from SBCA	Balance due Share
Betterment Charges	2020-21	79.496	15.899	63.597

Moreover, during the Financial Year 2021-22 no amount was credited to WASA by SBCA on account of the Betterment Charges. Further, there existed no mechanism on the basis of which reconciliation of the total revenue to be earned by WASA could be ascertained.

Audit is of the view that owing to non-recovery of the prescribed share, WASA was deprived of potential revenue.

The irregularity was pointed out to management in the month of September, 2022. The management replied that despite continuous correspondence, SBCA was not making payments to WASA, due to which WASA's financial deficit was increasing with the passage of time and the list of receipts was also not being provided for reconciliation. The reply of the management is not tenable as no evidence was provided to justify the efforts taken as claimed.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit requires expeditious recovery of dues besides, systematic reconciliation of revenue to be received from SBCA, Hyderabad.

(AIR Para#07)

2.3.6.9 Non/less-recovery of various taxes – Rs.8.199 million

According to Para 153 (1)(b) 153(2), Division III & IV PIII 1st schedule of Income Tax Ordinance 2001, “Income tax is required to be deducted @ 10% & 20% at source while making payment to AOP & independent service provider.”

According to the notification issued by Sales Tax Department for Sales Tax Special Procedure (Withholding) Rules, 2007 vide letter No S.R.O 77 (I) 2008 dated 23-01-2008, “Withholding agent shall deduct an amount equal to 1/5 of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount. If sales tax invoice is not provided then 17% tax would be deducted.”

During audit of Managing Director, Water and Sewerage Agency, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that an amount of Rs.8.199 million against Income Tax & General Sales Tax was either not or less deducted while making payments to contractors in violation of rules. The details are given in **Annex-4 of Section-II of Chapter-2.**

(Rs. in million)

Sr.#	Particulars	Description	AIR Para#	Amount
1	Non deduction of Income Tax & GST	Water purifying chemicals (Alum & Chlorine Gas)	12	2.597
2	Less deduction of Income tax	Various works	10	5.602
			Total	**8.199**

Audit is of the view that non-recovery of taxes resulted in short realization of government revenue.

The management at Sr.#1 stated that all payments have been made according to the FBR exemption certificate issued from time to time and being a withholding agent, all tax recoveries have been made according to law. Reply of the management was not tenable as copy of sales tax returns along with exemption certificate were not furnished.

The management at Sr. #2 stated that being a withholding agent, all taxes had been recovered against different types of works / supplies / services as per specific rate of income tax ordinance. The reply of the management is not tenable as management deducted 7% - 7.5% Income Tax which was applicable on contracts instead of 10% rate as applicable on service providers. The irregularity of same nature was also reported in the year 2021-22 with financial impact of Rs. 0.425 million, but PAO did not take remedial measures to avoid recurrence.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit requires expeditious recovery of taxes besides, taking remedial measures.

(AIR Para#10 & 12)

2.3.6.10 Non-recovery of Stamp Duty – Rs.3.004 million

According to Para 22-A of Stamp Act, "It is duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of Agreement @ 0.35 paisa per hundred rupees of the value of the Agreement or against tender cost."

During audit of Managing Director, Water and Sewerage Agency, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that works were awarded to various contractors, but the Stamp Duty @ 0.35% amounting to Rs. 3.004 million was neither affixed on the agreements nor was the same deducted from the bills. The detail is given in **Annex-5 of Section-II of Chapter-2.**

Audit is of the view that non-recovery of Stamp Duty resulted in short realization of government revenue.

The irregularity was pointed out to management in the month of September 2022. The management replied that stamp duties are already being affixed within 07 days after issuance of work order. Photocopies of requisite agreements were enclosed for ready reference. The reply of the management was not tenable as no substantiating documents were attached with the reply. The irregularity of same nature was also reported for the year 2021-22 with financial impact of Rs. 4.690 million, but PAO did not take remedial measures to avoid recurrence.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends prompt recovery of Stamp Duty besides, fixing responsibility on the person(s) at fault.

(AIR Para#14)

2.3.6.11 Non-recovery of occupancy value & other charges from defaulters - Rs.1,272.962 million

As per Rule No. 28 of General Financial Rules (Chapter 3, Revenue & Receipts), "No amount due to Government should be left outstanding without

sufficient reason and where any dues appear to be irrecoverable the orders of the Competent Authority for their adjustment must be sought."

During audit of Director, Planning & Development Control, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that the recovery against occupancy value & other charges amounting to Rs.1,522.995 million was required to be made, but only Rs.250.032 million was recovered at the close of the financial year which resulted into less-recovery of Rs.1,273.327 million. The detail is given as under:

(Rs. in million)

Sr.#	Name of scheme	Type of charges	Total receivable	Total received	Outstanding
1	Gulistan –e- Sarmast Housing Scheme	Occupancy Value	1,251.635	44.397	1160.667
		Utility charges		46.572	
2	Kohsar Extension Housing Scheme	Development charges	195.144	128.312	66.832
		Ground rent	41.105	0.880	40.224
3	Hosh Nagar Housing Scheme	Occupancy Value	35.111	29.872	5.239
		Total	**1,522.995**	**250.033**	**1,272.962**

Audit is of the view that owing to the negligence of the management, a huge amount remained not recovered.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends that strenuous efforts may be put in to recover the specified amount at the earliest.

(AIR Para#21)

2.3.6.12 Non-recovery of outstanding External Development Charges - Rs.1523.508 million

As per Special Terms & Conditions # 05 of NOC & approval of Layout Plan, "The betterment charges/EDC of the scheme is charged @ Rs.100/sq.yards which will be recovered from the individual allottees at the times of issuance of NOC for approval of building plans, for which the sponsor should include a condition in booking/lease sub-lease documents."

During audit of Director, Planning & Development Control, Hyderabad Development Authority for the Financial Year 2021-22, it was observed that NOC and Layout Plan of various private schemes were approved in different years, but an amount of Rs.1523.508 million was outstanding on account of

External Development/Betterment Charges out of the total amount of Rs.1663.779 million. The detail is as under:

(Rs. in million)

Sr.#	Name of private sponsor/ Taluka	Nos. approved Sch.	Total EDC	Recovered	Outstanding
01.	Zafar Housing Scheme, Deh Miano, Tapo Hatri Taluka Hyderabad.	01	6.184	Nil	6.184
02.	City Hyderabad	07	26.568	12.711	13.857
03.	Hyderabad Rural	15	1582.469	104.328	1478.141
04.	Latifabad	05	48.558	23.232	25.326
	Total	**83**	**1663.779**	**140.271**	**1523.508**

Audit is of the view that non-recovery of the specified charges, resulted in a loss of revenue.

The irregularity was pointed out to management in September 2022, but no reply was received. The irregularity of same nature was also reported for the year 2021-22 with financial impact of Rs. 512.387 million, but PAO did not take remedial measures to avoid recurrence.

Despite written request vide letter dated 04.11.2022, DAC meeting was not convened by PAO till finalization of this report.

Audit requires expeditious recovery of EDC/Betterment charges from the sponsors besides, fixing responsibility on the person(s) at fault.

(AIR Para#24 &25)

2.4 Section-III: Karachi Development Authority

2.4.1 Introduction

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

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

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

KDA has achieved tremendous goals since 1957, which have won accolades nationally and internationally. In fact, it is the mother of all Development Authorities of Pakistan. KDA has developed about 7 lacs plots in 45 schemes, out of which 4 schemes (Shah Latif Town, Hawkes Bay, Taiser Town & Halkani Town) were transferred to Malir and Lyari Development Authorities in 1993.

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

At the time of its establishment, the integral function of the Authority was to develop Karachi city. The population of the city at that time was about 1.6 million, which has now swelled to 22 million. Resultantly, there is a great need to develop more schemes in the city, but KDA is unable to play a proactive role owing to inadequacy of vacant land.

2.4.2 Governing Laws & Policies

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

2.4.3 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

Particulars	Budget Allocation	Actual Expenditure /Receipts	Excess (+) Savings (-)
Establishment	4,907.768	2,433.583	-2,474.185
Contingencies	495.415	3,398.941	2,903.526
Development Expenditure (Own sources))	646.000	158.408	-487.592
Development Expenditure (ADP Schemes)	8,007.509	7,975.390	-32.119
Total	**14,056.692**	**13,966.322**	**-90.370**
Revenue	**8,675.858**	**4,864.297**	**-3,811.561**

The budget of Karachi Development Authority for the Financial Year 2021-22 was Rs. 14,056.692 million against which the total expenditure was Rs. 13,966.322 million, resulting in overall savings of Rs. 90.370 million. Revenue collections stood at Rs. 4,864.297 million against the target of Rs. 8,675.858 million, with a short fall of Rs. 3,811.561 million.

2.4.4 Classified Summary of Audit Observations

Observations amounting to Rs. 3,560.478 million were raised in this report during the audit of 2021-22. Classification of the audit observations is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	132.982
B	Procurement related irregularities	3,107.538
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	319.958
	Total	**3,560.478**

2.4.5 Brief comments on the status of compliance with PAC Directives

Karachi Development Authority falls under the administrative jurisdiction of the Local Government Department. No PAC meeting of Local Government Department on the accounts of KDA was convened since the last audit report. Further the status of printed paras is as follows:

Name of Authority	Year	No of Paras	Total Paras discussed
Karachi Development Authority	2016-17	9	Nil
	2017-18	13	Nil
	2019-20	21	Nil
	2020-21	7	Nil

2.4.6 Audit Paras

2.4.6.1 Non-production of record

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

(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Further, as per Section 13 (5) of the Karachi Development Authority Order, 1957, "It shall be open to the Central Government to authorize the Comptroller and Auditor General of Pakistan to conduct a test or other audit of the accounts submitted to it on such terms and conditions as the Central Government may determine."

During audit of various offices of the Karachi Development Authority for the Financial Year(s) 2016-2022, auditable record pertaining to development and non-development expenditures and revenue receipts of Rs. 4,046.445 million was not provided despite requisitions. The details are given in **Annex-1 of Section-III of Chapter-2.**

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

The matter was reported to the management during December 2022, but no reply was received. The irregularity of same nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.350.173 million, but PAO did not take remedial measures to avoid recurrence. Further, no DAC meeting was convened till finalization of the report.

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

2.4.6.2 Irregular payment of various allowances - Rs. 130.765 million

According to Regulation No.84 (1) of the Karachi Development Authority (Employee's Service) Regulations, 1973, "All employees shall be paid such remuneration as may be determined by the Authority."

During audit of the DG, Karachi Development Authority for the Financial Year(s) 2016-2022, the following irregularities were observed while reviewing the record of various allowances:

1. An expenditure of Rs 38.397 million was made against payment of HRA @ 65% instead of 45% to the employees without approval of the Governing Body and publication of the same in the Gazette notification.
2. The management made an expenditure of Rs. 87.696 million against utility allowance without admissibility/approval by Governing Body and publication of the same in the Gazette notification.
3. The management made a payment of Rs. 4.672 million on account of different allowances to the employees contrary to admissibility.

The details are given in **Annex-2 of Section-III of Chapter-2.**

Audit is of the view that due to the irregular payment of various allowances without admissibility/approval and publication in the official gazette; the government exchequer sustained loss.

The matter was reported to the management during December 2022, but no reply was received. The irregularity of same nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.67.209 million, but PAO did not take remedial measures to avoid recurrence. Further, no DAC meeting was convened till finalization of the report.

Audit recommends prompt recovery of the allowances besides, taking remedial measures.

2.4.6.3 Irregular payment of arrears of salary – Rs. 2.217 million

As per Finance Department, Government of Sindh letter No.F.D.SO (LF-I) Misc. (171)2013 Dated 13th August, 2013, "The Chief Secretary has directed that henceforth no payment be made against contractual liabilities until necessary verification has been carried out in this regard. All the Local Bodies in Sindh are directed to send the detail of their liabilities to Chief Secretary Office for verification through a systematic mechanism to be devised for this

purpose. The Administrators/ Municipal Commissioners/ Chief Officers/ Drawing & Disbursing Officers will be held personally responsible if instructions are violated."

During audit of the Chief Engineer, Karachi Development Authority for the Financial Year 2021-2022, it was observed that the management made payment amounting to Rs. 2.217 million on account of arrears of salary to the employees after a belated period and without any legal justification.

Audit is of the view that the payment of arrears of salary to the employees after an abnormally delayed period casts doubt at the authenticity of the procedure adopted.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit requires justification for the matter.

2.4.6.4 Irregular publication of NITs without approval of Information & Archives Department – Rs. 2,947.385 million

As per Para 08 (f) of the Advertisement Policy-2011, "All classified Ads i.e., Notice Inviting Tenders, Gallop Tender Notices, Expression of Interest, Vacancies in Government Departments and such other Ads shall be issued/ released directly to the print media through Information Department, Government of Sindh and not through any Advertising Agency whatsoever."

Further, as per Para No. 09 (iii) of *ibid*, "If any client department wants any advertisement agency for the advertising purpose, it can only recommend and not appoint the same. Eventually, the agency has to follow the same procedure for observance of all codal formalities. The final decision again rests with Information Department for the purpose."

During audit of the Chief Engineer, KDA, Karachi for the Financial Year 2021-2022, it was observed that the management published NITs worth Rs. 2,947.385 million directly in different newspapers through Public Relations Department of the KDA instead of forwarding the same to the Information Department, Government of Sindh. The details are given in **Annex-3 of Section-III of Chapter-2.**

Audit is of the view that the publication of advertisements by by-passing the Information Department, Government of Sindh is irregular.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit requires justification for the matter.

2.4.6.5 Irregular award of work prior to the administrative approval – Rs. 125.317 million

As per Rule 2.22 (2) of the West Pakistan Building & Roads Department Code, "Before any detailed plan and estimates are prepared the administrative approval of government or the head of the department concerned or other officers competent to accord such approval should be obtained. As soon as administrative approval has been received from the competent authority, the Divisional Officer will take up the preparation of the detailed estimate, Technical Sanction to which will be accorded by the authority competent in order as that the work may be started as soon as funds are allotted."

During audit of the Chief Engineer, KDA, Karachi for the Financial Year 2021-2022, it was observed that the management awarded work amounting to Rs.125.317 million and issued technical sanction prior to issuance of administrative approval. The detail is given as under:

(Rupees in million)

A.A No. & Date	T.S No. & Date	Date of Contract Agreement	W.O. No. & Date	Name of Work	Amount
15-05-2022	No.30 Dated 03-03-2022	11-05-2022	235 Dated 11-05-2022	Improvement of water supply line, installation of sewerage line, paver block and road carpeting in UC-19, District West, Karachi (M/s. S.K Construction Co.)	125.317

Audit is of the view that the award of work prior to the issuance of the administrative approval is held irregular.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit requires justification for the matter.

(AIR Para#84)

2.4.6.6 Irregular award of contract – Rs. 34.836 million

As per SPPRA Notification No. Dir (Enf-I)/SPPRA/1-3(GEN)/12-13 dated 14-02-2013, "The Authority, while examining Bid Evaluation Reports (BERs), shall not hoist the same on Authority's website in case the members of Procurement Committee already notified differ from the ones signing the BERs or the Procurement Committee is not constituted in accordance with Rule-7 of SPPRA Rules, 2010. NITs, if found in order will be hoisted on SPPRA website, but SPPRA ID will be withheld till the original BER prepared by a rightly constituted Procurement Committee is hoisted on SPPRA website before the award of contract."

Further, as per Rule 02 (1) (d) (ii) of the SPPRA Rules, 2010, "Collusive practice means any arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring agency to establish prices at artificial, non-competitive levels for any wrongful gain."

During audit of the Chief Engineer, Karachi Development Authority for the Financial Year 2021-2022, it was observed that the management awarded work amounting to Rs. 34.836 million. The bid evaluation report was signed by Executive Engineer, Traffic Engineering Bureau, who was not the member of the procurement committee. Further, the comparative statement was not signed by one of the members. The detail is as under:

(Rupees in million)

W.O No. & Date	Name of Work & Contractor	Amount
67 Dated 27-06-2019 Extended vide W.O No.36 Dated 24-04-2020	Installation/improvement and up-gradation of existing traffic signals in Karachi (M/s. Silicon Communication & Security)	34.836
	Total	**34.836**

Audit is of the view that the engagement of an unauthorized official in the bid evaluation process and non-concurrence of the comparative statement by a committee's member is held irregular.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit recommends conducting an inquiry into the matter.

(AIR Para#102)

2.4.6.7 Shortfall of revenue due to non-auction of property – Rs.90.000 million

According to Section 147A of the Karachi Development Authority Order, 1957, "All sums due to the Authority shall be recovered as arrears of land revenue."

During audit of the Director (Marketing) Public Housing Schemes, KDA, Karachi for the Financial Year(s) 2016-2022, it was observed that an amount of Rs.90.0 million was forecasted to be earned as revenue through auction process. Contrary to that, no auction was conducted by the management despite availability of 93 shops and one office located in different public housing schemes.

Audit is of the view that the management did not announce and conduct the auction process, subsequently the forecasted revenue remained non-realized.

The matter was reported to the management from December 2022, but no reply was received.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit requires justification for the matter.

(AIR Para#70)

2.4.6.8 Non- recovery of outstanding dues against auctions – Rs. 30.511 million

As per section 147A of KDA Order 1957, "All sums due to the Authority shall be recovered as arrears of land revenue."

During audit of the Director (Marketing) Public Housing Schemes, KDA, Karachi for the Financial Year(s) 2016-2022, it was observed that the management failed to recover outstanding dues amounting to Rs. 30.511 million against auction of various flats, shops and offices in 2020 & 2021. Further, the auction amount was required to be recovered in three installments i.e., 25% advance, 25% within 15 days of auction and 50% within 04 months of the auction date. On the contrary, despite lapse of 2-3 years, the authority did not recover the complete amount. The detail is as under:

(Rs. in million)

Sr.#	Head of account	Auction amount		
		Bid amount	Recovered amount	Outstanding balance
01	Auction of flats, offices and shops held in 2020	94.475	77.834	16.641
02	Auction of flats, offices and shops held on 25th May, 2021	31.115	17.245	13.870
	Total	**125.590**	**95.079**	**30.511**

Audit is of the view that the non-recovery of outstanding dues against auction from the allotees resulted in non-realization of the authority's revenue.

The matter was reported to the management during December 2022, but no reply was received. The irregularity of same nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs. 2,594.813 million, but PAO did not take remedial measures to avoid recurrence. Further, no DAC meeting was convened till finalization of the report.

Audit recommends prompt recovery of the outstanding amount.

(AIR Para#69)

2.4.6.9 Unjustified payment of secured advance – Rs. 29.066 million

According to the standard form of bidding documents issued by SPPRA, "The contractor shall be entitled to receive secured advance from the procuring agency against an indenture bond in P.W. Account Form-31 (F.R. Form No.2) in respect of non-perishable materials brought at site but not yet incorporated in the permanent works and sum payable for such materials on site shall not exceed 75% of the landed cost of imported materials, of ex-factory/ex-warehouse price of locally manufactured or produced materials or market price of standard materials. Detail account of advance must be kept in Part-II of running account bill. The secured advance may be permitted only against materials/quantities anticipated to be consumed/utilized on the work within a period of 03 months from the date of issue of secured advance."

During audit of the Chief Engineer, KDA, Karachi for the Financial Year 2021-2022, it was observed that the management made payment of secured advance amounting to Rs. 29.066 million against two works awarded for a period of 12 months. The secured advance was paid against granular crushed stone and paving blocks. However, as per specification, the dismantling work of asphalt and cement concrete plain and earth excavation was to be executed for repair of

leakages of RCC drain before start of road work. Hence, dumping of material at site for execution of item of work which was required to be carried out at the last stage of the execution was unjustified. The details are given in **Annex-4 of Section-III of Chapter-2**

Audit is of the view that payment of secured advance without immediate requirement in the closing of the financial year is held unjustified.

The matter was reported to the management during December 2022, but no reply was received. The irregularity of same nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs. 9.403 million, but PAO did not take remedial measures to avoid recurrence. Further, no DAC meeting was convened till finalization of the report.

Audit requires justification for the matter.

(AIR Para#86)

2.4.6.10 Irregular expenditure on maintenance of traffic signals beyond jurisdiction – Rs. 9.432 million

According to paragraph 10 (ii) of the General Financial Rules, Volumes – I, "The expenditure should not be prima facie more than the occasion demands."

During audit of the Chief Engineer, Karachi Development Authority for the Financial Year 2021-2022, it was observed that the management made an expenditure of Rs. 9.432 million on account of maintenance of traffic signals at twelve different locations falling within the domain of Cantonment area under Defence Division, Government of Pakistan. The detail is as under:

(Rs. in million)

Bill No. & Date	Name of Work & Contractor	Description	Rate	Month	No. of Signals	Amount
5th & Final 01-07-2021	Installation/Improvement & up-gradation of existing traffic signals in Karachi (M/s. Silicon Communication & Security)	Routine maintenance of traffic lights	23,000	12	12	3.312
			8,000	12	12	1.152
1st 30-06-2022	Installation/Improvement & up-gradation of existing traffic signals in Karachi	Routine maintenance of traffic lights	23,000	12	12	3.456
			8,000	12	12	1.512

	(M/s. Silicon Communication & Security)					
					Total	**9.432**

Audit is of the view that maintenance of traffic signals was the operational responsibility of the cantonment authorities, whereas by making the expenditure from the authority's budget, the management committed financial irregularity.

The matter was reported to the management from December 2022, but no reply was received.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#103)

2.4.6.11 Unjustified execution of excess quantity of sub-base course – Rs. 1.133 million

According to the approved estimate of the work Item No.5. "Providing & laying aggregate base course was to be executed in 9" above the 12" sub-base course."

During audit of the Chief Engineer, Karachi Development Authority for the Financial Year 2021-2022, it was observed that as per estimate of the repair work of the road, the quantity of base course and sub-base provided were 65,100 Cft. and 50,800 Cft. respectively. However, during execution the quantity of sub-base course exceeded by 33,893 Cft. with a financial impact of Rs. 1.133 million, but on the other hand, the quantity of base remained same within estimate. The detail is given as under:

(Rs. in million)

Bill No. & Dated	Name of Work & Contractor	Qty. of Sub-base course as per estimate	Qty. of Sub-base course	Excess Qty.	Unit	Rate of base course	Amount
1st & final Bill	Repair and patch work road from Imam Bargah to Federal Government Flats (A-3 road), Scheme-33 Karachi (M/s. M. Tahir & Brothers)	50,800	84,693	33,893	% Cft.	3,341.71	1.133
						Total	1.133

Audit is of the view that excess execution of sub-base course without impacting the base course, resulted in unjustified execution of the work.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

The matter was reported to the management during December 2022, but no reply was received.

Audit requires justification for the matter.

(AIR Para#100)

2.4.6.12 Non-removal of encroachments from the public housing schemes

According to Section 3 (1) of the Sindh Public Property (Removal of Encroachment) Act, 2010, "Government or any authority or officer authorized by the government in this behalf may require the person directly or indirectly responsible for encroachment to remove such encroachment together with the structure, if any, raised by him on the public property, within the period not less than two days as may be specified in the order."

During audit of the Director (Marketing) Public Housing Schemes, KDA, Karachi for the Financial Year(s) 2016-2022, it was observed from the list of encroached properties duly compiled by the management that the encroachments by illegal occupants against 7,956 plots and 74 apartments were not vacated. The details are given in **Annex-5 of Section-III of Chapter-2.**

Audit is of the view that due to the illegal encroachment on the property of the authority, the public assets were not safeguarded, thus reflecting negligence of the management.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit requires justification for the matter.

(AIR Para#71, 107)

2.4.6.13 Unauthorized allocation of property without rent – 159.816 million

According to Section 3 (1) of the Sindh Public Property (Removal of Encroachment) Act, 2010, "Government or any authority or officer authorized by the government in this behalf may require the person directly or indirectly responsible for encroachment to remove such encroachment together with the structure, if any, raised by him on the public property, within the period not less than two days as may be specified in the order."

During audit of the Director (Estate), KDA, Karachi for the Financial Year(s) 2017-2022, it was observed that management allotted 71,551.1 square yards premises to offices of various departments without rental charges which resulted into improper usage of the property and loss of revenue of Rs. 159.816 million per annum as notified in rent schedule 2020 against per square ground rent by the KDA. The details are given in **Annex-6 of Section-III of Chapter-2.**

Audit is of the view that allotment of premises without formal agreements and charging of rent resulted in loss of revenue.

The matter was reported to the management during December 2022, but no reply was received. Further, no DAC meeting was convened till finalization of the report.

Audit recommends justification for the matter besides, recovery of rental charges.

(AIR Para#108)

2.5 Section-IV: Lyari Development Authority

2.5.1 Introduction

Lyari Development Authority has the mandate to carry out development works in two major schemes namely Hawkes Bay Scheme # 42 (20,900 acres) and Halkani Town Scheme # 43 (11,450 acres). These schemes previously came under the operational jurisdiction of Karachi Development Authority, but were transferred from the same to LDA subsequent to the passing of Lyari Development Authority Act, 1993.

The main objectives of the Authority are to:

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

2.5.2 Governing Laws & Policies

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

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

2.5.3 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

Formation	Particulars	Budget	Actual Expenditure/ Revenue	Excess (+) Savings (-)
Lyari Development Authority	Salary	181.823	181.823	0
	Non-salary	114.694	122.694	-8.000
	Development	20.368	14.117	6.251
	Total Expenditure	**316.885**	**318.634**	**-1.749**
	Revenue Receipts	316.885	221.751	-95.134

The budgeted allocation of Lyari Development Authority for the Financial Year 2020-21 was Rs. 316.885 million, against which the total expenditure was Rs. 318.634 million, resulting in overall excess of Rs. 1.749 million. The Authority could not achieve its revenue target as only 69.978% of targeted revenue was collected.

2.5.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 2,454.758 million were raised as a result of this audit. This amount also includes recoverable Rs. 2,175.367 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	1.532
B	Procurement related irregularities	253.717
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	2,199.509
	Total	**2,454.758**

2.5.5 Brief comments on the status of compliance with PAC Directives

Lyari Development Authority falls under the administrative jurisdiction of the Local Government Department. No PAC meeting of Local Government

Department on the accounts of LDA was convened since the last audit report. Further the status of printed paras is as follows:

Name of Authority	Year	No of Paras	Total Paras discussed
Lyari Development Authority	2013-14	3	Nil
	2016-17	7	Nil
	2017-18	3	Nil
	2020-21	6	Nil

2.5.6 Audit Paras

2.5.6.1 Non-production of record

Section 14 (2) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provide as under:

(2) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor General regarding the inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of Director General, Lyari Development Authority for the Financial Year 2020-21, auditable record pertaining to development and non-development expenditures and revenue receipts was not provided despite repeated requisitions. Detail is given in **Annex-1 of Section-IV of Chapter-2.**

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

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIRPara#01)

2.5.6.2 Unauthorized payment of LPR from authority's Fund - Rs.1.532 million

As per Rule 18-A of Revised Leave Rules 1980, duly adopted by GoS, "A civil servant may fifteen months before the date of superannuation or thirty years qualifying service on or after the 1st July, 1983, at his option, be allowed to encash his leave preparatory to retirement if he undertakes in writing to

perform duty in lieu of the whole period of three hundred and sixty-five days or lesser period which is due and admissible."

During audit of Director General, Lyari Development Authority for the Financial Year 2020-21, it was observed that leave encashment amounting to Rs.1.532 million was paid by LDA to Director General, on account of LPR instead of parent department i.e. Local Government, Sindh. The detail is as under:

Voucher no.	Budget head	Particulars	Name of payee	Amount	Cheque number
2023 27.10.2020	LPR / Encashment of leave – secretariat	365 days leave Encashment	Muhammad Farooq Laghari, Director General, LDA	1,532,640	31158784

Audit holds the view that the payment of LPR should have been made to the officer by the parent department. Thus, the payment made from Authority's funds stands irregular besides, chances of duplicate payment cannot be ruled out.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter and fixing responsibility in case a dual payment has been made.

(AIR PARA#12)

2.5.6.3 Excess expenditure over & above 5% of the estimate – Rs.194.367 million

According to Para 532 and 767 of PWD Manual, Volume-I, "A revised estimate containing the facts and causes of revision must be submitted when sanctioned estimate is likely to be exceeded by more than 5% either from the rate being found insufficient or from any other cause whatever".

During audit of Project Director Shaheed Mohtarma Benazir Bhutto Town Ships, Lyari Development Authority for the Financial Year 2020-2021, it was observed that an expenditure of Rs.194.367 million was made against the execution of works in excess of the prescribed limit of 5% of the technical sanction. The detail is given in **Annex-2 of Section-IV of Chapter-2.**

Audit is of the view that the expenditure beyond the permissible limit of 5% of the estimate without revising the original technical sanction is contrary to the prescribed rule and is held irregular.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#04)

2.5.6.4 Non-obtaining of performance security from the contractor - Rs.59.350 million

According to Rule-39 of SPPRA 2010, "Procuring agency shall, in all procurement of goods, Works & Services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of the contract price".

During audit of Project Director Shaheed Mohtarma Benazir Bhutto Town Ships, Lyari Development Authority for the Financial Year 2020-2021, it was observed that various works amounting to Rs.1,187.004 million were awarded to the contractors, but performance security @ 5 % amounting to Rs.59.350 million was not obtained. Further no evidence of call deposit retained as performance security at prescribed rate was provided to audit. The details are given in **Annex-3 of Section-IV of Chapter-2.**

Audit is of the view that due to non-obtaining of performance security; undue benefit was extended to the contractors.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires prompt recovery of performance security for the ongoing works besides, fixing responsibility on the person(s) at fault.

(AIR Para#22)

2.5.6.5 Short realization of income/revenue - Rs.213.700 million

Rule-28 of General Financial Rules, Volume-I states that, "No amount due to Government should be left outstanding without sufficient reasons and where any dues appear to be irrecoverable, the orders for their adjustment must be brought."

During audit of Director General, Lyari Development Authority for the Financial Year 2020-21, it was noticed that outstanding amount of Rs.283.855 million was to be recovered by June 2021, but the management recovered only Rs.70.144 million, resulting in a short realization of Rs.213.700 million. Moreover, no diligent efforts were put in by the authority to recover the outstanding amount since 1992. The details are given in **Annex-4 of Section-IV of Chapter-2.**

Audit is of the view that due to the short recovery, the authority was deprived of potential revenue.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends prompt recovery of the outstanding amount.

(AIRPara#06)

2.5.6.6 Non-Recovery of outstanding dues from the plot owners - Rs.1,959.464 million

Rule-28 of General Financial Rules, Volume-I states that, "No amount due to Government should be left outstanding without sufficient reasons and where any dues appear to be irrecoverable, the orders for their adjustment must be brought."

During audit of Director General, Lyari Development Authority for the Financial Year 2020-21, it was observed that an amount of Rs.1, 959.464 million on account of occupancy and development charges was outstanding against the allotment of plots during 1990-91 to 1997-98. The detail is enclosed in **Annex-5 of Section-IV of Chapter-2.**

Audit is of the view that the management failed to recover the outstanding dues which reflects weak financial controls.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that strenuous efforts may be put in to recover the specified amount at the earliest.

(AIR Para#10)

2.5.6.7 Unauthorized creation of liabilities - Rs.24.142 million

According to Para-7 (j) & (k) of Notification issued vide letter # FD/B&E-IX/1-2/2008-09 dated 05-07-2008, "No liabilities beyond budgetary authorization, released for a particular time span may be created and liabilities of previous years may not be cleared unless concurrence is accorded by Finance Department."

During audit of Director General, Lyari Development Authority for the Financial Year 2020-21, it was observed that an amount of Rs.24.142 million was shown as liability against the development work spanning from 2012. The details are given as under:

Sr.#	Name of contractor	Work Done	Paid Amount	Unpaid Amount	Progress of work
01.	M/s Zia Ul Haq & Sons	26,393,415	16,721,296	9,672,119	36.02%
02.	M/s. Shahzad Yousaf Zai	38,534,200	38,534,200	1,463,611	-
03.	M/s. Abdul Sattar & Sons	15,452,080	11,590,794	3,861,286	72.35%
04.	M/s. Rajgan Enterprises	12,446,917	10,483,547	1,963,370	26.63%
05.	M/s. Haji Syed Ameer& Brothers	143,589,513	136,406,977	7,182,536	99.96%
	Total	**236,416,125**	**213,736,814**	**24,142,922**	

Audit is of the view that the creation of liabilities over the last ten years shows improper vigilance and financial indiscipline within the organization.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification in the matter as the subject liability had been created in 2012 and its subsequent clearance was not shown, thus reflecting doubt at the execution of the works done.

(AIR Para#11)

2.5.6.8 Non-recovery of Stamp Duty – Rs.2.203 million

According to Para 22-A of the Stamp Act, "It is the duty of the Competent Authority to recover the Stamp Duty and affix the same @ 0.35 paisa per hundred rupees of the value of the Agreement or against the tender cost".

During audit of Project Director Shaheed Mohtarma Benazir Bhutto Town Ships Lyari Development Authority for the Financial Year 2020-2021, it was observed that works amounting to Rs.784.223 million were awarded to various contractors and the same were later on revised to Rs.888.946 million, but the Stamp Duty @ 0.35% amounting to Rs.2.203 million was neither affixed on revised agreements nor the same was deducted from the bills of the contractors. The detail is given in **Annex-6 of Section-IV of Chapter-2.**

Audit is of the view that non-recovery of Stamp Duty resulted in short realization of revenue.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends prompt recovery of the Stamp Duty and crediting the same in the government account.

(AIR Para#17)

2.6 Section-V: Sehwan Development Authority

2.6.1 Introduction

Sehwan Development Authority was created through an Act passed by Provincial Assemble, Sindh titled as 'Sehwan Development Authority Act 1993" and later on revived through Sehwan Development Authority Revival and Amending Act 2013. Main objectives behind creation of Sehwan Development Authority included improvement and beautification of the areas comprising Taluka Sehwan.

2.6.2 Governing Laws & Policies

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

2.6.3 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

Formation	Particulars	Budget	Expenditure	Excess (+) Savings (-)
Sehwan Development Authority	Salary	317.474	211.076	- 106.398
	Non-salary	52.162	37.301	-14.861
	Development	1419.00	97.498	-1,321.5020
	Total	**1,788.636**	**345.875**	**-1,442.761**

The budgeted allocation of Sehwan Development Authority for the financial year 2020-21 was Rs. 1,788.636 million, against which the total expenditure was Rs.345.875 million, resulting in overall savings of Rs.1,442.761 million.

2.6.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 842.385 million were raised as a result of this audit. This amount also includes recoverable of Rs.6.978 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	7.543
B	Procurement related irregularities	6.269
C	Management of Accounts with Commercial Banks	*0*
4	Value for money and service delivery issues	821.595
5	Others	6.978
	Total	**842.385**

2.6.5 Brief comments on the status of compliance with PAC Directives

Sehwan Development Authority falls under the administrative jurisdiction of the Local Government Department. No PAC meeting of Local Government Department on the accounts of SDA was convened since the last audit report. Further the status of printed paras is as follows:

Name of Authority	Year	No of Paras	Total Paras discussed
Sehwan Development Authority	2013-14	3	Nil
	2016-17	11	Nil
	2019-20	4	Nil
	2020-21	2	Nil

2.6.6 Audit Paras

2.6.6.1 Non-production of record - Rs.485.356 million

Section 14 (2) and (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provide as under:

(2) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor General regarding the inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of Sehwan Development Authority, Jamshoro for the Financial Year 2020-21, auditable record pertaining to development and non-development expenditures and revenue receipts involving an amount of Rs.485.356 million was not provided despite repeated requisitions. The details are given as under:

(Rs. in million)

Sr.#	Particulars	AIR Para#	Amount
01	Record of various receipts	01	360.618
02	Arrear payments of salaries (2009 to 2021)	30	68.836
03	Supporting vouchers for payment to employees and vendors	19	34.117
04	Supporting vouchers of employees' record	15	20.100
05	Supporting vouchers for payment to Qasim Welfare	06	1.685
06	Record of 42 cheques	18	-
07	Record of NIT for Scheme Gulshan-e-Shahbaz at CBD-III &IV	04	-
	Total		**485.356**

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

The matter was reported to the management in June 2021, but no reply was received. The irregularity of same nature was reported in Audit Report for the Year 2021-22 with financial impact of Rs.65.678, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 04-11-2022.

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

2.6.6.2 Non-deposit of pension contribution in the fund account - Rs.7.543 million

As per Para 3 & 4 of Sehwan Development Authority (Pension) Regulations, 1995,

(1) There shall be a fund known as the Employees' Pension Fund which shall consist of:
   (a) The contributions made by the Authority from time to time and credited to the fund.
   (b) All profile earned or accrued on the money of the funds.

(2) The fund shall be utilized for the grant of pension and gratuity under these regulations.

(3) All money of the Fund not required for immediate use may be invested by the Director General in such securities or schemes as may be approved by the Government.

During audit of Director General, Sehwan Development Authority, Jamshoro for the Financial Year 2020-21, it was observed that gross salaries amounting to Rs.164.578 million were disbursed in the current year along with arrears of the same since 2013 to different employees, but pension contribution amounting to Rs.7.543 million deducted from gross salaries was not deposited in separate pension fund bank account maintained by the Authority. The details are enclosed in **Annex-1 of Section-V of Chapter-2.**

Audit is of the view that due to non-deposit of pension contribution fund, the employees may be deprived of pensionary benefits and interest earned on the deposits thereof.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for non-deposit of pension contribution in a separate bank account.

(AIR Para#13)

2.6.6.3 Unauthorized procurement of items without invitation of open tender - Rs.6.269 million

As per Rule 17(1) of SPPRA Rules 2010 amended 15th March, 2019, "Procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules."

During audit of Director General, Sehwan Development Authority, Jamshoro for the Financial Year 2020-21, it was observed that different items amounting to Rs.6.269 million were procured without the invitation of open tender. The details are enclosed in **Annex-2 of Section-V of Chapter-2.**

Audit is of the view that due to non-invitation of open tender, government was deprived of competitive rates and thus chances of uneconomical procurement cannot be ruled out.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for expenditure without the invitation of tender besides, fixing responsibility on persons(s) at fault.

(AIR Para#5&17)

2.6.6.4 Non-achievement of receipts target – Rs.819.382 million

As per section 22 of the Sehwan Development Authority Act, 1993 revived and amended vide Sehwan Development Authority (Revival and Amending) Act, 2013:

18(1) There shall be a separate fund known as Sehwan Development Authority Fund which shall vest in the authority.

(2) The fund shall consist of:

(a) Grant made by Government or local councils.
(b) Sale proceeds of moveable or immovable property.
(c) All fees, receipts and charges received under this Act.
(d) All other sums receivable and loans obtained by the Authority.

During audit of Director General, Sehwan Development Authority, Jamshoro for the Financial Year 2020-21, it was observed that the receipts target amounting to Rs.819.382 million was not achieved on account of Housing

Schemes, Joint Ventures, water supply and NOC charges etc. The details are given in **Annex- 3 of Section-V of Chapter-2.**

Audit is of the view that due to non-realization of targeted revenue, the authority had to rely upon grant-in aid provided by the government to run its affairs.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides, fixing responsibility on the person(s) at fault.

(AIR Para#38)

2.6.6.5 Irregular reimbursement of contingent expenditure to employees - Rs.2.213 million

As per Finance Department, Government of Sindh, Karachi letter No. FD(1-II)1(10)/2006 dated 12-09-2006, "Claims on account of purchases of material supplied and services rendered exceeding Rs 10,000 are payable through cheques to the suppliers in order to ascertain the transparency and accuracy."

During audit of Director General, Sehwan Development Authority Jamshoro, for the Financial Year 2020-21, it was observed on review of cash vouchers that cheques amounting to Rs.2.213 million were issued in the name of employees for meeting the regular contingencies rather than being issued in the name of supplier/vendor concerned.

Audit is of the view that the issuance of contingency cheques in favor of employees is contrary to rules and is held irregular.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for non-issuance of cheques in the name of the vendor besides, details of the transactions made.

(**AIR Para#23)**

2.6.6.6 Non-recovery of various taxes - Rs.6.978 million

According to Section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time, "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 the gross amount."

As per SRB letter dated 29-08-2019, "Sindh sales tax on service providers contractors/vendors deducted/withhold and deposit on payment bills of for all civil works including Civil work/construction works & repair of all government building works and similar other works @5% of the value of the bill and deduct all other taxable services at the applicable rate of tax prescribed in 2nd schedule to the Act 2011."

According to Rule 2(2) of S.R.O. 660(I)/2007 dated 30th June, 2007 issued by FBR, "A withholding agent shall deduct an amount equal to one-fifth of the total sales tax shown in the sales tax invoice issued by the registered suppliers and make payment of the balance amount to him."

During audit of Sehwan Development Authority, Jamshoro, Government of Sindh for the Financial Year 2020-21, it was observed that an amount of Rs.6.978 million against Income Tax, Sindh Sales Tax & General Sales Tax was either not or less deducted while making payments to various contractors. The details are given as under:

Sr.#	Particulars of Payments	AIR Para #	Amount
01	Non-deduction of income tax from contractor payments	24	180,337
02	Non-deduction of GST from contractor payments	25	268,136
03	Non-deduction of SST on security service charges	26	317,586
04	Non-deduction of advance income tax on auction	28	73,603
05	Non-deposit of income tax deducted from contractors and employees	07&14	6,138,647
		Total	**6,978,309**

Audit is of the view that non-recovery of taxes resulted in short realization of government revenue.

Despite written request vide letter dated 04-11-2022, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends prompt recovery of the taxes and crediting the same in the government account.

2.7 Section-VI: Zulfikarabad Development Authority

2.7.1 Introduction

Zulfikarabad Development Authority was created on 23rd November 2010 through an Act passed by the Provincial Assembly of Sindh titled 'the ZDA Act, 2010' with the aim and objective to establish a modern city namely Zulfikarabad. ZDA's operational areas include District Thatta and Sujawal. It functions under the administrative control of Secretary Services, General Administration & Coordination Department.

ZDA's developmental initiatives are likely to play an important role in achieving socio-economic uplift of such under-developed remote areas where sea intrusion has severely hampered the subsistence of agricultural economy.

ZDA's vision with respect to its operation and management involves the exploration of unexploited land and coastal areas' natural resources for enhancing agriculture and the creation of job opportunities.

2.7.2 Governing Laws & Policies

i. Zulfikarabad Development Authority Act, 2010.
ii. Zulfikarabad Development Authority Human Resource Manual.
iii. Sindh Financial Rules.
iv. CPW Code - A & D.
v. Sindh Public Procurement Act, 2009.

2.7.3 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

Formation	Particulars	Budget	Expenditure	Excess (+) Savings (-)
Zulfikarabad Development Authority	Salary	100.000	62.055	-3.896
	Non-salary		34.049	
	Development		-	
	Total	**100.000**	**96.104**	**-3.896**

The budgeted allocation of Zulfikarabad Development Authority for the Financial Year 2021-22 was Rs. 100.00 million against which the total expenditure was Rs. 96.104 million, resulting in overall savings of Rs. 3.896 million.

2.7.4 Classified Summary of Audit Observations

Observations amounting to Rs. 10,105.816 million were raised during the audit of Financial Year(s) 2020-21 and 2021-22. Classification of the audit observations is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	-
B	Procurement related irregularities	10,077.490
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	28.326
	Total	**10,105.816**

2.7.5 Brief comments on the status of compliance with PAC Directives

Zulfikarabad Development Authority falls under the administrative jurisdiction of the Services, General Administration & Coordination Department. No PAC meeting of Local Government Department on the accounts of ZDA was convened since the last audit report. Further the status of printed paras is as follows:

Name of Authority	Year	No of Paras	Total Paras discussed
Zulfikarabad Development Authority	2019-20	10	Nil
	2020-21	2	Nil

2.7.6 Audit Paras

2.7.6.1 Non-achievement of targets as per PC-I – Rs.10,077.49 million

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

During audit of the Managing Director, Zulfikarabad Development Authority Karachi for the Financial Year 2021-22, it was observed that the following schemes were not executed according to PC-I, as the planned period of the said schemes was 42 months & 54 months respectively. The appraisal of the current status reveals that the progress has not been up to the mark which may result in a loss to the public exchequer. The details are as under:

(Rs. in million)

Sr.#	Name of the Scheme	Cost as per PC-1	Period	Expenditure upto June 2022	Exp. in %
01.	Design and Build RCC Post Tensioned Bridge, approach road, j-spurs over Indus River at Dhandhari, Thatta & Sujjawal.	5,819.60	Jan. 2012 to June, 2015	452.40 (upto June 2018)	7.78%
02.	Construction of 44km expressway from Garho to Dhandhari to Shahbundar under the pre-development woks for development of Zulfikarabad city	4,257.89	Jan. 2013 to June, 2017	300.11 (upto June 2015)	7.049%
Total		**10,077.49**	-	**752.51**	-

Audit is of the view that despite revision of PC-I, the project remains incomplete, thus resulting in the blockade of government funds.

The irregularity was pointed out to management in the month of September 2022. Management replied that due to the announcement of Sindh Barrage Project by WAPDA near ZDA's pre-development schemes, Chief Minister Sindh placed these schemes in abeyance till the outcome of the feasibility study of the WAPDA project which was expected to be completed till 30th June, 2024. The DAC meeting was held on 18.01.2023. DAC directed to pursue the matter with the relevant forum for its earliest resolution.

Audit recommends compliance with DAC directives.

(AIR Para#03)

2.7.6.2 Non-acquisition of land for expressway projects despite payment - Rs.28.326 million.

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

During audit of Zulfikarabad Development Authority for the Financial Year 2021-22, it was observed that an amount of Rs.28.326 million was paid to Land Acquisition Officer, Thatta vide cheque no 048988 dated 07-05-2013, but no land has been acquired to date.

Audit is of the view that despite payment of Rs. 28.326 million to LAO, the management failed to acquire the land for the project.

The matter was pointed out to management in the month of September 2022. Management replied that ZDA had been in regular correspondence with DC, Thatta regarding the status of the deposited amount and in response vide letter dated 1st December 2022 and also confirmed that the funds were available and had not yet been utilized. The DAC meeting was held on 18.01.2023. DAC directed to acquire the required land at the earliest.

Audit recommends compliance with DAC directives.

(AIR Para#04)

2.7.6.3 Allotment of land to ZDA without demarcation

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

During audit of Zulfikarabad Development Authority Karachi for the Financial Year 2020-21, it was observed that the land allotted to the authority by the Sindh Board of Revenue was not properly demarcated due to which the

authority could not identify the exact area falling under its jurisdiction. Audit also observed that Form-VII produced was blank and no survey number was mentioned due to which the exact location of the land in the particular Deh of the district could not be identified. Furthermore, it was observed that a physical survey of satellite conducted by the department revealed that 85% of land acquired was submerged.

Audit is of the view that due to the non-demarcation of the exact location of the scheme, the authenticity of the expenditure could not be ascertained.

The irregularity was pointed out to management in the month of March, 2022, Management replied that the land had been earmarked for ZDA by the Board of Revenue, but the demarcation of a considerable area of land was not possible/feasible at current stage as more than 85% of the land was under the tidal influence of creeks. The DAC meeting was held on 18.01.2023. The DAC directed to pursue the matter with Board of Revenue for proper demarcation of land.

Audit recommends compliance with DAC directives.

(AIR Para# 17)

Chapter-3 EDUCATION WORKS DIVISIONS

3.1 Introduction

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

Description	Total Nos	Audited	Expenditure audited FY 2021-22
Formations	30	16	7,999.078

3.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2021-22 were audited on test check basis. Following is the position of budget, expenditure and receipt of the divisions:

(Rs. in million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess/(Savings)
13,501.519	15,146.089	14,904.635	13,533.355	(1,371.280)

The Divisions were unable to spend the allocated budget in time, resulting in overall savings of Rs. 1,371.280 million.

3.3 Classified Summary of Audit Observations

Observations amounting to Rs. 1,207.434 million were raised as a result of this audit. This amount also includes recoverable Rs. 40.081 million as pointed out by the Audit. Classification of the audit observations is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	-
B	Procurement related irregularities	1,155.382
C	Management of Accounts with Commercial Banks	11.971
4	Value for money and service delivery issues	-
5	Others	40.081
	Total	**1,207.434**

3.4 Comments on the Status of Compliance with PAC Directives

PAC for School Education and Literacy Department was not convened since printing of the last audit report by D.G Audit Sindh. Separate status of the printed paras for Education Works Divisions is as follows:

Name of Authority	Year	No of Paras	PAC Para discussed
Education Works Divisions	2017-18	24	Nil
	2018-19	20	Nil
	2019-20	17	Nil
	2020-21	6	Nil
	2021-22	24	Nil

3.5 Audit Paras

3.5.1 Non-production of record

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

(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of the various offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21 and 2021-22, auditable record pertaining to development and non-development expenditure of Rs 389.989 million was not provided despite requisitions. The details are given in **Annex-1 of Chapter 3.**

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

The matter was reported to the management during January to June 2022 and August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

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

3.5.2 Irregular expenditure over and above the PC-I cost – Rs.173.929 million

According to Para 4.12 of Manual for Development Projects, "The physical and financial scope of a project, as determined and defined in the project

document (PC-I), is appraised and scrutinized by the concerned agencies before submitting it for approval. Once approved by the competent authority the executing agency is supposed to implement the project in accordance with the PC-I provision. It has no authority to change and modify the main approved parameters of the project on its own, beyond permissible limit of 15%."

As per Para 4.13 of ibid, "If at some stage modifications / changes become imperative then project authorities should revise the project and submit it for the approval of competent authority."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21 and 2021-22 it was observed that excess expenditure amounting to Rs 173.929 million was incurred over and above the permissible limit of PC-I cost. The detail is given as under:

(Rs in million)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Electrical Education Works Division-1 Karachi	2020-21	02	5.824
2	Education Works Division, Jamshoro	2021-22	09	113.408
3	Education Works Division, Mirpurkhas	2021-22	13	1.240
4	Education Works Division, Shikarpur	2021-22	04	53.457
Total				**173.929**

Audit is of the view that expenditure beyond permissible limit of PC-I was required to be approved from the competent forum as a mandatory requirement. Due to not-obtaining approval of the same, it resulted into irregular expenditure.

The matter was reported to the management from January to June 2022 and August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs. 32.22 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the excess expenditure besides, fixing responsibility on the person(s) at fault.

3.5.3 Unauthorized creation of liabilities against M&R work – Rs.216.093 million

According to Para-32 (a) of C.P.W.A code, "Expenditure can only be incurred on a work if funds to cover the charge during the year have been provided by the competent authority." Further, Rule–134 of Sindh Budget Manual states that "all charges must be paid and drawn at once and under no circumstances, they may be allowed to stand over to be paid from the grants of another year".

During audit of following offices of School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Year 2020-21 and 2021-22, it was observed that an expenditure of Rs. 216.093 million was made on M&R works however, the same remained incomplete at the closing of the Financial Year.

(Rs in million)

Sr. #	Name of office	Year	AIR Para #	Amount
1	Executive Engineer, Education Works Division, Mithi	2020-21	05	70.624
2	Executive Engineer, Education Works Division, Umerkot	2020-21	08	66.584
3	Executive Engineer, Education Works Division, Badin	2020-21	03	41.957
4	Executive Engineer, Electrical Education Works Division-1 Karachi	2020-21	03	5.018
5	Executive Engineer, Education Works Division, Tando Muhammad Khan	2020-21	07	15.217
6	Education Works Division Sanghar	2021-22	07	2.829
7	Education Works Division, Hyderabad	2021-22	06	13.864
			Total	**216.093**

Audit is of the view that M&R works were required to be completed in the corresponding year, but non-completion of the same created financial liability against the forthcoming year which was in violation of the standing instructions.

The matter was reported to the management from January to June 2022 and August to November 2022. The management at Sr #01, 02 and 07 replied that payments were withheld due to non-availability of funds, and the same would be made as soon as the funds were released. Reply of the management was not found tenable as works were to be executed in accordance with financial concurrence of available funds. No replies were received in case of other offices.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibilities on the person(s) at fault.

3.5.4 Non-clearance of Miscellaneous P.W Advances – Rs.5.200 million

Para-357 of C.P.W.A code states that, "Outlay on deposit works is required to be limited to the amount of deposit received. Any expenditure on deposit works incurred in excess of the amount deposited is chargeable to miscellaneous P.W. Advances pending recovery, to effect which action should be taken at once." Further, Para-360 of CPWA Code states that, "Items in the Miscellaneous P.W Advances account are cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Items or balances which may become irrecoverable should not be so transferred until ordered to be written off."

During audit of following offices of School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Year 2020-21, it was observed that an amount of Rs 5.200 million remained adjusted in the Form-70 (Misc. P.W Advances). The details are given as under:

(Rs in million)

Sr. #	Name of office	Recovery against	Year	AIR Para #	Amount
1	Education Works Division, Mithi	Mr. Muhammad Siddique Khokhar, Ex-DO Edu. Works Div. Mithi	2020-21	06	0.309
2	Education Works Division, Badin	Cadet College Badin	2020-21	30	4.891
				Total	**5.200**

Audit is of the view that non-adjustment of the advances reflects weakness of internal controls.

The matter was reported to the management from January to June 2022. The management in case of office at Sr# 01 replied that the pointed-out advance was against an expired employee since long, and could not be recovered, and further added that correspondence with higher authorities had been made to write off the amount. However, in support of reply, the management did not produce

any document. Further, no progress has so far been made. No reply was received in case of office at Sr.# 02.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires prompt adjustment of the advances besides, fixing responsibility on the person(s) at fault.

3.5.5 Award of works without market analysis – Rs.50.694 million

According to Rule-4 of Sindh Public Procurement Rules, 2010, "While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical." Further, as per Rule 48 of Sindh Public Procurement Rules, 2010, "If single bidder participates for the bidding process, the rates will be compared with market rates or last awarded contract."

During audit of following offices of School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Year 2020-21and 2021-22, it was observed that various works amounting to Rs.50.694 million were awarded on single bid basis without comparison with the market rates.

(Rs in million)

Sr. #	Name of Office	Year	AIR Para #	Amount
01	Executive Engineer, Education Works Division Umerkot	2020-21	02	4.478
02	Executive Engineer, Education Works Division, Badin	2020-21	24	10.517
03	Executive Engineer, Education Works Division, Sujawal	2020-21	01	18.189
04	Executive Engineer, Education Works Division, Tando Allahyar	2020-21	31	4.033
05	Education Works Division, Dadu	2021-22	02	13.477
			Total	**50.694**

Audit is of the view that the works were awarded without market survey in violation of procurement rules and chances of uneconomical procurement cannot be ruled out.

The matter was reported to the management during January to June 2022 and August to November 2022. The management in case of office at Sr# 01

replied that NIT was floated on print media as well as SPPRA's website for publicity and to achieve reasonable market rates. They further added that several contractors had participated in most of works and offered their rates, but in the pointed-out works, single bidder had participated and quoted his rates as per SPPRA Rule 48 which were examined by the procurement committee and found reasonable and within the provision of Rule 48 of SPPRA. However, in support of reply, the management did not produce any document. No reply was received in case of office at Sr.# 02 to 05.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

3.5.6 Excess expenditure over and above the estimate – Rs.63.181 million

According to Para 532 and 767 of PWD Manual, Volume-I, "A revised estimate containing the facts and causes of revision must be submitted when sanctioned estimate is likely to be exceeded by more than 5%." Further, Rule-528 of Public Works Departmental Manual states that, "No material alteration in sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction."

During audit of following offices of School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Year 2020-21and 2021-22, it was observed that excess expenditure amounting to Rs 63.181 million was made on execution of various works over and above the prescribed limit of 5% of the sanctioned estimate.

(Rs in million)

Sr.#	Name of office	Year	AIR Para #	Amount
1	Executive Engineer, Education Works Division, Umerkot	2020-21	04	2.372
2	Executive Engineer, Electric Education Works Division, Nawabshah	2020-21	09	0.762
3	Executive Engineer, Education Works Division, Kambar @ Shahdadkot	2020-21	01	21.033
4	Electrical Education Works Division, Hyderabad	2020-21	03	0.057

5	Education Works Division Sanghar	2021-22	05	1.384
6	Education Works Division IV (south), Karachi	2021-22	04	10.340
7			05	26.542
8	Education Works Division, District West, Karachi	2021-22	04	0.691
			Total	**63.181**

Audit is of the view that excess expenditure beyond permissible limit of 5% of sanctioned estimate without revision of the same reflects negligence on the part of the management.

The matter was reported to the management during January to June 2022 and August to November 2022. The management in case of office at Sr# 01 replied that the Revised T.S was got sanctioned from the competent authority. In support of reply, the management did not produce certified/attested copy of revised T.S. No reply was received in case of office at Sr.# 02 to 08. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs 256.946 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends obtaining revised sanctioned estimates approved by the Chief Engineer.

3.5.7 Irregular disposal of dismantled construction material – Rs.2.399 million

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

During audit of the following offices of School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Year 2020-21, it was observed that an amount of Rs 2.399 million was collected on account of sale proceeds from old/dismantled material, but the same was not

deposited in the government treasury. The dismantled/old material was required to be auctioned to achieve most competitive rates however, the prescribed procedure was not followed. Further, the quantity of the dismantled material and the rate was also not mentioned on the bills.

(Rs in million)

Sr.#	Name of office	Year	AIR Para #	Amount
1	Executive Engineer, Education Works Division, Badin	2020-21	06	0.458
2	Executive Engineer, Education Works Division, Sujawal	2020-21	19	1.941
			Total	**2.399**

Audit is of the view that proceeds of dismantled material were required to be supported with details of material in order to ascertain the authenticity of value fixed by the department. Further, due to non-following of the prescribed procedure of auction, it resulted into irregular process of disposal of old material.

The matter was reported to the management during January to June 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends providing detail of the dismantled material besides, justification for not following the prescribed procedure.

3.5.8 Non-recovery of outstanding amount of secured advance – Rs.5.783 million

As per para 228 (a) of CPWA Code, "Cases in which a contractor whose contract is for finished work, requires as advance on the security of material brought to site. Divisional Officer may in such case sanction advance up to 75% of the value of such material provided that they are of imperishable in nature and that the formal agreement is drawn with the contractors under which Government secures a lien on materials."

During audit of Executive Engineer, Education Works Division, Kambar @ Shahdadkot for the Financial Years 2020-21 and 2021-22, it was observed that secured advance amounting to Rs. 5.783 million was paid where in the following irregularities were noticed:

i. In case of Sr. # 1, the secured advance was still lying outstanding and therefore stands recoverable.
ii. In case of Sr. # 2, 2nd secured advance was allowed without first recovery of 1st secured advance.

(Rs in million)

Sr #	Name of Office	Year	AIR Para #	Amount
1	Education Works Division, Kambar @ Shahdadkot	2020-21	22	0.600
2	Education Works Division, Central Karachi	2021-22	02	5.183
			Total	**5.783**

Audit is of the view that non-recovery of secured advance and allowing second secured advance without recovery of the previous was a violation of the SPPRA Rules.

The matter was reported to the department in April 2022 and August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs.67.935 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIR Para # 22)

3.5.9 Excess payment of secured advance – Rs.17.287 million

As per standard Form of Bidding Documents issued by SPPRA, "The contractor shall be entitled to receive Secured Advance from the procuring agency against an Indenture Bond in P.W. Account Form 31 (Fin R. Form No.2) in respect of non-perishable materials brought at site but not yet incorporated in the permanent works and sum payable for such materials on site shall not exceed 75% of the landed cost of imported materials, of ex-factory / ex-warehouse price of locally manufactured or produced materials, or market price of standard materials."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2021-22, it was observed that an amount of Rs.17.287 million was paid as secured advance against the material supplied in excess of the advance due. The details are as under:

(Rs in million)

Sr. #	Name of office	Particulars	Year	AIR Para #	Amount
1	Education Works Division, Khairpur	Sec. Adv. on steel was allowed more than due amount	2021-22	01,02	9.472
2	Education Works Division, District West, Karachi	Sec. Adv. on steel was allowed in excess of estimated quantity	2021-22	02	0.625
3	Education Works Division, Ghotki	Sec. Adv. on steel was allowed in excess of estimated quantity	2021-22	04	7.190
				Total	**17.287**

Audit is of the view that procuring material for the whole project at initial stage would minimize the durability due to weathering effect. Further, audit also observed that secured advance was paid in the month of June which implies that the contractor was paid to avoid lapse of funds.

The matter was pointed out to management in August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs 3.99 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for excess payment of Secured Advance without following the prescribed procedure.

3.5.10 Split-up of expenditure to avoid open tenders – Rs.2.708 million

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

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21, it was observed that an expenditure of Rs. 2.708 million was made on various works by way of splitting to avoid tender:

(Rs. in million)

Sr.#	Name of office	Year	AIR Para#	Amount
1	Executive Engineer, Education Works Division, Badin	2020-21	11	1.184
2	Executive Engineer, Education Works Division, Tando Allahyar	2020-21	15	1.524
			Total	**2.708**

Audit is of the view that due to non-invitation of tenders; chances of uneconomical rates and non-transparent procurement cannot be ruled out.

The matter was reported to the management during January to June 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification regarding non-floating of tenders as per rules.

3.5.11 Non-obtaining of performance security – Rs. 24.930 million

As per Performance Security (SPP Rule 39), "A Procuring Agency shall, in all procurement of works, carried out through open competitive bidding, require security in an amount sufficient to protect the procuring agency in case of breach of contract by the contractor, provided that the amount shall not be more than ten percent of the contract price. Normally in contracts of works, five percent of total bid cost is obtained as performance security and remaining part is deducted from running bills as security deposit and same must be mentioned in the Data Sheet of Bidding Document. The successful bidder shall furnish to the Procuring Agency a performance security in the form and the amount stipulated in the conditions of contract within a period of fourteen (14) days after the receipt of letter of acceptance."

During audit of the following offices of School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Years 2020-21 and 2021-22, it was observed that various works were awarded to the

contractors, but performance security @ 5% amounting to Rs. 24.930 million was not obtained nor were the details of bid security provided against the successful bidders. The details are given as under:

(Rs in million)

Sr.#	Name of office	Year	AIR Para #	Amount
1	Executive Engineer, Education Works Division Kashmore	2020-21	04	15.450
2	Education Works Division, Korangi	2021-22	11	4.552
3	Education Works Division, Mirpurkhas	2021-22	03	4.928
			Total	**24.930**

Audit is of the view that by non-obtaining performance security at prescribed rate the interests of the government were not safeguarded.

The matter was reported to the management in the month of December 2021 and August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

3.5.12 Unjustified expenditure of plinth protection at later stage - Rs. 10.405 million

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

During audit of the Executive Engineer, Education Works Division, Kashmore for the Financial Year 2020-21, it was observed that estimate amounting to Rs.10.405 million was sanctioned for construction of plinth protection after completion of the main structure. The measurement of the work was also recorded in "one go" on lump-sum basis.

Audit is of the view that the expenditure against plinth protection at the later stage of construction reflects that the initial work against foundation and the plinth beam was not carried out as per the specification which rendered it defective. Any defects found in execution of work were required to be rectified by the contractor, but instead of that, the management approved additional T.S for execution of Plinth Protection, thus rendering the expenditure unjustified.

The matter was reported to the management in the month of December 2021, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

(AIR Para #06)

3.5.13 Irregular payment of finishing items at the initial stage of work - Rs.16.989 million

According to Section-54 of CPWA code, "The Divisional Officer must, however, in each case, exercise his judgment on the demand made and it is his duty to oppose at this stage any application of the real necessity for which he is not satisfied. In any case in which he feels that he cannot recommend the execution of a work called for by a duly constituted authority, he should explain his objections to the officer concerned and, if he fails to convince him, should refer the matter for the orders of the Superintending Engineer."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21, it was observed that an amount of Rs. 16.989 million was paid on account of finishing item (marble) at reduced rates to the contractors while the works were in the initial stage of construction:

(Rs in million)

Sr.#	Name of Office	Item of work	Year	AIR Para#	Amount
1	Executive Engineer, Education Works Division, Sujawal	S/F Verona Marble ¾ inch thick approved quality and color	2020-21	02	16.306
2	Executive Engineer, Education Works Division, T. M. Khan	Providing and Fixing Verona Marble	2020-21	03	0.683
				Total	**16.989**

Audit is of the view that the rate of marble was approved for complete work which included laying, cutting and finishing, but part rate payment against the same in the initial stage of work reflects undue favour extended to the contractor.

The matter was reported to the management in the month of December 2021, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs. 1.959 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides, fixing responsibility on the person(s) at fault.

3.5.14 Irregular laying of marble in violation of approved specifications - Rs.18.956 million

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

During audit of Executive Engineer, Education Works Division, Sujawal, for the year 2020-21, it was observed that an amount of Rs. 18.856 million was paid to contractor against the item 'S/F Verona Marble ¾ inch thick with approved quality and color'. Contrary to the specification of ¾ inch thickness, marble with ¼ thickness was executed with reduced rate.

Audit is of the view that laying of marble in violation of approved specification as per estimate reflects that undue benefit was extended to the contractor besides sub-standard execution of work.

The matter was reported to the management in the month of December 2021, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides, fixing responsibility on the person(s) at fault.

(AIR Para # 06)

3.5.15 Unjustified execution of work in violation of T.S – Rs.42.00 million

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

During audit of XEN Education Works Division, Ghotki for the Financial Year 2021-22, it was observed that expenditure amounting to Rs.42.00 million was made on account of GBHS Mirpur Mathelo under the scheme, 'Provision of missing/additional facilities and renovation of existing high schools along with feeder primary schools at distance 1.5km radius'. The following irregularities were noticed:

1. The dismantling of Brick work was executed for quantity of 2,107 cft. against estimated quantity of 2,181 cft. which indicated that dismantling work was executed only in component of Feeder Primary Schools whereas quantity of 5,960 cft for dismantling of Compound wall was not executed. On the other hand, Brick work executed for Compound wall was 4604cft i.e. 67% of the estimates. This shows that brick work with plaster work of Compound wall was executed without dismantling it.

2. Item for 'Removing of doors and windows' was not executed while quantities of doors and windows along with Chowkhat were executed in excess of the estimated quantity.

3. Quantities of Chowkhats were executed as per estimates, whereas quantity of Doors and windows executed were approximately double the quantity provided in the estimate.

4. Quantities of items for Fiber 'Acoustic ceiling' and 'Paver blocks' exceeded by 139% and 155% respectively above the estimates.

Audit is of the view that work was not executed as per PWD specification and in defective manner, thus chances of excess payment cannot be ruled out.

The matter was pointed out to management in August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs 7.799 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for abnormal variation in execution of quantities against the estimate.

(AIR Para #02)

3.5.16 Unjustified execution of work against various items – Rs.3.099 million

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

During audit of XEN Education Works Division, Ghotki for the Financial Year 2021-22, it was observed that payment of Rs.3.099 million was made to M/s M.K Enterprise on account of construction of GBPS Sher Muhammad Oghai Taluka Ghotki wherein the following points were noticed:

1. As per estimates, Steel RCC ratio in the foundation and pillars was 1:18.67 whereas, work was executed with the ratio of 1:29.81. This indicates that steel was not used as per the specification.
2. Brick work in foundation was still 35% remaining, whereas Brick work at Ground floor was shown executed.
3. Within two weeks, 1/4th payment was made against the work done up to the stage of windows which seems unrealistic.

The details are tabulated as under:

(Rs. in million)

Name of work	WO#	CV #	Item	As per estimate	As per execution
Construction of School Buildings for shelterless primary schools (06 units) (ADP#227)	1048 dt 12-05-22	53 dt 30-05-22 1st RA	RCC Qty	3737	1124
			Steel	200.196	37.71
			Ratio	18.67	29.81
			Brick work in Foundation	7276	4743
			Brick work in G.F	6607	2716

Audit is of the view that execution of different stages of work were carried out disproportionately creating doubts about its quality and work done quantity.

The matter was pointed out to management in August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para #05)

3.5.17 Unjustified execution of excess quantities at First Floor – Rs.2.380 million

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

During audit of XEN Education Works Division, Ghotki for the Financial Year 2021-22, it was observed that expenditure of Rs. 2.380 million was made on the scheme Rehabilitation/Expansion/Improvement of High priority 4560 Schools (Phase-II) at GBPS Main Ghotki. The quantities executed for ground floor for the items of RCC, Brick work with plaster and Chowkhats were executed as provided in the estimate, whereas quantities for the same items on the first floor were executed approximately double the estimated quantities.

Audit is of the view that execution of double quantities on the First floor as compared to the ground floor having same design and layout creates doubts about actual execution of quantities.

The matter was pointed out to management in August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs.10.406 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justifications for execution of excess quantities.

(AIR Para #06)

3.5.18 Non-invitation of tender for M&R works – Rs.8.110 million

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

During audit of following offices of School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Year 2020-21, it was observed that expenditure amounting to Rs.8.110 million was made against M&R works without inviting tenders:

(Rs in million)

Sr.#	Name of office	Year	AIR Para#	Amount
01	Executive Engineer, Education Works Division, Sujawal	2020-21	07	1.783
02		2020-21	28	4.042
03	Executive Engineer, Education Works Division, Thatta	2020-21	19	1.736
04		2020-21	23	0.549
			Total	**8.110**

Audit is of the view that non-invitation of tenders for M&R works reflects negligence on the part of the management besides, chances of uneconomical procurement cannot be ruled out.

The matter was reported to the management during January to June 2022 and August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs.166.106 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides, fixing responsibility on the person(s) at fault.

3.5.19 Award of work in violation of PEC license – Rs. 32.418 million

As per Pakistan Engineering Council license No.49632, Category: C-6, Validity 30th June, 2021, "M/s. Ghulam Ali Magsi & Co (Licensee) with its registered office at Bunglow No. 204, HAD, Hyderabad has been licensed under Construction and Operation of Engineering Works Bye-Laws 1987, until the validity date to construct engineering works, the construction capital cost of which does not exceeds Rs25.0 (Twenty Five) million provided the licensee fulfills all the qualifications requirements prescribed by Client or Employer for a particular engineering work; and subject to licensee continuing to fulfill all the requirements of the bye-laws."

During audit of the Executive Engineer, Education Works Division, Sujawal, for the Financial Year 2020-21, it was observed that the management awarded work amounting to Rs.32.418 million; however, the contractor was not registered for construction of engineering works exceeding Rs.25 million.

(Rs. in million)

Sr. #	Name of work	Contractor	Approved cost	Sanctioned Cost	Awarded Cost
1	Provision of Missing/Additional Facilities and Renovation of Existing High School along with their Feeder Primary School @ Distance of 1.5 K.M Radius @ GBHS Sujawal Taluka and District Sujawal	M/s Ghulam Ali Magsi & Co.	40.0	33.0	**32.418**

Audit is of the view that the award of work to the contractor in violation of the PEC license limit of Rs.25.0 million reflects undue favour was extended to the contractor.

The matter was reported to the management in the month of December 2021, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides, fixing responsibility on the person(s) at fault.

(AIR Para # 17)

3.5.20 Irregular execution of work beyond 15% of the original contract amount - Rs. 144.386

As per Rule 16(1) (e) of SPPRA Rules 2010 amended on 15th March, 2019, "Repeat Orders – means procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding, and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme; Provided that; (i) the cost of additional quantities of item(s) shall not exceed 15% of the original contract amount; and (ii) the original supplier and contractor are willing to supply goods or carry out additional work on the same prices as agreed in the original contract. (iii) in case of goods, it shall be permissible only within the same Financial Year, and in case of works, during the currency of the project(s) or scheme(s)."

During audit of the Executive Engineer, Education Works Division, Tando Allahyar, for the Financial Year 2020-21, it was observed that the work "Establishment of Public School in Sindh (05 Units) @ Bilawal Bhutto Zardari Public School Taluka Chambar District Tando Allahyar" was awarded to M/s Muzammil Engineering Services for an amount of Rs. 97.655 million vide work order No. XEN (EWD)/TAY/T.C/G-55/1224 dated 17-12-2012. As per the 36th RA bill dated 18-06-21, up to date work expenditure made was Rs.138.208 million which was 40% over and above the work awarded cost. Thus contract exceeded the permissible limit of 15% of the original contract amount.

Audit is of the view that quantities beyond 15% of the original contract amount should have been re-tendered as a separate contract. Thus, execution of work beyond the prescribed limit of 15% reflects negligence on part of the management.

The matter was reported to the management in the month of March 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides, fixing responsibility on the person(s) at fault.

(AIR Para #06)

3.5.21 Non-adjustment/clearance of Public Works Deposits – Rs. 156.280 million

According to Para-399 (iii) of Central Public Works Account Code, "The unclaimed balances of Public Works Deposits for more than three complete account years should be credited to Government as lapsed deposit". Further, according to Para-174 C.P.W.A code Vol-I, "All the public revenues when corrected was required to be assessed and realized in accordance with the rules and orders made by or under the authority the Government and these shall be brought to account in accordance with prescribed clarification."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21, it was observed that closing balances amounting to Rs.156.280 million were still lying in Form-78 (Schedule of P.W Deposit) despite lapse of considerable time.

(Rs in million)

Sr.#	Name of office	Year	AIR Para #	Amount
1	Executive Engineer, Education Works Division Tando Muhammad Khan	2020-21	05	48.611
2	Executive Engineer (Electrical) Education Works Division, Larkana	2020-21	02	29.908
3	Education Works Division, Kambar @ Shahdadkot	2020-21	06	76.391
4	Education Works Division, Badin	2020-21	02	1.370
			Total	**156.280**

Audit is of the view that non-crediting of the outstanding P.W. Deposits reflects negligence on part of the management besides, causing possible loss to public exchequer.

The matter was reported to the management during January to June 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs.104.817 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends crediting the P.W Deposits in Government account, besides fixing responsibility on the person(s) at fault.

(AIR Para #05)

3.5.22 Un-justified execution of civil works – Rs.3.195 million

According to Rule-44 of CPWA code, "The Divisional Officer is the primary disbursing officer of the division, and all realizations and payments on Government account made by his subordinates are made on his behalf and on his responsibility."

During audit of XEN Education Works Division, Khairpur for the Financial Year 2021-22, it was observed that an amount of Rs.3.195 million was paid to contractors against following two works.

(i) <u>Up-gradation of Primary to Elementary at GBPS Haji Ismail UC Jhado Wahan</u>

RCC work was executed 1/3rd of the estimated quantity, whereas "Pacca brick work in foundation and Ground floor with Door and window Chowkhats" was executed approximately 100%. Thus 2/3rd of the RCC work was still to be carried out but on the contrary, brick work at ground floor was executed up to 100%.

(Rs. in million)

Description	As per estimate	As per Execution	%	Amount
RCC	4664	1583	34	
Steel	208.214	86.098	41	
Pacca brick work in foundation	7508	7080	94	0.846

Pacca brick work in Ground floor	6687	6902	103	0.875
Door Chowkats	239	239	100	0.055
Window Chowkats	630	630	100	0.152
Sub-total				1.081
Premium			25.62%	0.277
			Total	**1.358**

(ii) Up-gradation of Middle Schools to High School Khairpur (2 Units) at GBELS Dhup Waro Taluka Kotdiji

RCC work was executed up to 39% of the estimated quantity, whereas Pacca brick work in foundation and Ground floor with Door and window Chowkats was shown executed up to 60%. Thus, major part of RCC work i.e. 61% was still remaining but on the contrary, almost 100% of brick work at ground floor was shown completed. Similarly, work on marble flooring was shown almost completed, but major part of the structure (RCC, Brick work and roof slabs) work was still to be executed. This created doubt about actual quantities of work done at site.

(Rs. in million)

Description	As per estimate	As per Execution	%	Amount
RCC	9861	3870	39	
Steel	528	272.043	51	
Pacca brick work in foundation	7384	1910	26	
Pacca brick work in Ground floor	4729	2829	60	0.359
Door Chowkats	336	177	53	0.041
Window Chowkats	962	780	81	0.188
			Total	0.587
			Add: 22.54% above	0.132
Verona Marble	5155	4472	87	1.118
			Grand Total	**1.837**

Audit is of the view that execution of items prior to completion of corelated items implies that payment was made on hypothetical recording of measurements to consume released budget.

The matter was pointed out to management in August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR#03)

3.5.23 Excess execution of steel – Rs.8.619 million

According to Rule-44 of CPWA code, "The Divisional Officer is the primary disbursing officer of the division and all realizations and payments on Government account made by his subordinates are made on his behalf and on his responsibility."

During audit of the following offices of the School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Year 2021-22 it was observed that the quantity of steel was executed in excess of the ratio of steel and RCC provided in the estimate/T.S. This resulted in additional burden of Rs.8.619 million to the exchequer on account of excess consumption of steel. Detail is as under:

(Rs in million)

Sr. #	Name of office	Year	AIR Para #	Amount
1	Education Works Division, Khairpur	2021-22	05	1.377
2	Education Works Division, Hyderabad	2021-22	01	5.561
3	Education Works District Malir, Karachi	2021-22	01	1.681
4	Education Works Division, District West, Karachi	2021-22	03	0.166
			Total	**8.619**

Audit is of the view that execution of steel does not commensurate with the quantity of related items provided in the estimate which shows that excess consumption of material was made to give undue favor to the contractor.

The matter was pointed out to management in August to November 2022. In case of office at Sr # 02, the management replied that all the changes were within revised Technical Sanction and steel was consumed accordingly. The reply was not found tenable as the management did not respond to the parameter highlighted by audit which resulted in excess consumption of steel. No reply was received in respect of other offices. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs 0.928 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the mater.

3.5.24 Irregular execution of works with reduced scope – Rs.11.880 million

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

During audit of Executive Engineer, Education Works Division – IV (south), Karachi for the Financial Year 2021-22, it was observed that an amount of Rs.11.880 million was paid to the contractors against various works wherein it was noticed that the quantities of various items were less executed as compared to the approved estimate / BOQ without revision of estimate, but still the works were shown satisfactorily completed.

(Rs in million)

Sr#	Name of office	Name of work	Year	AIR Para #	Amount
1	Education Works Division – IV (South), Karachi	M&R works 2021-22 program Government Girls High School Ghulam Ali Alana Saddar Karachi	2021-22	2	1.917
2		M&R works 2021-22 program @ Government Boys Primary School Khatri Islamia Saddar, Karachi	2021-22	3	1.576
3		Recons. /Rehab. / Addition of missing facilities in primary / secondary school in saddar town @ GBPLSS Bazerat lane, Karachi	2021-22	8	8.387
				Total	**11.880**

Audit is of the view that completion of work with reduced scope without approval of the competent authority rendered it irregular.

The matter was pointed out to management in August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends revision of Technical Sanction from the competent forum besides, taking remedial measures.

3.5.25 Irregular award of work to unregistered contractors – Rs.99.684 million

According to Rule-46 (1)(1) of SPPRA 2010, "Save as otherwise provided in these rules, the following procedures shall be permissible for open competitive bidding;

(a) Notice Inviting Tenders and bidding documents of this method shall contain the following eligibility criteria;

(i) relevant experience;
(ii) turn-over of at least last three years;
(iii) registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable);
(iv) any other factor deemed to be relevant by the procuring agency subject to provision of Rule 44."

Further as per Planning and Development Department, Government of Pakistan's letter No.1(63-A)PP&H/PD/2005 dated 14-09-2005, "All respective provincial departments, city/district government, TMA's, UC Administrations, housing, water supply and sanitation agencies must ensure that compliance of the instructions given in Pakistan Engineering Council byelaws 1986 and 1987 are fully implemented in all engineering contracts and procurement of engineering services and works in order to restrain from pre-qualification of all such local and foreign firms, which do not abide by PEC laws and rules."

During the office of the Executive Engineer Education Works Division, Mirpurkhas for the Financial Year 2021-22, it was observed that the contracts amounting to Rs.99.684 million were awarded to various contractors who were not registered with Pakistan Engineering Council (PEC).

Audit is of the view that the management failed to watch the laid down procedures. Thus, the above lapse on the part of management indicates improper watch and absence of systemic internal controls.

The matter was pointed out to management in August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIR Para# 06)

3.5.26 Unjustified execution of work in short duration – Rs. 34.777 million

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

During audit of Executive Engineer Education Works Division, Ghotki for the year 2021-22, it was observed that payment amounting to Rs.34.777 million was made to the contractors in short duration after issuance of the Work order. Details are as under:

(Rs in million)

Sr. #	Name of office	Name of Scheme	W/o#	CV#	Est. Cost	Expenditure	Comp. period	%
1	Education Works Division, Ghotki (AIR Para #3)	Construction of 06 roomed Building for shelter less primary school (01 unit) @Dur M.Pahore, Ghotki	1029 12/5/22	105 15/6/22	12.1	11.696	18 months	96%
2		M&RGGDC Ghotki (Lab: portion)	1684 25/5/22	141 17/6/22	5.164	5.185	2 months	100%
3		M&R GBHS Lohi-khan garh	1966 13/6/22	126 16/6/22	6.00	3.035	05 months	50%
4		M&R GBDC Mirpurmathelo	1683 25/5/22	136 17/6/22	5.237	5.301	2 months	101%
5		M&R GBPS main MP Mathelo (old portion)	1905 31/5/22	82 13/6/22	3.590	3.599	2 months	100%
6	Education Works Division, Thatta (AIR Para #10)	M&R Works Program (2019-20) of GBHSS Mirpur Sakro Taluka Mirpur Sakro	697 22-1-21	29-01-21	--	5.961	18 months	
				Total		**34.777**		

Audit also observed that:

i. For the works at Sr. # 1 to 5, almost 50% to 100% payments were made within one month, despite of the fact that completion period of work was 02-18 months.

ii. In case of work mentioned at Sr. # 6, an amount of Rs. 5.961 million was paid to the contractor on submission of 1st RA bill against M&R works just after 4 days of issuance of work orders.

Audit is of the view that the payments made in very short period of time after issuance of work order in the month of June reflect that these were made only to avoid lapse of budget without actual execution of work.

The matter was pointed out to management in August to November 2022, but no reply was received. Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

3.5.27 Non-accountal of CDRs in accounts – Rs. 9.734 million

According to Rule-44 of CPWA code, "The Divisional Officer is the primary disbursing officer of the division, and all realizations and payments on Government account made by his subordinates are made on his behalf and on his responsibility. Further, as per Rule-63, when money is received by a Government Officer on behalf of Government, it should at once be brought to account in the Cash Book."

During audit of the Executive Engineer, Education Works Division, Thatta for the Financial Year 2020-21, it was observed that the tenders for M&R works were invited and bid security in shape of CDRs were submitted by the contractors, but the same were neither booked in Cash Book nor reflected in the Form-78.

Rs in million

Sr#	Name of office	Year	CDR Date	NIT Date	AIR Para #	Amount
1	Executive Engineer, Education Works Division Thatta	2020-21	17,18,19 -11-20	28-10-20	03	2.525
2		2020-21	18-11-20	--	11	7.209
					Total	**9.734**

Audit is of the view that non-reflection of CDRs in cashbook as well as in form-78 reflects that the subject amount had not been realized. This renders the deposit of CDRs doubtful.

The matter was reported to the management in the month of March 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on person(s) at fault.

3.5.28 Irregular refund of security deposit – Rs.2.237 million

Para 399 (III) Central Public Works Accounts Code, "Balances unclaimed for more than three complete accounts years should be credited to government as lapsed deposit". Further, as per Rule 7.12.3(i) of SPPRA, Procurement Regulation (Works), "It can be released in either of following ways:- (a) On completion of the works; half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction; (b) Full amount be released after completion of defect liability period."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2021-22 it was observed that an amount of Rs.2.237 million pertaining to security deposit and lapsed deposit was refunded to the contractors during execution of works in violation of rules.

(Rs in million)

Sr. #	Name of office	Particulars	Year	AIR Para #	Amount
1	Education Works Division, Khairpur	S.D refunded during execution	2021-22	12	2.077
2	Education Works Division Sanghar	Lapsed deposit refunded	2021-22	12	0.160
				Total	**2.237**

Audit is of the view that release of security deposit in violation of rules stands irregular which shows that undue favour was extended to the contractors.

The matter was pointed out to management in August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIR#12)

3.5.29 Non-recovery of Stamp Duty from various contractors – Rs.5.398 million

According to Para 22-A of Stamp Act, "It is duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of Agreement @ 0.35 paisa per hundred rupees of the value of the Agreement or against tender cost."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21and 2021-22, it was observed that various works were awarded, but Stamp Duty @ 0.35% amounting to Rs.5.398 million was neither found affixed on the agreements nor deducted from the Running Account bills. The details are given as under:

(Rs in million)

Sr.#	Name of Office	Year	AIR Para #	Amount
1	Education Works Division Kashmore	2020-21	10	1.081
2	Executive Engineer, Education Works Division, Sujawal	2020-21	23	0.407
3	Executive Engineer, Education Works Divn, Tando Allahyar	2020-21	25	0.219
4	Executive Engineer, Education Works Division, Thatta	2020-21	26	0.116
5	Electric Education Works Division, Sukkur	2020-21	03	0.068
6	XEN Education Works Division, Khairpur	2021-22	08	0.609
7	Education Works Division, Umerkot	2021-22	05	0.525
8	Education Works District Malir, Karachi	2021-22	02	0.253
9	Education Works Division, Mirpurkhas	2021-22	04	0.350
10	Education Works Division, Shikarpur	2021-22	12	0.347
11	Education Works Division, Dadu	2021-22	05	0.622
12	Education Works Division, Ghotki	2021-22	09	0.801
			Total	**5.398**

Audit is of the view that non-recovery of Stamp Duty resulted in non-realization of government revenue.

The matter was reported to the management from January to June 2022 and August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs.3.104 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends prompt recovery of Stamp Duty from the contractors.

3.5.30 Non-deduction of taxes – Rs. 31.143 million

According to section 153 (1)(c) of Income Tax Ordinance 2001, "Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source on the execution of a contract, in case of a company, 7% of the gross amount payable, if the company is a filer and 10% if the company is a non-filer; and in any other case, 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer."

As per Section 8 (1) chapter II of the Sindh Sales Tax on Services Act, "Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed." Further section 9 (2) chapter II states that, "Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service." And as per Second Schedule of The Sindh Sales Tax on Services Act, 2018, the rate of tax is 5% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies."

During audit of following offices of the School Education and Literacy Department, (Education Works) Government of Sindh for the Financial Years 2020-21 and 2021-22, it was observed that payments were made to various contractors, but the government taxes (Income tax & Sindh Sales Tax) amounting to Rs.31.143 million were not deducted from the bills at applicable rates. The details are given in **Annex-2 of Chapter 3.**

Audit is of the view that non-deduction of taxes resulted in loss of revenue.

The matter was reported to the management from January to June 2022 and August to November 2022, but no reply was received. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs 35.694 million, but the PAO did not take the remedial measures to avoid recurrence.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends to recover the outstanding amount at the earliest.

3.5.31 Non-recovery against dismantled material

According to Rule-72 of CPWA code, "Every payment including repayment of money previously lodged with Government for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. When a voucher exhibits any expenditure from which revenue may prima facie be expected to accrue as, for instance, when payment appears in a bill for removing material from a building or other work, either dismantled or undergoing repairs or for clearing jungle or cutting trees, a note should be recorded to indicate how the old materials removed or the trees cut, etc., have been disposed of and if sold, when the sale-proceeds will be credited to government."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21, it was observed that an expenditure of Rs.3.213 million was made on account of civil works. The items of work included dismantling of structure however, no recovery on account of dismantled material was made. The details are given as under:

(Rs in million)

Sr.#	Name of Office	Year	AIR Para #	Amount
1	Executive Engineer, Education Works Division, Mithi	2020-21	07	0.144
2	Executive Engineer, Education Works Division, Sujawal	2020-21	22	1.393
3	Executive Engineer, Education Works Division, T.M. Khan	2020-21	04	1.676
			Total	**3.213**

Audit is of the view that non-recovery of receipts against dismantled material resulted in loss of potential revenue.

The matter was reported to the management during January to June 2022. The management in case of office at Sr # 01 replied that the amount of dismantled material was recovered directly from the contractor's bill which can be verified from photo state copies of MB and Bill showing the recovery of old material. The reply was not found tenable as the management only recovered amount for dismantled bricks and tiles whereas no recovery of steel was made from dismantled RCC.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends constituting a committee to work out total recoverable amount against the dismantled material.

3.5.32 Excess payment due to miscalculation – Rs.2.019 million

According to section-494 of CPWA Code, "The Divisional Accountant should examine the accounts returns of Sub-divisional Officers on receipt to see:

i. that they have been received in a complete state.
ii. that all sums receivables are duly realised, and on realisation credited to the proper head of account as well as to the personal account, if any, of the contractor, employee or other individual,
iii. that the charges are covered by sanctions and appropriations and are supported by complete vouchers, setting forth the claims and the acknowledgements of the payees legally entitled to receive the sums paid,

that all vouchers and accounts are arithmetically correct."

During audit of the following offices of the Education and Literacy Department (Education Works) Government of Sindh for the Financial Year 2020-21 & 2021-22, it was observed that an amount of Rs.2.019 million was paid to the contractor in excess due to arithmetical error.

(Rs in million)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Executive Engineer, Education Works Division, Sujawal	2020-21	33	0.679
2	Executive Engineer, Education Works Division, Khairpur	2021-22	07	0.740
3	Education Works Division, Ghotki	2021-22	08	0.600
			Total	**2.019**

Audit is of the view that the above lapse on the part of management indicates improper watch and absence of systemic internal controls.

The matter was pointed out to management in August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of excess payment.

(AIR Para#07)

3.5.33 Excess payment due to unjustified execution of work – Rs. 1.521 million

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

During audit of XEN Education Works Division, Ghotki for the Financial Year 2021-22, it was observed that the quantity executed for 'Door Chowkhats' was within estimate while the quantity executed for wooden doors was about four times the quantity estimated. Thus, excess quantity was executed; resulting excess payment of Rs.1.521 million. The details are given as under:

Name of work: Establishment of GBDC Adil pur (Ground and1st Floor) CV#52 dt10/06/22

Item	Qty as per estimate	Qty executed	Excess qty	Rate	Amount
Door Chowkhats	310	256			
Wooden doors	641	2452	1811	840	**1.521**

Audit is of the view that due to unjustified execution of quantity of doors against the estimate and the quantity of chowkhats, excess payment of Rs.1.521 million was made to the contractor.

The matter was pointed out to management in August to November 2022, but no reply was received.

Despite written request vide letters dated 14-11-2022, & 29-12-22, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of the excess amount paid.

(AIR Para #08)

Chapter-4 IRRIGATION DEPARTMENT

4.1 Introduction

Irrigation Department was established in 1970 with the dissolution of One-Unit. The major official obligation of the Irrigation Department is operation and maintenance of the irrigation and flood protection system. The overall objectives and functions of the department are summarized as follows:

a. Regulation of flows of River Indus and canal systems, covering Inter Provincial and Intra Provincial Systems.
b. Execution of development schemes and mega projects.
c. Operation, maintenance, development and management of irrigation network, surface drainage system and tube-wells.
d. Flood control along River Indus and hill torrents.

(Rs. in million)

Sr. #	Description	Total Nos	Audited	Expenditure audited FY 2021-22
1	Formations	71	44	39,219.578
2	Assignment Accounts (excluding FAP)	1	1	565.029
3	Foreign Aided Projects (FAP)	04	04	10,418

4.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2021-22 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess/(Savings)
62,141.170	60,961.231	55,488.449	53,709.894	(1,778.555)

The department was unable to spend the allocated budget in time. As a result, savings of Rs. 1,778.555 million was observed which was not surrendered in time.

4.3 Classified Summary of Audit Observations

Observations amounting to Rs 12,495.149 million were raised as a result of this audit. This amount also includes recoverable of Rs 272.328 million as pointed

out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr.#	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	20.525
B	Procurement related irregularities	5,526.775
C	Management of Accounts with Commercial Banks	19.038
4	Others	6,928.811
	Total	**12,495.149**

4.4 Comments on the Status of Compliance with PAC Directives

The status of Audit Reports requiring compliance of the PAC directives by the department was 26% which is tabulated as follows:

Sr #	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	79	28	11	17		
2	1998-99	21	20	4	16		
3	1999-2000	43	20	0	20	-	
4	2001-02*	14	12	2	10	16.7	
5	2004-05*	40	22	19	3	79.2	
6	2005-06	22	14	0	14	-	
7	2006-07	14	4	0	4	-	
8	2007-08	17	5	0	5	-	
9	2008-09	27	0	0	0	-	
10	2009-10	19	13	7	6	54	
11	2010-11	32	22	0	22	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	-	
Total		**328**	**160**	**43**	**117**		

4.5 Audit Paras

4.5.1 Non-production of auditable record

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

(2) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor-General regarding the inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of various offices of Irrigation Department, Government of Sindh for the Financial Years 2021-22, auditable record pertaining to development and non-development expenditure was not provided despite repeated requisitions. The details are given in **Annex-1 of Chapter-4.**

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

The matter was reported to the management during July 2021 to December 2022. The management from Sr.#13 to 31 replied that the record was available and could be produced to Audit for verification. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22, but the PAO did not take remedial measures to avoid recurrence. The DAC in its meeting held on 21st & 22nd December, 2022 directed the management to produce the relevant record for verification. However, no record was produced till finalization of this report. Further, no reply from other offices was received.

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

4.5.2 Unjustified payment of allowances - Rs.20.525 million

As per Rule 23 of G.F.R. Vol-I, "Every Government officer should realize fully that he will be held responsible for any loss sustained by the Government through fraud or negligence on his part or on the part of any other officer to the extent to which it may be proved that he contributed through his own negligence or action."

During audit of the following offices of Irrigation Department for the Financial Year 2020-21 and 2021-22, it was observed that an amount of Rs.20.525 million was paid to officers/officials on account of various allowances beyond their entitlement.

(Rs. in million)

Sr.#	Name of office	Particulars	Year	AIR Para#	Amount
1	Managing Director, Sindh Irrigation & Drainage Authority (SIDA)	Project allowance	2020-21	15	15.060
2	Managing Director, Sindh Irrigation & Drainage Authority (SIDA)	Conveyance allowance	2020-21	8	1.620
3	Executive Engineer, Shahbaz Irrigation Division, Sehwan	Various allowances	2021-22	10	0.088
4	Executive Engineer, Warah Division, Larkana	Various allowances	2019-20 & 2020-21	4&5	1.839
5	Executive Engineer, Drainage Division, Tando Muhammad Khan	Project allowance & other allowances	2020-21	1,2&3	1.918
				Total	**20.525**

Audit is of the view that payments were made beyond entitlement reflecting weak internal controls.

The matter was reported to the management during January 2022 to December 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery besides, taking remedial measures to avoid the recurrence of such practice in future.

4.5.3 Irregular award of contract without calling international tender – Rs.3,135.476 million

According to SPPRA Rule 15 (2) (a) (ii), "International Competitive Bidding is open to all interested parties, firms or individuals, whether national or international, but subject to Rule 29; International Competitive Bidding shall be the default method of procurement for all procurements with an estimated cost equivalent to US $ 10 million or above."

According to SPPRA Rule 15 (2) (b) (iii), "A procuring agency may opt for National Competitive Bidding for procurements with an estimated cost equivalent to US $ 10 million or above, where the procuring agency is convinced that it is the most economical and timely way of procuring goods, works or services which, by their nature or scope are unlikely to attract foreign competition; Provided that the Head of the Department of the procuring agency, while making decision to opt for the National Competitive Bidding shall record reasons and justifications for his decision."

During audit of Executive Engineer, Phuleli Canal Division, Badin-(SIDA) @ Hyderabad for the Financial Year 2021-22, it was observed that the undermentioned work costing Rs.3,135.476 million was awarded to M/s Al-Ramzan Construction Company without inviting international tenders in violation of the above rule. No reason was recorded for opting NCB method of procurement instead of ICB. The detail is as under:

(Rs in million)

W.o# / Dt	M/S	Name of Work	Work Award Amount
2945/ 03.06.22	M/s Al-Ramzan Const. Co.	C.C Lining of Sultani Branch & Its 06 No off Taking channels	3,135.476

Audit is of the view that opting for NCB method of procurement instead of ICB method without recording reasons is held irregular.

The matter was reported to the management during November 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIR Para#04)

4.5.4 Non-invitation of open tenders – Rs.1,350.328 million

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that, "Procurement over three hundred thousand rupees and up to two million rupees shall be advertised by timely notification on the Authority's website and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi languages."

During audit of various offices of Irrigation Department, Government of Sindh for the Financial Years 2020-21 and 2021-22, it was observed that an expenditure of Rs.1,350.328 million was made without inviting open tenders in violation of the prescribed rules. The details are given in **Annex-2 of Chapter-4.**

Audit is of the view that due to the violation of SPPRA Rules, the management could not achieve competitive rates. Further, by awarding contracts on previous year's rates, chances of extending undue favour to the contractors cannot be ruled out.

The matter was reported to the management during January 2022 to December 2022. The management at Sr.#16 replied that the work under objection was of emergent nature for which necessary permission was accorded by the competent authority under SPPRA Rule No. 16(b) for direct contracting. The management failed to produce the relevant record in support of the reply. The management at Sr.#17 replied that tender was invited and appeared on SPPRA website, but due to paucity of time, the Director Hydrology & Research was requested to accord necessary permission to adopt rates of 2019-2020 for current financial year and the same were accorded on 26.03.2022. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.420.550 million but the PAO did not take remedial measures to avoid recurrence. DAC in its meeting held on 21st & 22nd December, 2022 did not agree with the reply of the entities because tender of previous year was adopted instead of calling fresh tender. The management at Sr.#18 replied that the quotations through NIT for item rate were invited as per SPPRA Rules and the lowest rates were approved by the Chief Engineer. The management at Sr.#19 did not submit any reply. The management at Sr.# 20 & 21 replied that the expenditure on purchase of steel wire Rope was incurred on the basis of rates approved by the competent authority. DAC in its meeting held on 21st & 22nd December, 2022 directed to produce the relevant record for

verification. The management failed to produce the relevant record in support of the reply. The management at Sr.#22 replied that procurement of various items were necessary which fell under Rule-16(a) and 16(d) of Sindh Public Procurement Rules-2010 which allowed procurement through quotations where the procurement was below the prescribed limit of three hundred thousand rupees. DAC did not agree with the reply of the entity in its meeting held on 21st & 22nd December, 2022 and directed to constitute a Fact-Finding Committee to ascertain the facts and submit report. The management at Sr.#23 replied that the tenders were invited through open publication as per rules and regulations. DAC in the meeting held on 21st & 22nd December, 2022 directed the management to produce the relevant record for verification. The management failed to produce the relevant record in support of the reply. Further, no reply from other offices was received.

Audit recommends compliance with the DAC directives.

4.5.5 Splitting of work to avoid tender - Rs.744.72 million

Rule 12 (1) of SPPR 2010 provides that, "All proposed procurements for each Financial Year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan." Rule 17 (1) ibid provides that, "Procurements over one hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in the rules."

During audit of the following offices of Irrigation Department, Government of Sindh, for the Financial Year 2020-21 and 2021-2022, it was observed that various works of repair capital nature amounting to Rs.744.72 million were awarded by splitting works of similar nature just below the limit of Rs.300,000 to avoid the tendering process. The details are given in **Annex-3 of Chapter-4**.

Audit is of the view that due to splitting of expenditure; the government was deprived of competitive rates.

The matter was reported to the management during January 2022 to December 2022. The management from Sr.# 09 to 16 replied that no splitting was involved as the works were awarded to the contractors duly approved by the competent authority. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.50.280

million, but the PAO did not take remedial measures to avoid recurrence. DAC in the meeting held on 21st & 22nd December, 2022 directed the management to produce the relevant record for verification, however no record was produced till the finalization of this report. Further, no reply from other offices was received.

Audit recommends compliance with the DAC directives.

4.5.6 Irregular award of tender without technical evaluation of bids – Rs.218.99 million

As per SPPRA Rule 47(2), "Single Stage Two Envelope Bidding Procedure shall be used where the bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation."

During audit of Executive Engineer Irrigation East Division, Khairpur for the Financial Year 2021-22, it was observed that works amounting to Rs.218.99 million were awarded on single stage single envelope basis without technical evaluation of the works despite the fact that civil works require technical evaluation by adopting single stage two envelope procedure. The details are as under:

Rs in million

Sr.#	Name of Work	AIR Para #	Amount
1	C.C Lining of Faiz Ganj Wah and Earth filling along Halepota Minor	4	145.670
2	Construction of Bridge Over Mirwah Canal AT RD-260 B/W Deh Jalbani Thari Mirwah	8	73.320
		Total	**218.99**

Moreover, for the work at S.No.1, it was also observed that after the opening of the NIT on 03-06-2022, the work order was issued to the contractor on 10-06-2022 and subsequently the payment for a total amount of Rs.145.670 million was made on 15-06-2022 within a period of 04 days.

Audit is of the opinion that such works require at least single two envelope procurement method to evaluate the bids technically before opening of financial bids. As the works were awarded without technical evaluation of bids, it reflects that undue favor was extended to the contractor(s).

The matter was reported to the department during December 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter to fix responsibility on the person(s) at fault.

4.5.7 Irregular award of work despite cancellation of tender – Rs.73.320 million

As per SPPRA Rule-25, "A procuring agency may cancel the bidding process at any time prior to the acceptance of a bid or proposal;

(2) The procuring agency shall incur no liability towards the bidders, solely by virtue of its invoking Sub-rule (1);

(3) intimation of the cancellation of bidding process shall be immediately hoisted on the Authority's website and procuring agency's website followed by prompt return of bid security." Read with Rule-26, "The procuring agency may re-issue tenders in case, the bidding process has been cancelled, as provided in Rule 25 above."

During audit of Executive Engineer Irrigation East Division, Khairpur for the Financial Year 2021-22, it was observed that the work 'Construction of Bridge Over Mirwah Canal at RD-260 B/W Deh Jalbani Thari Mirwah' amounting to Rs.73.320 million was awarded to M/s AGK Construction Co. on 07-02-2022. Audit noted that NIT was hoisted on SPPRA website on 21-12-2021, but before opening of the same on 11-01-2022, the management cancelled it vide corrigendum No.TC/G-55/39 of 2022 issued on 07-01-2022. Later on, the management opened the tenders on 27-01-2022 after intimating the next date of tender opening on 24-01-2022 to the procurement committee and the bidders instead of re-tendering the same as required in the rules.

Audit is the view that due to issuance of cancellation order; the tender was required to be re-issued vis-à-vis prompt return of bid security as required under the rules. Thus, award of work despite cancellation stands irregular.

The matter was reported to the department during December 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para#01)

4.5.8 Unjustified purchase of Abkalani material – Rs.3.941 million

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

During audit of the following offices of Irrigation Department for the Financial Year 2020-2021, it was observed that Abklani (Flood season) material amounting to Rs.3.941 million was purchased in the month of September, 2020 after conclusion of flood season.

(Rs in million)

Sr.#	Name of Office	Year	AIR Para#	Amount
01	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	2020-21	10	2.994
02	Executive Engineer, Lower Pinyari Division, Sujawal	2020-21	9	0.947
			Total	**3.941**

Audit is of the view that monsoon period/flood starts from May to July, but purchasing Abkalani material in the month of September is unjustified which reflects that the expenditure was made merely to exhaust budget.

The matter was reported to the department during June 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

(AIR Para#09)

4.5.9 Award of work without obtaining insurance coverage

According to Clause 24.1 of the Special Conditions of the Contract, "The insurance coverage against the risks shall be: (a)Professional liability insurance, (b)Third-party motor vehicle insurance in respect of motor vehicles operated in the client's country by the consultant (c)Third-party liability insurance; (d) Employer's liability and worker's compensation insurance in respect of the experts and sub-consultants in accordance with the relevant provisions of the applicable law in the client's country, as well as, with respect to such experts, any such life, health, accident, travel or other insurance as may be appropriate."

During audit of Project Director, Sindh Resilience Project (Irrigation Component), through Additional Financing, Karachi for the Financial Year 2021-2022, it was observed that the management executed contract for Construction of Namaro Dam in Tharparkar against a cost of Rs. 536.696 million however, it failed to obtain insurance coverage against the risks. The contractor was liable to submit the insurance coverages against the professional liability insurance, third-party motor vehicle insurance, third-party liability insurance, employer's liability, worker's compensation insurance and insurance against damages to equipment, property and documents.

Audit is of the view that payment without obtaining insurance coverage against the risks reflects non-safeguarding of the Government interests.

The matter was reported to the management in the month of September 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification in the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#4.4.1)

4.5.10 Irregular payment through DDO account - Rs.19.038 million

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

During audit of Managing Director, Sindh Irrigation & Drainage Authority (SIDA) for the Financial Year 2021-2022, it was observed that an expenditure of Rs.17.818 million was incurred on account of salaries of contingent paid staff, but the payments were made through DDO account instead of direct payment to the concerned.

Audit is of the view that the drawl of salaries from the DDO account is violation of the prescribed rule.

The matter was reported to the management during October 2022, but no reply was received. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs19.731 million, but the PAO did not take remedial measures to avoid recurrence. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

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

4.5.11 Irregular expenditure on non-scheduled items without rate analysis – Rs.979.136 million

According to Para 8(3) of Introduction under Schedule of Rates-2012, "Non-scheduled items in all engineering fields are unavoidable. Hence Superintendent Engineer and Chief Engineer of the department may sanction the rate analysis for non-scheduled items up to Rs. 1000 per standard unit and the rates exceeding this amount shall be sanctioned by the Chief Engineer/officers exercising powers of Chief Engineer."

During audit of the following offices of Irrigation Department, Government of Sindh, for the Financial Years 2020-21 and 2021-22, it was observed that an expenditure of Rs.979.136 million was incurred on various non-scheduled items, but rate analysis based on market rates approved from the Superintendent/Chief Engineer was not available on record.

(Rs in millions)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Executive Engineer, Dad Division Benizarabad	2021-22	4	59.552
2	Executive Engineer, Chotiari Reservior Khipro, Sanghar	2021-22	4	470.385
3	Executive Engineer, Sakro, Division, Mirpur Sakro	2021-22	8	50.526
4	Executive Engineer, Hala Division Hala @ Hyderabad	2021-22	14	12.496
5	Executive Engineer Jamrao Division, Mirpurkhas	2021-22	14	145.798
6	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	28	105.097
7	Executive Engineer, Tube well Division, Khairpur	2020-21	3	135.282
			Total	**979.136**

Audit is of the view that due to non-preparation of rate analysis for the market items, audit could not authenticate the rationale/basis of the actual rates obtained for the items. Thus, chances of uneconomical procurements cannot be ruled out.

The matter was reported to the department during January 2022 to December 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

4.5.12 Execution of earthwork/silt clearance through private contractors instead of Mechanical Division - Rs.535.955 million

As per Finance Department Circular No. B-IV -8/131/85 dated 9th April, 1987 read with circular # DAlFD/ID-EX/10/87/698 dated 27-04-1998, "Earthwork is to be carried out through Mechanical Divisions."

During audit of the following offices of Irrigation Department, Government of Sindh for the Financial Years 2020-21 and 2021-22, it was observed that earthwork and silt clearance amounting to Rs.535.955 million was carried out through private contractors instead of Mechanical Division. Further, NOC from the Mechanical Division was also not obtained. The details are given in **Annex-4 of Chapter-4.**

Audit is of the view that due to execution of work through private contractors instead of the Mechanical Division, chances of uneconomical execution of work besides, causing loss to public exchequer cannot be ruled out.

The matter was reported to the management in January 2022 to December 2022. The management from Sr.# 10 to 23 replied that earth work was carried out after obtaining NOC from the Mechanical Division. DAC in the meeting held on 21st & 22nd December, 2022 directed the management to provide NOC issued by the Mechanical Division concerned duly verified from the same, but no proof was received till finalization of report. Further, no reply from other offices was received.

Audit recommends compliance with the DAC directives.

4.5.13 Non-reconciliation of payment made to the Land Acquisition Officer – Rs.204.231 million

According to Para 110 (iii) of Sindh Financial Rules, Volume-I, "The officer who settles the price should draw up Form-A, Appendix 5 prescribed for

use in the case of an award and this should be made on the basis of subsequent payment."

During audit of Executive Engineer, Chotiari Reservoir(I) Division Sanghar for the Financial Years 2020-21 and 2021-22, it was observed that an amount of Rs.204.231 million was paid to Land Acquisition Officers (LAO) on account of land acquisition without obtaining details of the disbursement to the land owners and the utilization report. The detail is as under:

(Rs. in million)

Vendor Name	Chq#	Date	Amount
Assistant Commissioner/LAO Khipro	4517249	16.06.2022	177.231
Assistant Commissioner/LAO	4079147	21.06.2021	27.000
Total			**204.231**

Audit is of the view that due to the payment without obtaining details of the owners and the utilization report, the chances of misappropriation cannot be ruled out.

The matter was reported to the management during January 2022 to December 2022, the management in its reply stated that the payment to Land Acquisition Officer was released for acquisition of land within the provision of PC-I. The LAO duly provided utilization report of disbursement of amount to the Khatedar's. DAC in the meeting held on 21st & 22nd December, 2022, directed the management to provide disbursement report for an amount of Rs.204.231 million, for verification, but no record was produced till finalization of this report.

Audit recommends compliance with the DAC directives.

(AIR Para#05&13)

4.5.14 Irregular refund of security deposit - Rs.431.539 million

According to SPPRA Procurement Guidelines (Works) under clause 7.12.3(i) Release of Security deposit, "It can be released in either of following ways, but in the same shall be mentioned in the contract data /special conditions of the contract:

(a) On completion of the works; half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that

all defects notified to the contractor before the end of this period have been attended to his satisfaction;

(b) full amount be released after completion of defect liability period."

During audit of the various offices of Irrigation Department, Government of Sindh for the Financial Years 2020-21 and 2021-22, it was observed that Security Deposit of Rs.431.539 million was refunded during execution of work or prior to completion of defect liability period. The details are given in **Annex-5 of Chapter-4.**

Audit is of the view that due to the refund of security deposit; the government interests were compromised.

The matter was reported to the department during January 2022 to December 2022. The management from Sr.# 09 to 16 replied that the Security Deposit was refunded to the contractors after completing all codal formalities. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.515.539 million, but the PAO did not take remedial measures to avoid recurrence. DAC in the meeting held on 21st & 22nd December 2022, directed the management to produce the relevant record for verification, but the same was not produced till the finalization of this report. Further, no reply from other offices was received.

Audit recommends compliance with the DAC directives.

4.5.15 Irregular signing of contract agreement before issuance of the work order – Rs.369.412 million

Rule 49 of Sindh Public Procurement Rules, 2010 states that, "The bidder with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be awarded the procurement contract, within the original or extended period of bid validity."

During audit of Executive Engineer, Rohri Division Moro for the Financial Year 2021-22, it was observed that a contract amounting to Rs.369.412 million was awarded on 17.01.2022, but agreement was signed on 14.01.2022. The detail is as under:

(Rs in million)

Scheme Name	Name of Contractor	Tender Amount
Construction of C.C. Lining along Daulatpur Distry from RD 100+00 to tail, Construction of open type modules along Daulatpur Distry and reconstruction Moro Group Regulators along Daulatpur Distry at RD 0	M/S MBC Sons Builders & Developers	369.412

Audit is of the view that the contract agreement was signed before the issuance of the work order which raises doubts about the transparency of the procurement process.

The matter was reported to the management in October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility against the person(s) at fault.

(AIR Para#13)

4.5.16 Less deduction of security deposit – Rs.289.148 million

As per Rule-7.12.3 of SPPRA, Procurement Regulation (Works), "Procuring Agency will retain/deduct from each interim/running payments due to the contractor, the security deposit in proportion stated in the contract data/data sheet until completion of the whole of the works. The cumulative total of such amount will be 5% of bid total mentioned in the letter of acceptance. In this way total amount with procuring agency will be ten percent of bid cost in the shape of performance security and retention money/security deposit. Recoveries so made from contractor are returned to him by the procuring agency as per terms and conditions of contract."

During audit of various offices of Irrigation Department for the Financial Year 2020-21 & 2021-22, it was observed that an amount of Rs.14,457.40 million was paid to contractors, but security deposit was deducted at 8% (5% bid security+3% from running bills) instead of 10% as per the prescribed rule. Thus, an amount of Rs.289.148 million was less deducted. The details are given in **Annex-6 of Chapter-4.**

Audit is of the view that government interest was not safeguarded and undue favour was extended to contractors.

The matter was reported to the department during July 2021 to December 2022. The management from Sr.# 06 to 17 replied that the security deposit @ 5% from each bill of the contractor had been deducted before making payment. DAC in the meeting held on 21st & 22nd December, 2022, directed the management that prescribed rate of 10% security be obtained from contractors and proof of the same be provided to audit for verification, but no documentary evidence was received till the finalization of report. Further, no reply from other offices was received.

Audit recommends compliance with the DAC directives.

4.5.17 Wastage of resources on a non-functional division - Rs.252.219 million

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

During audit of Executive Engineer Store Division Hyderabad, for the Financial Years 2016-17 to 2020-21, it was observed that an expenditure of Rs.252.219 million, was incurred on pay & allowances of the various employees, but the main division & its sub-divisions remained non-functional since many years. The detail is as under:

(Rs in million)

Year	Description	Budget Allocation/ Release	Expenditure Incurred	Development Expenditure
2016-17	Salary	46.621	42.275	Nil
	operational expenses	1.05	1.023	
2017-18	Salary	48.802	46.488	Nil
	operational expenses	1.151	1.09	
2018-19	Salary	51.423	50.98	Nil
	operational expenses	1.091	1.03	
2019-20	Salary	60.086	55.374	Nil
	operational expenses	0.663	0.646	
2020-21	Salary	53.211	52.133	Nil
	operational expenses	1.235	1.18	
	Total	**265.333**	**252.219**	Nil

Audit is of the view that the expenditure against pay & allowances on a non-functional division resulted in waste of public money.

The matter was reported to the management during April 2022. The Management replied that no work was assigned by the civil divisions during the period, the departmental machinery remained standstill. The salaries had to be disbursed to the officers/officials because they had been performing their duties regularly. DAC in its meeting held on 21st & 22nd December, 2022, directed to constitute a committee to probe why works not assigned to the Division by Civil Divisions.

Audit recommends compliance with the DAC directives.

(AIR Para#02)

4.5.18 Excess expenditure over and above 5% of Technical Sanction - Rs.234.390 million

As per Para-532 of Public Works Department Manual, Volume-I, "A revised estimate must be submitted when sanctioned estimate is likely to be exceeded by more than 5%."

During audit of the following offices of Irrigation Department, Government of Sindh for the Financial Year 2021-22, it was observed that an expenditure of Rs.234.390 million was made in excess of the prescribed limit of 5% above the technical sanction without revision of the same. The detail is as under:

(Rs. in million)

Sr#	Name of Office	Year	AIR Para #	PC-I cost	Bid amount	Amount
1	Executive Engineer, Small Dams Division Nagarparkar @ Mithi	2021-22	2	117.983	126.115	8.132
2	Executive Engineer, Hala Division Hala @ Hyderabad	2021-22	1	766.167	876.460	148.59
3	Executive Engineer, Naseer, Division, Hyderabad	2021-22	1	46.452	54.040	18.27
4	Executive Engineer Small Dam Kohistan-I, Dadu	2021-22	8	368.724	410.485	41.761
5	Executive Engineer Tube Well Division Ghotki	2019-21 & 2021-22	2	58.715	67.415	8.7

6	Executive Engineer Drainage Division Ranipur @ Khairpur	2020-21	3			8.936
					Total	**234.39**

Audit is of the view that execution of the work above 5% and non-revision of the technical sanction stands irregular.

The matter was reported to the management during January 2022 to December 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

4.5.19 Non-recovery of various taxes at the prescribed rates - Rs.212.840 million

According to Taxable Services as per Second Schedule to the Sindh Sales Tax on Services Act, 2011, Part A, Sindh Revenue Board, Government of Sindh, vide Tariff Heading-9813.4990, "Services provided or rendered by banking companies, insurance companies, cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non- banking financial institutions and other persons dealing in any such services - Other services not specified elsewhere, tax @ 13% is to be paid accordingly."

According to Notification issued by Sales Tax Department for Sales Tax Special Procedure (Withholding) Rules, 2007 vide letter No S.R.O 77 (I) 2008 dated 2301-2008, "Withholding agent shall deduct an amount equal to 1/5 of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him. If sales tax invoice is not provided then 17% tax would be deducted."

According to section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time, "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."

During audit of the various offices of Irrigation Department, Government of Sindh, for the Financial Year 2020-21 and 2021-22, it was observed that an

amount of Rs.212.840 million, pertaining to Income Tax, SST and GST was either not or less deducted while making payments to the contractors. The details are given in **Annex-7 of Chapter-4.**

Audit is of the view that due to non-deduction of government taxes, undue favor was extended to the contractors besides, non-realization of the government revenue.

The matter was reported to the management during August 2022. The management from Sr.# 11 to 27 replied that the payment was made to the contractors as per rules and regulations. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.58.361 million, but the PAO did not take remedial measures to avoid recurrence. DAC in its meeting held on 21st & 22nd December, 2022 directed to provide the relevant record to ascertain the deduction of all applicable taxes for verification. However, no record was produced till the finalization of this report. Further, no reply from other offices was received.

Audit recommends compliance with DAC directives.

4.5.20 Unjustified expenditure against the work without acquisition of land - Rs.178.756 million

According to Para 40-B Appendix 18-A (1) Sindh Financial Rules Volume-I, "Means should be advised to ensure that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence."

During audit of the Executive Engineer Tube-Well Division No. 01 Hala for the Financial Year 2021-22, it was observed that an expenditure of Rs.178.756 million was made on the scheme since 2013, but later on the work was stopped due to non-acquisition of the land. The detail is as under:

Name of Work	Total Cost	Exp. Update	Physically Progress	Remarks
Construction of 80 Cusecs pumping station to control the water logging and salinity at the Taluka Chummber dist. Tando Allahyar	212.265	178.756	88%	Work stopped due to land acquisition from khatedars of the area

Audit is of the view that due to non-acquisition of land despite a lapse of considerable time and spending huge funds reflects improper planning on the part of the management, which resulted in wastage of government funds.

The matter was reported to the management during August to November 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into matter besides, taking remedial measures.

(AIR Para#01)

4.5.21 Non-adjustment of outstanding dues from the defaulters – Rs.113.426 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, "The Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury."

During audit of the following offices of Irrigation Department, Government of Sindh, for the Financial Years 2019-20 & 2020-21, it was observed that an amount of Rs.113.426 million was outstanding on account of Miscellaneous PW advances and Losses and Retrenchments up to the year 2020-21 as detailed below:

(Rs in million)

S.r#	Name of office	Particulars	Financial Year	AIR Para#	Amount
1	Executive Engineer Store Division Hyderabad	Miscellaneous PW Advances	2020-21	4	78.452
2	Executive Engineer, Drainage Division Larkana	PW advances	2020-21	29	1.812
3	XEN, Central Sindh Mechanical Division, Jamshoro	Against various Irrigation Divisions against works done	2020-21& 2020-21	3	17.051
4	XEN, Central Sindh Mechanical Division, Jamshoro	Miscellaneous PW Advances	2020-21& 2020-21	6	16.111
				Total	**113.426**

Audit is of the view that due to non-adjustment of PW advances and losses & retrenchments; chances of misappropriations cannot be ruled out.

The matter was reported to the management from December 2021 to June 2022. The management from Sr.# 01 to 04 replied that the figure of miscellaneous P.W.D advance as shown in Form-70 is very old. However, efforts in this regard are being taken either for their recovery or adjustment. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.398.817 million, but the PAO did not take remedial measures to avoid recurrence. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to recover/adjust advances and provide the relevant record for verification. However, no record was produced till the finalization of this report.

Audit recommends compliance with DAC directives.

4.5.22 Unjustified premium on carriage and extra lead – Rs.110.047 million

As per SPPRA Guidelines for procurement 11.3.3, "Cost of cartage is not paid separately as same is adjusted in the quoted premium but cost of escalation on materials is paid separately as per consumption."

As per Para 766 of P.W.D. Manual Volume-I, "Technical Sanction" amounts to nothing more than guarantee that the proposals are structurally sound and meet the requirements of indenting department and that the Estimates are accurately calculated and based on adequate data."

During audit of the following offices of Irrigation Department, Government of Sindh for the Financial Year 2020-21, it was observed that payment of Rs.110.047 million was made on account of premium against carriage & extra lead which was unjustified. The details are as under:

(Rs in million)

Sr.#	Name of office	Year	AIR Para#	Amount
1	Executive Engineer Drainage Division Ranipur @ Khairpur	2020-21	1	0.791
2	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	11	0.301
3	Executive Engineer, Kandhkot Division @ Garhi Hassan Sarki	2020-21	7	5.528
4	Executive Engineer, Rice Canal Division, Larkana	2020-21	3	102.714
5	Executive Engineer Drainage Division Ranipur @ Khairpur	2020-21	4	0.713
			Total	**110.047**

Audit is of the view that undue financial benefit was extended to contractor in the shape of premium against carriage and extra lead.

The matter was reported to the management during December 2021 to June 2022. The management at Sr.# 01 replied that works were percentage (%) rate contract in accordance to SPPRA Guidelines/Regulations for Procurement of Works 5.2 (iii)(a), and the bids received were within permissible limit of Engineer's Estimate by 20%. The Management at Sr.#03 replied that the item of work was a schedule item obtained from Aroor Quarry and the lead chart was prepared and estimate was approved by the competent authority. The reply was not tenable as premium on carriage was not allowed. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.9.167 million but the PAO did not take remedial measures to avoid recurrence. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to recover the amount of Rs.0.791 million and Rs.5.528 million respectively.

The management at Sr.#04 replied that the works were of a very important nature to be executed and completed within a short time. The NIT was hoisted on the SPPRA website accordingly. DAC in its meeting held on 21st & 22nd December, 2022, directed the office concerned to provide revised reply. However, no reply was received till the finalization of this report. Further, the reply against Sr.#02 was also not given.

Audit recommends compliance with DAC directives.

4.5.23 Misclassification of expenditure – Rs.55.194 million

According to Rule 12 of GFR, Volume-I, "A controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided."

During audit of the following offices of Irrigation Department, Government of Sindh for the Financial Years 2020-21 and 2021-22, it was observed that an expenditure of Rs.55.194 million was made, but the same was charged to irrelevant heads of account resulting in misclassification of expenditure. The details are given in **Annex-8 of Chapter-4**.

Audit is of the view that misclassification of expenditure reflects negligence on the part of the management besides, chances of misappropriation cannot be ruled out.

The matter was reported to the management during July 2022 to December 2022. The Management at Sr.#4&5 replied that Mechanical Division operated on the basis of credit received from Civil Divisions in order to carry out the task assigned. Hence the payment of Rs.2.227 million was paid to M/S Superior-II Filling Station Jamshoro which was charged against the credit balance available for nominated works. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to justify drawl of POL with proof. But no documentary proof was provided till finalization of this report. No reply was received from other offices.

Audit recommends compliance with the DAC directives.

4.5.24 Unjustified delay in start of work – Rs.73.290 million

According to Para 9.2 of the Procurement Regulations (Works), 2011, "Commencement date of the works shall be the date notified by the Engineer in writing. The contactor shall commence the work within 14 days after the date notified by the Engineer. Completion period will be counted from the date of receipt of the commencement order by the contractor."

Further, according to Regulation No.1 (5) of *ibid,* "Commencement - Date means the date mentioned in the notice issued by the Engineer to start the work."

During audit of Executive Engineer, Rice Canal Division, Larkana for the Financial Year 2021-22, it was observed that management awarded work valuing Rs.73.290 million, but the contractors started work on the scheme after a lapse of 06 years. The details are given in **Annex-9 of Chapter-4**.

Audit is of view that delays in execution of work after issuance of work order reflects weak internal controls. Further, chances of cost overrun due to escalation claims cannot be ruled out.

The matter was reported to the management during November 2022, but no reply was received. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 but the PAO did not take remedial

measures to avoid recurrence. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for late starting of the works besides, taking measures to complete the work within the approved cost.

(AIR Para #10)

4.5.25 Unjustified expenditure on the work in deviation from PC-I - Rs.70.000 million

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

During audit of Executive Engineer Irrigation East Division, Khairpur for the Financial Year 2021-22, it was observed that an amount of Rs.70.000 million was incurred on the work 'C.C Lining of Kandiyari Minor- RD 0.00 to 28.00 (ADP#1222)' which was awarded to M/s M. Abbasi & Co, wherein the following observations were noted:

1. The earthwork was executed for an amount of Rs.30.964 million, whereas the provision of the same in PC-I was Rs.5.176 million (4th R.A Bill).
2. The work was required to be executed over the period of 03 years, but the financial progress upto 48% was achieved without corresponding physical progress.

Audit is of the view that excess execution of the earthwork work and excess payment vis-à-vis financial progress casts doubts at the actual execution of the work besides, extension of the undue favor to the contractor.

The matter was reported to the department during December 2022, but no reply was received. The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 but the PAO did not take remedial measures to avoid recurrence. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter besides, taking remedial measures.

(AIR Para#02)

4.5.26 Loss on account of carriage of stone - Rs.51.362 million

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

During audit of Executive Engineer, Southern Division Dadu for the Financial Year 2021-2022, it was observed that an expenditure of Rs.51.362 million was made against carriage of stone, but dismantled stone already available at the site was not utilized. The detail is as under:

(Rs in million)

Name of Work	Name of Contractor	Amount of dismantled stone	Carriage of dismantled stone	Amount
Stone pitching along Flood Protection bund from RD20 to 50	M/s MZ Balouch	9.611	51.362	60.973

Audit is of the view that the government sustained loss due to non-utilization of the dismantled stone.

The matter was reported to the management during August to November 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility against the person(s) at fault.

(AIR Para#02&03)

4.5.27 Unjustified payment for jungle/weed cutting - Rs.55.877 million

According to para 1(E) of chapter 10 (Embankment Maintenance) Operation & Maintenance, Irrigation and Power Department, published in April 1993, "Any tree or brushwood growth on berms or on outer slopes should be

removed by beldars. Sometimes branches of trees or other trash are blown into the canals by wind storms. This debris can choke the bays of regulator or bridges and can result in damage. The beldars should use long-handled rakes or other tools to remove the debris as soon as possible."

During audit of the following offices of Irrigation Department for the Financial Year 2020-21 and 2021-2022, it was observed that various works of Rs.55.877 million on account of weed cutting/ jungle clearance were executed through the contractors instead of involving 1,017 Beldars drawing salaries from the department. The detail is as under:

(Rs in million)

Sr.#	Name of Office	No. of Beldars	Year	AIR Para#	Amount
1	Executive Engineer, Upper Pinyari Division Hyderabad	191	2021-22	8	5.177
2	Executive Engineer, Kalri Baghar Division, Thatta	217	2021-22	7&12	32.848
3	Executive Engineer Lower Pinyari Division, Sujjawal	259	2020-21	4	4.388
4	Executive Engineer, Drainage Division (LBOD), Benazirabad	265	2021-22	7	1.480
5	Executive Engineer, Gunni Canal Division, Fazil Rahu, Badin	85	2015-16 to 2020-21	2	11.984
Total		**1,017**			**55.877**

Audit is of the view that the works were required to be carried out through beldars, being the regular employees for the instant job, but execution of the same through the contractors resulted in unjustified expenditure and burden on the public exchequer.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

An irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs5.177 million, but the PAO did not take remedial measures to avoid recurrence.

Audit requires justification for the matter.

4.5.28 Non-execution of agreement on non-development works - Rs.47.687 million

Instructions to Bidders - IB.33.1 state that, "Within 14 days from the date of furnishing of acceptable Performance Security under the Conditions of Contract, the procuring agency will send the successful bidder the Contract Agreement in the form provided in the bidding documents, incorporating all agreements between the parties." And IB 33.2 states that, "The formal Agreement between the procuring agency and the successful bidder shall be executed within 14 days of the receipt of the Contract Agreement by the successful bidder from the procuring agency."

During audit of the following offices of Irrigation Department for the Financial Years 2019-2020 & 2020-2021, it was noticed that contractors were allowed to start work before the execution of the formal contract agreements. Further, due to non-execution of the contract agreements, Stamp Duty against the works was also not realized. Thus, the amount of Rs.47.687 million involved in executing the works stands irregular. The detail is as under:

(Rs in million)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Executive Engineer, Rice Canal Division, Larkana	2019-2020 & 2020-2021	31	45.760
2	Executive Engineer, Drainage Division, Khairpur	2020-21	8	1.927
			Total	**47.687**

Audit is of the view that execution of works in the absence of contract agreements resulted in violation of prescribed rules besides, causing loss to the public exchequer on account of non-realization of the Stamp Duty.

The matter was reported to the management during April 2022. The management at Sr.#01 replied that the works were awarded to contractors on their quoted rates and sanctioned by the competent authority. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to produce contract agreements for verification. However, the relevant record was not produced till the finalization of this report. Further, no reply was received from the other office.

Audit recommends compliance with DAC directives.

4.5.29 Unjustified payment on earthwork - Rs.26.186 million

According to Rule-88 of Sindh Financial Rule Volume-I, "Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community."

During audit of Executive Engineer, Kandhkot Division @ Garhi Hassan Sarki for the Financial Year 2020-21, it was observed that additional expenditure of Rs.26.186 million was incurred on carriage of earth, however in the estimate, carriage was allowed only on 10% of the total earth work and 90% of the earth was required to be brought within 100 feet distance, but as per actual work done, carriage was allowed on the total earth work. The detail is as under:

(Rs in million)

Unit	Quantity Executed	Carriage Allowed	Excess Quantity	Rate	Amount
% Cft	5,789,971	578,997.1	5,210,974	502.52	26.186

Audit is of the view that undue favor was extended to the contractor by allowing carriage on entire earthwork, which resulted in burden on the public exchequer.

The matter was reported to the management during April 2022. The management replied that the item of work was a scheduled item obtained from Aroor Quarry and the lead chart was prepared and the estimate was approved by the competent authority. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to produce the bills, lead charts for verification. However, the relevant record was not produced till the finalization of this report.

Audit recommends compliance with DAC directives.

(AIR Para#02)

4.5.30 Non-adjustment of miscellaneous charges – Rs.20.315 million

As per Rule-26 of General Financial Rules, Volume-I, "It is the duty of controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to Government account."

During audit of Executive Engineer, Lower Sindh Mechanical Division, Jamshoro for the Financial Year 2020-21, it was observed that an amount of

Rs.20.315 million was received on account of 'other items' in Form 70, but the adjustments of the same have not been done since last ten years. The details are given as under:

Particulars Of Items (Items To Be Grouped By Classes Of Miscellaneous P.W Advances Referred To In Para 408)	Opening Balance	Debit During the Month	Total (Cols:5-6)	Credit During the Month	Closing Balance (Cols:7-8)
Misc. Charges	20.315	0.00	20.315	0.00	20.315

Audit is of the view that non-adjustment of the miscellaneous PW Advances raises doubts about the execution of the works.

The matter was reported to the management during June 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery/adjustment of the outstanding charges at the earliest besides, fixing of responsibility on the person(s) at the fault.

(AIR Para #02)

4.5.31 Non-recovery of Stamp Duty - Rs.20.735 million

According to Sub-section 22-A of Stamp Act, "It is the duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of agreement @ 0.30 (Currently 0.35) paisa per hundred rupees of the value of the agreement or against tender cost."

During audit of the various offices of Irrigation Department for the Financial Years 2020-21 and 2021-22, it was observed that different works were awarded to various contractors, but Stamp Duty @ 0.35% amounting to Rs.20.735 million was neither affixed on the agreements nor was the same deducted from the bills. The details are given in **Annex-10 of Chapter-4.**

Audit is of view that due to non-obtaining of Stamp Duty, the government was deprived of potential revenue.

The matter was reported to the management during January 2022 to December 2022. The management from Sr.# 12 to 19 replied that the contract agreement was executed and Stamp Duty at the specified rate of 0.35% per hundred rupees of the value of the contract was duly recovered. An irregularity

of a similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs49.174 million, but the PAO did not take remedial measures to avoid recurrence. DAC in its meeting held on 21st & 22nd December, 2022 directed the management to produce relevant record for verification. However, no record was produced till the finalization of this report. Further, no reply was received from other offices.

Audit recommends compliance with DAC directives.

4.5.32 Unauthorized refund of lapsed security deposit - Rs.19.708 million

According to Para-399 (iii) of Central Public Works Account Code, "The unclaimed balances of Public Works Deposits for more than three complete account years should be credited to Government as lapsed deposit."

During audit of the following offices of Irrigation Department, for the Financial Year 2021-22; it was observed that the security deposit amounting to Rs.19.708 million, lying unclaimed for more than 3 years was released to the contractor instead of crediting the same in the government account. The detail is as under:

(Rs. in million)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Executive Engineer, Southern Division Dadu	2021-22	10	1.239
2	Executive Engineer, Small Dams Division Nagarparkar @ Mithi	2021-22	14	1.782
3	Executive Engineer, Rohri, Division, Moro	2021-22	1	7.887
4	Executive Engineer, Rice canal Division, Larkana	2021-22	6	1.621
5	Executive Engineer, Mirpur Division @ Mirpur Mathelo	2020-21	2	6.705
6	Executive Engineer, Research Division, Karachi	2020-21	7	0.474
Total				**19.708**

Audit is of the view that the refund of the lapsed security deposit without the approval of the Finance Department is held unauthorized.

The matter was reported to the department during January 2022 to November 2022. The management at Sr.# 05 to 06 replied that the schemes are not completed hence the remaining amount of contractors in the shape of security deposit/call deposit is pending and the same will be refunded to the contractors

after the completion of schemes. DAC in its meeting held on 21st & 22nd December, 2022, directed to justify the non-deposit of the lapsable security deposit in government accounts even after three years. However, no justification was conveyed till the finalization of this report. Further, no reply was received from other offices.

Audit recommends compliance with DAC directives.

4.5.33 Non-recovery of excess payment over and above the actual amount – Rs.18.228 million

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

During audit of Executive Engineer Small Dam Kohistan-I, Dadu for the Financial Year 2021-22, it was observed that an amount of Rs.18.228 million was paid in excess to the contractor than the actual amount. The details are given in **Annex-11 of Chapter-4.**

Audit is of the view that the contractor was paid an excess amount which resulted in undue favor besides, causing loss to the public exchequer.

The matter was reported to the department during October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

An irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs.5.518 million, but the PAO did not take remedial measures to avoid recurrence.

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

(AIR Para#01&02)

4.5.34 Loss due to premium on non-schedule items – Rs.16.091 million

According to SPPRA works guideline 11.3.3, "In case tenders are invited on the items of composite schedule of rates, where contractor has to quote the premium on schedule B, then its premium shall not exceed Engineer's estimate by 20%. If the premium quoted by the bidder is not within allowable limit of 20% then approval may be obtained from the Finance Department or the tender be floated afresh. As per directives of work orders no premium will be allowed on non-schedule item."

During audit of Executive Engineer, Tube well Division, Khairpur for the Financial Year 2019-20, it was observed that work for installation of 12 Tube wells was awarded to M/S Nizamuddin & Co, but premium was allowed to the contractor/bidder on non-schedule items (Part-I, IV & V), due to which additional amount of Rs.16.091 million was paid to the contractor. The details are given in **Annex-12 of Chapter-4.**

Audit is of the view that the estimates of non-schedule items were based on market rates, therefore allowing premium on such items caused loss to the government exchequer.

The matter was reported to the management during April 2022. The management in its reply stated that no premium was allowed to the bidder on non-schedule items of Part-I, 4&5 of works. The comparative statement for sanctioned rates of non-schedule items by the competent authority is available for verification. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to produce the relevant record for verification. However, no record was received till the finalization of this report.

Audit recommends compliance with DAC directives.

(AIR Para#06)

4.5.35 Irregular payment against hired machinery - Rs.13.276 million

According to Rule-23 of GFR Vol-I, "Every Government officer should realize fully and clearly that he will be that he will be personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the

part of any other Government official to the extent of which it may be shown that he contributes to the losses by his own action or negligence."

During audit of the following offices of Irrigation Department for the Financial Year 2020-21, it was observed that an expenditure of Rs.13.276 million was made against 'Hiring of excavator & tractor trolley' on hourly basis. However, the total hours claimed for each work were found to be more than the practical possible time the machinery could operate. The details are given in **Annex-13 of Chapter-4.**

(Rs in million)

Sr.#	Name of office	Year	AIR Para#	Amount
1	Executive Engineer, Drainage Division, Mirpurkhas	2020-21	9	5.173
2	Executive Engineer Lower Pinyari Division, Sujawal	2020-21	3	8.103
			Total	**13.276**

Audit is of the view that excess payment made for the hiring of machinery contrary to the possible practical time is held irregular.

The matter was reported to the management during April 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

4.5.36 Irregular execution of work beyond 15% of the original contract amount - Rs.2,455.169 million

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

i. During audit on the of accounts of Executive Engineer, Naseer Division, Hyderabad for the Financial Year 2021-22, it was observed that works were awarded at a cost of Rs.34.308 million. Later on, cost and scope of the works were enhanced to Rs. 44.56 million with an

increase of 30% beyond the permissible limit of 15% of the original work in violation of the above rule. The details are given in **Annex-14(i) of Chapter-4.**

ii. During audit of Executive Engineer, Drainage Division, Sanghar for the Financial Year 2021-22, it was observed that works were awarded at a cost of 138.375 million to various contractors beyond the permissible limit of 15% of the original work in violation of the above rule.

iii. During audit of Executive Engineer, Chotiari Reservoir(I) Division Sanghar for the Financial Year 2021-22, it was observed that excess payment of Rs.1,523.113 million was made to various contractors under ADP scheme 'Makhi Farash Link Canal Project Chotiari Phase-II for Water supply to Thar Coal' beyond the contract amount. Furthermore, revised administrative approval and contract agreement were not produced to. The detail is as below:

(Rs in million)

ADP No #	PC-1 Cost	Contract amount	Total Expenditure	Excess amount	Percentage
1907	10,612.41	7,661.382	9,184.495	1,523.113	19%

iv. During audit of the following offices of Irrigation Department for the Financial Year 2021-22, it was observed that various works were awarded at the cost of Rs.532.10 million. Administrative approval of the same was issued for Rs.681.333 million including 15% repeat orders, but the technical sanction for the works was accorded for Rs.783.429. The details are given in **Annex-14(ii) of Chapter-4.**

Audit is of the view that the quantities exceeded over and above the prescribed 15% of the work order, consequently separate tender was required to be floated. Thus, the execution of work beyond 15% limit without fresh tender is held irregular.

The matter was reported to the management during October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, taking remedial measures.

(AIR Para#02,03&01)

4.5.37 Unjustified expenditure on rehandling of earthwork - Rs10.128 million

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

i. During audit of Executive Engineer, Southern Division, Dadu, for the Financial Year 2021-2022, it was observed that the item 'Excavation in single or gravel formation rock not requiring blasting undressed lead upto 100 feet' was executed for construction of retaining wall along Gaj Diversion Bund. However, an additional item 'Rehandling of gravel work excavation rock lead up to 50 feet' was allowed for an amount of Rs.2.856 million to re-handle the earth. The original item of excavation included lead up to 100 feet to dispose of the earth from the point of excavation, whereas the management allowed additional re-handing upto 50 feet lead without any justification.

ii. During audit of Project Director, Flood Emergency Reconstruction Project, Hyderabad for the Financial Year 2021-22, it was observed that an amount of Rs.0.643 million was paid on account of 'Rehandling of earthwork' on the scheme 'Providing stone apron, stone pitching and earth work along LS Bund Mile18/0 to 20/0 in Northern Dadu'. The contractor was allowed re-handling of earthwork amounting to Rs.0.643 million for the quantity of earth excavated on the bund for execution of stone apron. Audit observed that the item of earth excavation already contained 50ft. lead along with dressing. Therefore, allowing additional lead through rehandling of earth resulted in loss to the government.

iii. During audit of Executive Engineer, Lower Pinyari Division, Sujawal for the Financial Year 2020-2021, it was observed that an amount of Rs.5.997 million was paid against 'Rehandling of earthwork' on the scheme 'Earthwork excavation in irrigation channels' for the same quantity of earth which was excavated in irrigation channels. The management allowed rehandling item

instead of allowing only additional lead if it was required to dispose of at a distant place.

Audit is of the view that due to allowing additional item of rehandling, an unjustified payment of Rs.10.128 million was made to the contractors.

The matter was reported to the management during April 2022 to October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, taking remedial measures.

(AIR Para#07,10&08)

4.5.38 Unjustified payment on account of Drawing & Design – Rs.10.093 million

Para-527 of Public Works Departmental Manual, Volume-I, states that, "No work shall begin unless proper detailed design and estimate have been sanctioned; allotment of funds made and order for its commencement issued by the competent authority."

During audit of Executive Engineer, Dad Division, Shaheed Benazirabad for the Financial Year 2021-2022, it was observed that an amount of Rs.10.093 million was paid to the contractor on account of drawing & design, but the payment for the same had already been made through original contract.

The matter was reported to the management during October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit is of the view that payment on account of drawing and design after award of work was unjustified, consequently undue benefit was extended to the contractor.

Audit recommends conducting an inquiry into the matter.

(AIR Para#02)

4.5.39 Unjustified payment on account of borrow pit earth – Rs.9.368 million

Rule-88 of Sindh Financial Rules, Volume-I states that, "Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money."

During audit of Executive Engineer, Southern Division Dadu for the Financial Year 2021-2022, it was observed that an amount of Rs. 24.137 million was paid on account of execution of item of work 'Borrow pit excavation, undressed lead upto 100 ft' including carriage for a quantity of 3,657,144.69 cft. earthwork. Whereas, a quantity of 1,183,465.75 cft. earth was already available through execution of another item of work 'Earth work excavation in irrigation channels, drain etc'. Due to non-utilization of the available earth obtained from excavation of existing channel, excess payment of Rs.9.368 million was made.

Audit is of the view that failure of the management to utilize available earth and unjustified expenditure on acquiring the same through borrow pit excavation resulted in loss of Rs.9.368 million.

The matter was reported to the management during October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#05)

4.5.40 Duplicate payment against different items of work – Rs.5.269 million

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

During audit of Executive Engineer, Upper Pinyari Division T.M Khan @ Hyderabad for the Financial Year 2021-22, it was observed that payment of

Rs.5.269 million was made for labour charges for an item 'loading of trolleys', however the same work was also carried out through another item of work i.e. 'filling of trolleys with the help of Hydraulic Excavator'.

Audit is of the view that execution of same nature of work through different items resulted in duplication of payment.

The matter was reported to the management during October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for payment of labour charges and hiring of hydraulic excavator for the same purpose.

(AIR Para#05)

4.5.41 Unjustified payment to the contractor after completion of work - Rs.5.171 million

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

During audit of Executive Engineer, Northern Dadu Canal Division, Larkana for the Financial Year 2020-21, it was observed that an amount of Rs.5.171 million was paid to the contractor for execution of extra quantity of earthwork through 13th RA bill in June 2021. On further scrutiny, audit observed that the work was already completed in November, 2019 against which the contractor had already received security deposit.

Audit is of the view that execution of extra work after a lapse of 14 months despite completion of original work stands unjustified.

The matter was reported to the management during May 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para#09)

4.5.42 Unjustified payment against hiring of boatman and labor – Rs.4.562 million

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

During audit of Executive Engineer, Rohri Division Moro for the Financial Year 2021-22, it was observed that payment of Rs.4.562 million was made to various contractors for engaging boatman/labor for observing soundings along J-spur on left and right banks of river despite availability of three departmental boatmen in Shahbaz Division, Sehwan.

Audit is of the view that engagement of boatman/labor through contractor in the presence of available human resources was unjustified.

The matter was reported to the management during May 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for engaging boatman and labor despite the availability of human resources.

(AIR Para #11)

4.5.43 Duplicate execution of work on same RDs - Rs.8.358 million

According to Rule-23 of GFR vol-I, "Every Government officer should realize fully and clearly that he will be that he will be personally responsible for any loss sustain by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contributed to the losses by his own action or negligence."

(i) During audit of Executive Engineer, Drainage Division, Mirpurkhas for the Financial Year 2020-21, it was observed that an amount of Rs.4.342 million

was paid to the contractor on execution of work 'Engaging hydraulic excavator and tractor trolley with front blade at the same RDs. The details are given in **Annex-15 of Chapter 4**.

(ii) During audit of Executive Engineer Lower Pinyari Division, Sujjawal for the Financial Year 2020-21, it was observed that an expenditure of Rs.4.006 million was incurred on desilting work on the same RDs during the period of four months.

Audit is of the view that execution of work on the same RDs resulted in duplicate execution of work.

The matter was reported to the management during May 2022 to October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter for fixing responsibility besides, recovery of the amount.

(AIR Para#04&01)

4.5.44 Unjustified addition of wastage allowance in estimate – Rs.2.58 million

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

During audit of the Project Director, Flood Emergency Reconstruction Project, Hyderabad for the Financial Year 2021-22, it was observed that in the estimate of work the management added provision of 20 % wastage for Stone Boulders to account for loss during carriage. However, it was the responsibility of the contractor to provide the quantity of stone boulder at site as per the rate quoted without additional payment. The detail is tabulated below:

(Rs in million)

Name of work	Stone boulders Qty.	20% Wastage Allowance	Rate of carriage	Amount
Providing stone apron, stone pitching, and earth work along LS Bund Mile18/0 to 20/0 in Northern Dadu	497,669.44	99,533.44	2592.32/%cft	2.58

Audit is of the view that due to the unjustified addition of wastage of stone in estimates, a loss of Rs.2.583 million was caused.

The matter was reported to the management during October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, fixing responsibility on the person(s) at fault.

(AIR Para#02)

4.5.45 Unjustified execution of work in a single day – Rs.1.920 million

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

During audit of Executive Engineer, Drainage Division (LBOD), Benazirabad for the Financial Year 2021-22, it was observed that an expenditure of Rs.1.920 million was made against an item of work "engagement of hydraulic excavator" for 349 hours in just 1 day. The work was started on 14-06-2022 and measurement was recorded in MB # 51 page # 1 dated 15-06-22. The detail is as under:

Chq # & Date/RA	W.O # & Date	Name of Work	Contractor	Expenditure	Paid Amount
4539240 16-06-22 1st RA	690 13-06-22	Rehabilitation & Improvement of the Bank Outfall Drainage System In-Land LBOD System	M/s Safdar Ali Jatoi	1,919,500	1,438,390

Audit is of the view that completion of the task involving 349 hours for engagement of hydraulic excavator and recording of the work in respective MBs in a single day was unjustified, thus rendering the whole work doubtful. It is perceived that payment was made only to draw funds in the last days of financial year in advance to avoid lapse of budget.

The matter was reported to the management during October 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para#03)

4.5.46 Unjustified expenditure on the removal of pipes - Rs1.440 million

According to Rule '1' Appendix 18-A of Sindh Financial Rule Vol-I, "Every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence."

During audit of Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot for the Financial Year 2020-2021, it was observed that the works for removal of pipes, amounting to Rs1.440 million was awarded to contractors despite the availability of manpower to carry out the task.

Vendor Name	G/L Descp.	Document Date	Cheque No	Amount	work order	Pmnt .Date
Mansoor Ali	Main canal	15/12/2020	3707629	1,440,000	20/07/2020	15/12/2020

Audit is of the view that the engagement of contractors for the removal of pipes was not justified as the same was required to be carried out through the already available Beldars/Staff.

The matter was reported to the management during April 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter, besides fixing responsibility on the person(s) at fault.

(AIR Para#02)

4.5.47 Irregular payment of previous year's liability – Rs.6.194 million

According to Rule-134 of Sindh Budget Manual, "All charges must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the grants of another year."

During audit of the following offices of Irrigation Department for the Financial Year 2020-21 and 2021-2022, it was observed that liability of Rs.6.194 million pertaining to Financial Year 2020-21 was paid on account of M&R works i.e. supplying of unskilled labour and engaging tractor front blade etc. without approval of the Finance Department.

(Rs in million)

Sr.#	Name of office	Year	AIR Para#	Amount
1	Executive Engineer, Begari Division Thul	2020-21	1	3.759
2	Executive Engineer, Rice Canal Division, Larkana	2020-21	50	1.180
3	Executive Engineer, Small Dams Division Nagarparkar @ Mithi	2021-22	7	1.255
			Total	**6.194**

Audit is of the view that the clearance of M&R works liability in the next financial year without concurrence of the Finance Department is held irregular.

The matter was reported to the department during January 2022 to December 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

The irregularity of the similar nature was also reported in the Audit Report for the year 2021-22 with financial impact of Rs5.200 million, but the PAO did not take remedial measures to avoid recurrence.

Irregular payment of previous year's liability without approval of the competent authority may be justified.

(AIR Para#07)

4.5.48 Loss due to non-realization of scrap wood amount

As per subject 72 of CPWD Code, "When the vouchers exist any expenditure from which revenue may prima facie by expected to occur as, for instance, when payment appear in bill removing material from a building or after work or clearing jungle or cutting trees in the compound of building or canal bank, a note should be recorded to indicate how the old materials removed or trees cut etc."

According to Rule-167 of General Financial Rules, Volume-I, "Stores which are reported to be obsolete, surplus or unserviceable may be disposed of by sale or otherwise under the orders of competent authority to sanction the writing off of a loss caused by deficiencies and depreciation equivalent to their value."

During audit of Executive Engineer, Tube Well Division Ghotki for the Financial Year 2019-20 & 2020-21, it was observed that an expenditure of Rs.11.192 million was made against repair & renovation of the office and residential blocks, but the scrap or old wood material from the replacement of doors and windows was neither reflected in the book of accounts nor the amount was recovered through deduction of quantity from the contractor bill.

Audit is of the view that due to non-accountal of dismantled material, potential revenue was not realized resulting in loss to government. Further, in the absence of old spare part register and store verification, it could not be authenticated whether the material was actually replaced or not.

The matter was reported to the management in January 2022. The management replied that while renovation/repair of office and quarters no major scrap old wood was received. Hence the same was neither accounted for nor recovered from contractors from bills. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to produce stock register. However, no relevant record was received till the finalization of this report.

Audit recommends compliance with the DAC directives.

(AIR Para#06)

4.5.49 Loss due to non-auction of redundant heavy machinery and replaced gates - Rs.9.511 million

As per Rule-26 of General Financial Rules, Volume-I, "It is the duty of controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to Government account."

i. During audit of the following offices of Irrigation Department, for the Financial Year 2019-20 & 2020-21, it was observed that redundant machinery and vehicles were lying since long, but the management failed to auction the same. The detail is as under:

Sr.#	Name of Office	Year	AIR Para#	Particulars
1	Executive Engineer, Upper Sindh Mechanical Division, Sukkur	2019-20 & 2020-21	5	Forty-three (43) various models of heavy machinery
2	XEN, Central Sindh Mechanical Division, Jamshoro	2019-20 & 2020-21	12	Un-serviceable vehicles
3	Executive Engineer Tube well Division No: 01 Hala	2021-22	6	44 replaced pumps

ii. During audit of Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot for the Financial Year 2020-21, it was observed that an expenditure amounting to Rs.95.112 million was made on X-Regulator SKT Branch Head Regulator, but sale proceeds from dismantled/replaced iron gates amounting to Rs.9.511 million @10% were not recovered from the contractor.

Audit is of the view that due to non-auction of redundant machinery and dismantled material, loss was caused to the government exchequer.

The matter was reported to the management during December 2021 to June 2022. The management at Sr.#01 replied that auction of condemned machinery is subject to permission from competent authority. In this regard letter has been written to Superintending Engineer, Mechanical Circle in Sindh, Hyderabad. The management at Sr. 02 replied that the condemned machinery is lying at various sites and the matter of declaring condemned/unserviceable vehicles is in process. DAC in its meeting held on 21st & 22nd December, 2022, directed the management to pursue the auction of redundant machinery and vehicle. However, no progress was made till the finalization of this report. Further, no reply was received from other offices.

Audit recommends compliance with DAC directives.

(AIR Para#02)

4.5.50 Redundancy of tube wells and loss of government assets

As per Rule 23 of GFR, "Every Government officer should realize fully and clearly that he will be personally responsible for any loss sustain by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other

Government official to the extent of which it may be shown that he contributes to the losses by his own action or negligence."

During audit of Executive Engineer, Tube Well Division, Khairpur for the Financial Year. 2019-20 & 2020-21, it was observed that more than 01 billion was paid on account of pay and allowances to staff and officers, but 151 tube wells out of 233 were non-functional since long. The details are as under:

Section	Total No. of T.wells	Functional	Non-Functional	Percentage
Kandra	36	16	20	55.56
Khaipur	47	21	26	55.32
Therhi	31	12	19	61.29
Pir-Jo-Goth	50	15	35	70.00
Tando Masti	47	11	36	76.60
Kot Mir Muhammad	22	7	15	68.18
Total	**233**	**82**	**151**	**64.81**

Furthermore, it was also observed from the statement provided by the management that out of 151 non-functional tube wells, all material parts of 85 tube wells were missing due to theft in spite of the presence of 270 Chowkidars and 380 Tube Well Operators.

Audit is of the view that due to negligence on the part of the management, valuable assets of the government were subjected to loss. Further, no concrete efforts were taken for improving the functionality of tube wells.

The matter was reported to the management during April 2022, but no reply was received. Despite written request vide letter dated 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIR Para#08)

Chapter-5 PUBLIC HEALTH ENGINEERING & RURAL DEVELOPMENT DEPARTMENT

5.1 Introduction

Public Health Engineering & Rural Development Department is responsible for designing, planning and executing water supply and drainage schemes in urban and rural areas; excluding Karachi and Hyderabad cities.

Over the years, operation and maintenance function of rural based schemes kept on shifting from one agency to another and finally after promulgation of SLGO 2001 O&M of all schemes was made the mandate of PHE&RDD. Presently urban based schemes are operated and maintained by concerned Local Councils. Whereas, Rural Water Supply and Draining schemes are being looked-after by PHE&RDD. PHE&RDD had been a part of Local Government Department and was given an independent status in 2008 having its own Minister and a Secretariat. However, in 2013, the department was again merged in Local Government Department. As of today, PHE&RDD has been separated from Local Government and made a separate department.

Secretary, Public Health Engineering & Rural Development Department Sindh is the Principal Accounting Officer of all PHED&RDD subordinate offices. The department is responsible for execution of development works of water supply and drainage schemes all over Sindh with the exception of areas under KW&SB and WASA, Hyderabad. Rural Development Department is responsible for roads and buildings for community development. It has been given additional responsibility of establishment of water hubs involving 2000 water filtration plants in all districts, subsequent to the abolishment of Special Initiative Department in February 2018.

Description	Total Nos	Audited	Expenditure audited FY 2021-22
Formations	48	27	12,309.638

5.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess/(Savings)
24,708.155	19,880.175	19,496.107	16,811.136	(2,684.971)

The department was unable to spend the allocated budget in time. As a result, savings of Rs. 2,684.971 million was observed which was not surrendered in time.

5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 3,303.094 million were raised in this report during the current audit of Public Health Engineering & Rural Development Department. The amount also includes recoveries of Rs. 7.618 million as pointed out by the Audit. However, record amounting to Rs. 2,861.166 million was not produced. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non-Production of Record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	2,665.686
C	Management of Accounts	126.418
4	Value of money and service delivery issues	0
5	Others	510.990
	Total	**3,303.094**

5.4 Comments on the Status of Compliance with PAC Directives

The audit report pertaining to following year has been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Sr#	Audit Report	Total Audit Paras	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	2016-17	47	-	-	-	-	0%	
2	2017-18	28	-	-	-	-	0%	
3	2018-19	41	-	-	-	-	0%	
4	2019-20	104	36	36	6	30	17%	Minutes of meeting still awaited
5	2020-21	13	-					
6	2021-22	36	-	-	-	-	-	

5.5 Audit Paras

5.5.1 Non-production of record

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

(2) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor-General regarding the inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various office of the Public Health Engineering & Rural Development Department, Government of Sindh, for the year(s) 2017-18 to 2021-22, auditable record pertaining to development and non-development expenditure was not provided despite repeated requisitions. The details are given in **Annex-1 of Chapter-5.**

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

Non-production was reported to management from November 2021 to November 2022. The management replied that the said record is available for verification. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January, 2023. DAC directed the management to provide record to audit for verification within 15 days.

Audit requires compliance with DAC directives.

5.5.2 Award of work without market analysis – Rs. 461.426 million

According to Rule-48 of SPPRA 2010 regarding Acceptance of Bids "Even when only one bid is submitted, the bidding process may be considered valid, if the bid was advertised in accordance with rules, and prices are

comparable to the prices or rates of the last awarded contract or the market prices."

During audit of following offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Years 2020-21 and 2021-22, it was observed that contracts costing Rs. 461.426 million were awarded on single bid basis without any market survey or comparison with the last awarded contract of similar nature of works. The details are as under:

(Rs. in million)

Sr#	Name of offices	Financial Year(s)	AIR Para#	Amount
01	PHE, (O.M) Division, Malir Karachi	2020-21 and 2021-22	06 and 02	150.728
02	PHE Division, Thatta	2021-22	05	63.084
03	PHE Division, T.M. Khan	2021-22	02	54.474
04	PHE Division, Hyderabad	2021-22	03	19.895
05	PHE, (O.M) Division, SBA	2021-22	02	5.00
09	XEN, PHE Division, Sijawal	2020-21	02	85.672
10	XEN, PHE (O&M) Sijawal	2020-21	02	82.573
			Total	**461.426**

Audit is of the view that due to non-conducting proper market survey and analysis of other procurements of similar nature, chances of uneconomical procurement cannot be ruled out.

The matter was reported to the department in March 2021 to November 2022. The management replied that tenders were awarded after market rate analysis. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact of Rs. 1437.058 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January, 2023. DAC directed to provide market rate analysis supported with quotations for verification.

Audit requires compliance of DAC directives.

5.5.3 Unjustified part-rate payment without execution of actual woks - Rs. 357.242 million

According to Clause-17 of the agreement, "If at any time before the security deposit is refunded to the contractor, it shall appear to the Engineer-in-Charge or his sub-ordinate in charge of the work, that any work executed with unsound, imperfect or unskillful workmanship or with materials of inferior quality, or that any materials or articles provided by him for the execution of work are unsound, or quality inferior to that contracted for, or are otherwise not in accordance with the contract, it shall be lawful for the Engineer-in-charge to

intimate this fact in writing to the contractor and then notwithstanding ,the fact that the work materials or articles complained of, may have been inadvertently passed, certified and paid for, the contractor shall bound forthwith to rectify or remove and reconstruct the work so specified in, whole or part, as the case may require".

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

During audit of various offices of Public Health Engineering & Rural Development Department, Government of Sindh, for the year 2021-22, it was observed that payment on account of various items amounting to Rs. 357.242 million was made to contractors at reduced rate without execution of items. Furthermore, details of consumption account, delivery challans and invoices of items i.e. machinery, solar panels, pipes and blocks etc. were also not available in the record. The details are given in **Annex-2 of Chapter-5**

Audit is of the view that part rate payment was made on the pretext of supply of material included in BOQ items. No provision of secured advance procedure was invoked and details of consumption account, delivery challans and invoices of items i.e. machinery, solar panels, pipes and blocks etc. were also not available in the record. Payment was made in advance without provision in contract agreements only to avoid lapse of budget, which shows undue favour was extended to the contractors.

The matter was reported to the department from August to November 2022. The reply of the management was evasive. DAC meeting was held on 05th January, 2023. DAC directed the management to provide justification for payments made at part rate along with documentary evidence of procured items and satisfactory execution as per item description.

Audit requires compliance of DAC directives.

5.5.4 Defective execution of work - Rs. 375.878 million

As per SPPRA guidelines 2.9 Procurement Plan (Rule 11). "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of Executive Engineer Public Health Engineering, Karachi for the Financial Year 2021-22, it was observed that an amount of Rs. 375.878 million was paid to M/s. Fahim & Naseem Construction Co. against the work 'Construction of Retention of Weir Dam at Khund Jhang UC Gadap' wherein, the following issues were noted:

1. Items of earth work (Excavation, cutting of stone and filling/watering ramming earth) were executed 20% to 67% above the quantities as provided in BOQ, whereas the quantity of RCC work, CC Plain and Cement plaster were carried out 3.5% to 91.5% below the quantities in BOQ.
2. (06) items of work amounting to Rs. 21.107 million were not executed
3. RCC work was carried out 3.5% below the quantities of BOQs, on the other hand steel was used 6.09% above the quantities as provided in BOQ having impact of Rs7.502 million.

Audit is of the view that work was carried out in a defective manner due to less and non-execution of various items which shows that undue favour was extended to contactor.

The matter was reported to the department during March 2022. The reply of the management was evasive. The irregularity of the similar nature was also reported in Audit Report for the Financial Year 2021-2022 with financial impact of Rs.57.616 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January, 2023. DAC directed the management to provide documentary evidence justifying that the total variation was within 5% of the approved T.S with no substantial change in scope of work.

Audit requires compliance of DAC directives.

(AIR Para#11,12and14)

5.5.5 Irregular payment on account of un-laid pipes – Rs. 279.581million

As per items description mentioned in CSR 2012, "Providing, laying RCC pipes of ASTM C-76/62 T/C 76-70 of class-II wall B and fixing in trenches i/c cutting fitting and jointing in rubber ring i/c testing with water to specified pressure and for item Providing, laying and fixing in trenches i/c fitting jointing and testing etc. complete in all respect the high-density polythene pipe (HDPE-100) for water supply confirming ISO 4427/DIN 8074/8074 BS 3580 and psi 3051." As per SPPRA guidelines 2.9 Procurement Plan (Rule 11). "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of following offices of Public Health Engineering & Rural Development Department, Government of Sindh, for the years 2017-18 to 2021-22, it was observed that an amount of Rs. 279.581 million was paid to the contractors against un-laid pipes instead of executing the composite items "Providing, laying, jointing and testing UPVC Pressure Pipe of class 'B' and PE Pipes. The details are as under:

(Rs. in million)

Sr#	Name of Office	Reference	AIR Para#	Amount
1	PHE Division Sukkur	2021-22	12	102.400
2	PHE Division Shikarpur		04	46.897
3	PHE Division Thatta		11	28.104
4	XEN, PHE Malir Karachi	2020-21	07	12.418
5	XEN, PHE Sijawal		04	4.257
6	XEN, PHE Hyderabad –I	(PHE -07, MfDAC (2018-19)	14	84.849
7	XEN, PHE Mithi	(PHE -01, MfDAC (2019-20)	05	0.656
			Total	**279.581**

Audit is of the view that payment against pipes without laying did not fulfill the purpose for which the composite item was provided. Providing, laying and jointing of pipes was consolidated item, whereas payment for supply of pipes shows that undue benefit was extended to contractor for uncompleted item of work.

The matter was reported to the department in March 2020 to November 2022. The management replied that payment was made against the composite item after satisfactorily completion of work. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact

of Rs.1.283 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January 2023. DAC directed the management to provide evidence for execution of composite item through MBs and bills.

Audit requires compliance of DAC directives.

5.5.6 Splitting of work to avoid tender – Rs. 269.639 million

As per Rule-12(1) of SPPRA Rules, 2010, "All procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in procurement plan."

As per Para 2.10 of SPPRA Guidelines for works 2013, "A group of works which forms one project shall be considered as one work, and the necessarily of obtaining the sanction of the competent authority to such group of works is not avoided by the fact that the cost of each particular work in the group is within the powers of sanctioning of any authority sub-ordinate thereto. The contents shown in italic clearly states that word WORK is used for project and project have various components. Tenders for each component can be invited separately but each component should not be divided in to sub-components. The components of work/scheme/project cannot be further splitted for tendering purpose."

During audit of various offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Years 2020-21& 2021-22, it was observed that various M&R works amounting to Rs. 269.639 million were awarded to contractors by splitting the works to avoid the tender requirement in violation of SPPRA Rules. The details are given in **Annex-3 of Chapter-5**

Audit is of the view that due to non-invitation of tenders, chances of uneconomical rates cannot be ruled out.

The matter was reported to the department from March to November 2022. The management replied that expenditure was made on petty items of works falling under the financial limit of Rs. 300,000 on need basis. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact of Rs. 102.178 million but the PAO did not take

remedial measures to avoid recurrence. DAC meeting was held on 05th January 2023. DAC directed the management to provide documentary evidence that works were not intentionally splitted rather these were carried out as per need basis and site requirement.

Audit requires compliance of DAC directives.

5.5.7 Doubtful expenditure on replacement of RO Plant parts – Rs. 249.711 million

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

During audit of the following office of Public Health Engineering & Rural Development Department Government of Sindh for the Financial Years 2020-21& 2021-22, it was observed that an expenditure of Rs. 249.711 million was made on replacement of various parts of R.O plants, however, no evidence regarding proper installation, fixing of the necessary parts in units/plants along with satisfactory functioning report was available on record. Further, the whereabouts of replaced parts of R.O plants such as membranes, submersible pumps and VFD invertors were also not available in record. The details are as under:

(Rs. in million)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	XEN, PHE (O&M) Division Thatta	2021-22	03	74.816
2	XEN, PHE (O&M) Division TandoAllahyar	2021-22	01	53.802
3	XEN, PHE (O&M) Division Hyderabad	2021-22	04	39.598
4	XEN, PHE (O&M) Division Kashmore	2021-22	03	39.452
5	XEN, PHE (O&M) Division Sukkur	2021-22	01	14.221
6	XEN, PHE (O&M) Division TandoAllahyar	2020-21	03	27.822
			Total	**249.711**

Audit is of the view that in the absence of old spare part register and store verification, replacement of parts could not be authenticated.

The matter was reported to the department from March to November 2022. The management replied that the parts have been replaced for proper functionality of R.O. Plants. The irregularity of the similar nature was also

reported in Audit Report for the year 2021-2022 with financial impact of Rs. 290.163 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January 2023. DAC directed the management to provide documentary evidence for replacement of parts and its recording in MBs. Management was also directed to provide status report of the R.O plants regarding their functionality.

Audit requires compliance of DAC directives.

5.5.8 Irregular execution of work beyond 15% of the original contract amount - Rs. 154.685 million

As per SPPRA Rule 2.10 regarding limitations on splitting or regrouping within the proposed procurement, "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 splitted for tendering purpose. And As per SPPRA Rule 2010 No. 16 (e) "Repeat Orders – means procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding, and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme; Provided that; the cost of additional quantities of item(s) shall not exceed 15% of the original contract amount."

During audit of the following offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Year 2017-18 to 2021-22, it was observed that works were awarded at a cost of Rs. 163.812 million. Later on, cost and scope of the works were enhanced to Rs. 154.685 million beyond the permissible limit of 15% of the original work. The details are as under:

(Rs. in million)

Sr#	Name of Department	Year	AIR Para#	Awarded Cost	Expenditure	Excess Amount	Percentage
1	PHE Division, SBA	2021-22	02	17.412	70.988	53.576	308%
			07	2.580	8.640	7.113	235%
2	PHE Division Shikarpur	2021-22	07	66.570	85.568	18.998	29%
3	PHE Division Thatta	2021-22	12	53.434	72.605	19.171	36%
			18	1.002	6.311	5.309	530%
4	PHE Division Larkana	2021-22	06	0.513	5.218	4.705	917%
5	XEN PHE Ghotki	2020-21	03	6.609	9.050	2.441	37%

6	XEN PHE Sukkur (PHE#01 MfDAC 2018-19)	2017-18	08	15.692	59.064	43.372	276%
			Total	**163.812**	**317.444**	**154.685**	

Audit is of the view that execution of work beyond 15% of permissible limit without conducting re-tendering is held irregular.

The matter was reported to the department from March 2019 to November 2022. The management replied that works were executed after revised T.S. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact of Rs. 900.200 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January, 2023. DAC was not convinced with the reply of management and directed to constitute a committee under chairmanship of Chief Engineer to ascertain the facts as highlighted by audit in the light of SPPRA rules.

Audit requires compliance of DAC directives.

5.5.9 Loss due to defective estimate – Rs. 94.161 million

As per item description mentioned in CSR 2012 that, "Providing Laying and Fixing in trenches i/c fitting jointing and testing etc. complete in all respect the high-density polythene pipe (HDPE-100) for water supply confirming ISO 4427/DIN 8074/8074 BS 3580 and psi 3051." According to Appendix 18-A of Sindh Financial Rules, Volume-I, states that "every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence."

During audit of Executive Engineer, Public Health Engineering Division, Shikarpur for the Financial Year 2021-22, it was observed that Rs. 151.446 million was paid to M/s. Iqbal Shaikh vide CV#H-51 dated 16-06-22 for execution of P.E pipes of different dia (Rising Main Component) under the scheme 'Urban drainage scheme Shikarpur' instead of using RCC sewer pipes. This resulted in loss of Rs. 94.161 million.

(Rs. in million)

Sr#	Pipe dia	Rate of PE pipe	Pipe dia	Rate of RCC pipe	Difference in rate	Qty	Excess amount
1	10”	1043	12"	807	236	6149.52	1.451
2	12”	1635	12"	807	828	17009.04	14.083
3	14”	2058	15"	1014	1044	1419.12	1.482
4	16”	2625	18"	1152	1473	7016.76	10.336
5	18”	3299	18"	1152	2147	1351	2.901
6	24”	6597	24"	1749	4848	13182.52	63.909
						Total	**94.161**

Audit is of the view that P.E pipes in many other approved schemes, were used for water supply schemes whereas for drainage schemes RCC sewer pipes were selected in order to avoid corrosion due to presence of arsenic chemicals in sewerage discharge and also for durability. This indicates that the estimates were not properly prepared and the execution was done contrary to the required purpose.

The matter was reported to the management during November 2022. The management replied that P.E pipes of different dia were used on account of its durability and sustainability in “rising main component” as pressure pipes, whereas RCC pipes are mostly used in sewer lines. The reply of the management is not tenable as the department did not justify the use of P.E pipes instead of RCC pipes executed in sewer lines with documentary evidence.

Audit recommends to justify the above irregularity, besides fixing responsibility on the person(s) at fault.

(AIR Para#02)

5.5.10 Irregular laying of pipes without excavation – Rs. 75.724 million

As per item description mentioned in CSR 2012, “Providing Laying and Fixing in trenches i/c fitting jointing and testing etc. complete in all respect the high-density polythene pipe (HDPE-100) for water supply confirming ISO 4427/DIN 8074/8074 BS 3580 and psi 3051.” Further, as per SPPRA guidelines 2.9 Procurement Plan (Rule 11), “The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations.”

During audit of Executive Engineer, Public Health Engineering Division, Shikarpur for the year 2021-22, it was observed that an amount of Rs. 151.448 million was paid to contractors on account of P.E pipes for part of work 'Rising main' in which excavation in trenches (soft and wet soil) was executed 50% of the estimated quantity, whereas PE pipes were shown executed 34% more than the estimated quantity. Thus, 84% of PE pipes were executed without excavation in trenches, resulting in irregular payment of Rs. 75.724 million. The details are as under:

Name of scheme: Urban drainage scheme Shikarpur M/s. Iqbal Sheik w/o 321 dated 09-03-20 CV#H-51 dt 16-06-22.

(Rs. in million)

Pipe dia	As per Estimate			As per Execution				
	Qty of PE pipes	W*D	Total	Qty of PE pipes	Rate	Amount	Excavation Quantity	
10"	7000	10	70,000	6149.52	972	5.977	soft	215197.7
12"	14850	12	178,200	17009.04	1573.75	26.768	wet	24807.25
14"	1200	12	14,400	1419.12	1996.65	2.833	Total	240,005
16"	600	14	8,400	7016.76	2547.15	17.873		
18"	1900	15.75	29,925	1351	3299	4.457	Laid	
24"	9000	20	180,000	10035	6597	66.201	Laid	
24"	Unlaid			3147.53	6508.17	20.485		
Total	34,550		480,925	46128		144.594		
Premium 4.74%						6.854		
Total						**151.448**		
Due 50%						**75.724**		

Audit is of the view that the quantity of P.E pipes executed does not commensurate with the item of excavation in trenches which shows that payments were made to contractor in advance by giving undue benefit and to avoid lapse of budget in the month of June. This resulted in irregular execution of work.

The matter was reported to the management during November 2022. The management replied that lying and jointing of supplied P.E Pipes are 80% in progress, the reply of the management is not tenable as relevant documents (MBs and bills) were not produced.

Audit recommends to justify the excess execution of P.E Pipes more than the length of excavation.

(AIR Para#03)

5.5.11 Duplication of works under Provincial, District and Local Government schemes - Rs.71.723 million

As per SPPRA guidelines 2.9 Procurement Plan (Rule 11) "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of the Executive Engineer Public Health Division, Larkana for the Financial Year 2021-22, it was observed that duplicate works amounting to Rs 71.723 million were awarded to various contractors under Provincial, District and Local Government schemes. The details are given in **Annex-4 of Chapter-5**

1. The same area for paver blocks in UC-16 To 20 of Larkana City was awarded to Mr. Iqbal Shaikh under two schemes i.e. Provincial Government scheme "Construction of Paver Block and CC Drains in Various Location of UC-16 To 20 Larkana City ADP #2258 " and Local Government scheme "Laying of Paver Block at UC, 16, 17, 18, 19 and 20 of Larkano City ADP# 1588" .
2. The work of Paver Blocks and CC drains in (04) UCs i.e. Garhi Khuda Bux Bhutto, Saidudero, Izat Ji Wandh and Behman were found in duplication under two schemes of Provincial and District Governments i.e "Constt: of Paver Block and CC drains in various UCs of Taluka Ratodero ADP-2263" and "Construction of Paver Blocks, CC blocks and CC drains and paver block in UC Garhi Khuda Bux Bhutto, Saidudero, Izat Ji Wandh and Behman ADP-224"
3. Furthermore, all these measurements were taken on a single day i.e 14-06-22 by AEN.
4. Two schemes of Provincial and District Government for Paver Blocks and CC drains in various UC wards of Naudero City with same description were awarded to contractors.

Audit is of the view that award of works in duplication under Provincial, District and Local Government schemes indicates that funds were misappropriated causing loss to public exchequer**.**

The matter was reported to the management during November 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit requires inquiry conducting an inquiry into the matter.

(AIR Para#02and07)

5.5.12 Irregular expenditure on scheme without acquisition of land - Rs. 60.493 million

As per PC-I, land for oxidation ponds was required to be purchased for which provision of Rs10.00 million was kept in the PC-I. Further, as per Rule-110 (iii) of Sindh Financial Rules, Volume-I regarding 'Land Acquired by Negotiation' the officer who settles the price should draw up Form-A in Appendix-5 prescribed for use in the case of an award and this should be made the basis of the subsequent payment."

During audit of the Executive Engineer Public Health Engineering Division Jamshoro for the year 2021-22, it was observed that 60% expenditure amounting to Rs.60.493 million was incurred on the scheme "ADP No. 2320 Disposal of Sewerage silage into KB feeder treatment plant in Behar colony Khanzada colony and Ghareeabad (2018-19)" but land for oxidation ponds had not yet been acquired after lapse of three years.

Audit is of the view that execution of civil works in the absence of land required for Sewerage/oxidation ponds reflects improper planning, inefficiency and slackness on the part of management in execution of schemes.

The matter was reported to the management during November 2022, but no reply was received till finalization of report.

Audit requires justification of execution of schemes without acquiring land which could cause cost overrun and time overruns.

(AIR Para#01)

5.5.13 Non-transparent procurement process – Rs. 48.699 million

As per Clause-5 of Notice Inviting Tenders vide No. TC/PHE/2686/2021 dated 08-07-2021, "Bids comprising of Technical and Financial proposals must

be submitted in separate sealed envelopes with clear marking of 'Technical Proposal' and 'Financial Proposal' (original and one copy) and will be received back on 28-07-2021 upto 9:30 AM. The envelopes containing Technical Bid (original and copy) will be opened on the same day at 10:00 AM by the procurement committee in presence of bidders or their authorized representative who may choose to attend. And as per Terms and Conditions mentioned in NIT, the bids will be rejected if not accompanied by bid security of required amount and form".

During audit of Executive Engineer, Public Health Engineering Division, Thatta for the year 2021-22, it was observed that work amounting to Rs. 48.699 million was awarded to M/s. Modern Technology and Traders. As per NIT, the bid submission date and time mentioned was 28-07-2021 at 09:30 A.M and the bids were opened at 10:00 AM, whereas the above contractor submitted the Call Deposit issued from the bank branch at Karachi on 28-7-2021. The detail is as under:

(Rs. in million)

W/O# dt	Work	Awarded Cost	C.D# dt	Bank	C.D Amount
3015 17-9-21	Const. of water supply scheme Bilal Nagar Dhabeji Tal: Mirpur Sakro, Thatta	**48.699**	428875 28-7-21	BAHL Khi	**2.082**

Audit is of the view that the call deposit was submitted after the due time fixed for opening of bids because the standard opening timing of banks was at 9:00 AM and the minimum distance timing from Karachi Cantt. station to Thatta is approximately of 2 hours. Thus, it was not possible to participate in the bidding process along-with Call Deposit at 9:30 AM in the office of XEN PHE Thatta. Hence the work was awarded to the contractor by extending undue favour.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit recommends conducting an enquiry into the matter

(AIR Para#07)

5.5.14 Doubtful expenditure on execution of RCC works - Rs. 26.448 million

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

During audit of various offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Year 2021-22, it was observed that under the following works, an amount of Rs. 26.448 million was paid to the contractors on the component of Retaining wall and RCC collecting tank. It was noticed that in construction of Retaining Wall, item of RCC work was shown executed without item of fabrication of steel, whereas in the second case, amount on fabrication of steel was claimed without executing the RCC work on collecting tank.

(Rs. in million)

Sr#	Name of Office	Scheme	Component	Particulars	AIR Para #	Amount
1	DG RDD Hyderabad	Construction of road from village Maher gaji khawer to karam khan khoso i/c Retaining wall, CC flooring and Construction of road at village G. Haider jaiser-Dadu moro bridge	Retaining Wall	RCC without steel	01	20.919
2	PHE Division Larkana	Enhancement and augmentation of existing disposal work RCC Collecting tank Part-II	RCC collecting tank	Steel without RCC	05	5.529
	Total					**26.448**

Audit is of the view that, RCC work without steel creates doubt about execution of actual work done on site and thus chances of misappropriation cannot be ruled out.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit recommends conducting an inquiry into the matter and effecting recovery in case the items have not been executed.

5.5.15 Excess payment on account of P.E Pipes – Rs.23.454 million

As per SPPRA guidelines 2.9 Procurement Plan (Rule 11) "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of Executive Engineer Public Health Engineering, Thatta for the Financial Year 2021-22, it was observed that work of Rising Main and Delivery Main were shown completed under the following schemes, in which excess payment amounting to Rs 23.454 million was paid to contractors.

(Rs. in million)

Name of scheme	Trenches execution	PE pipes due as per execution	Qty of PE pipes claimed	Excess Qty	Amount	AIR Para#
W/S/scheme Keenjhar Gujjo Canal to village Mungar khan, M. Hassan, Sajjan, Chanesar Jokhio,	226108	22611	25981	3370	5.330	17
Construction of water supply scheme Bilal Nagar Dhabeji Thatta	17605	2347.33	9015	6667.67	18.124	32
				Total	**23.454**	

Further, audit observed following irregularities:

1. In work at Sr#01, the executed quantity of Excavation for pipes in trenches was shown as 226,108 cft. having width 2.5 ft. and depth 4ft. (as per estimates). Thus, the required quantity of pipes would be 22,611 Rft., whereas the executed quantity was shown as 25,981 Rft. This resulted into excess and unjustified payment for 3,370 Rft. PE pipes for an amount of Rs. 5.337 million.

2. In work at Sr#02, the executed quantity of Excavation for pipes in trenches was shown as 17,605 cft. having width 2 ft. and depth 3.75 ft. (as per estimates). Thus, the required quantity for pipes would be 2,345.33 Rft., whereas the executed quantity for PE pipes was shown as 9,015 Rft. This resulted into excess and unjustified payment for 6,667.67 Rft. PE pipes amounting to Rs. 16.672million. In addition

to that difference cost of PE pipes was claimed for 4,980 Rft. which also prove that the execution was shown double than the actual quantity of pipes purchased. Thus, difference cost for 2632.67 Rft. was paid more than the due quantity of 2,347 Rft. resulting in loss of Rs. 1.452 million

Audit is of the view that excess payment against PE pipes for Rising Main and Delivery Main was made to the contractors by causing loss to public exchequer.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

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

5.5.16 Variation in rates for the same items of work - Rs. 20.697 million

As per SPPRA guidelines 2.9 Procurement Plan (Rule 11), "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of following offices of Public Health Engineering & Rural Development Department, Government of Sindh for the year 2021-22, it was observed that various equipment including pumping machinery, diesel engines and solar panel system of the same specifications amounting to Rs. 20.697 million were procured at different rates during the same period. The rate analysis for these items were also prepared at different rates without quotations.

(Rs. in million)

Sr#	Name of Office	Year	AIR #	Amount
1	PHE Division SBA	2021-22	12	15.456
2	PHE Division Thatta	2021-22	19	5.241
			Total	**20.697**

Audit is of the view that due to variation in rates for similar items provided in the estimate/rate analysis, resulted in loss to exchequer. Further, rate analysis was not based on actual quotations obtained from market. This created doubts at the transparency of the whole process.

The matter was reported to the management during September 2022. The office at Sr# 01 stated that, rates of machinery were increased due to price hike and rate analysis were approved by the Chief Engineer. Whereas no reply was received from other office. The reply of the office at Sr#01 is not tenable as no documentary evidence was produced.

Audit recommends conducting an inquiry into the matter.

5.5.17 Excess payment on account of pavers and Kerb stones – Rs.16.177 million

As per SPPRA guidelines 2.9 Procurement Plan (Rule 11), "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of Executive Engineer Public Health Engineering, Division Thatta for the year 2021-22, it was observed that an amount of Rs. 45.166 million was paid to M/s. Liaquat Ali Phulpoto against the item of work 'Paving Blocks and Kerb stones' at reduced rate. On scrutiny of delivery challans, it was revealed that only 132,456 Sft. Paving blocks and 2400 Nos. Kerb stones were delivered against the claimed quantity 210,800 Sft. paving blocks and 4,800 Nos. Kerb stones. This resulted in excess payment of Rs.16.177 million to the contractor before execution of work. Further as per delivery challans, part of delivery was made in the month of June and July 2022, which proved that payment was also made in advance to favour the contractor. The details are given in **Annex-5 of Chapter-5**

Name of work: Construction of open drain, CC flooring and paving blocks in different wards of Thatta city CV#D-02 dt 26-05-22, work order#7356 dated 14-04-22

Audit is of the view that an excess payment of Rs. 16.177 million was made and undue favour was extended to the contractor.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

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

(AIR Para#33)

5.5.18 Doubtful execution of M&R works without claiming premium - Rs. 16.056 million

According to notification of Finance Department dated 24 April 1980, and Revised Schedule of Rates, the premium upto 20% above the tender cost is admissible to the contractor."

During audit of various offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Year 2021-22, it was noticed that an amount of Rs. 16.056 million was paid to contractors against various works within the financial limit of Rs. 300,000 each, but all the works were awarded at par value of CSR (without any premium) which created doubt about authenticity of work done on 10 years old rates. Furthermore, same works on main schemes were already in progress, thus chances of duplication cannot be ruled out. The details are as below"

(Rs. in million)

Sr#	Name of Office	Year	AIR Para #	Amount
01	PHE Division, SBA	2021-22	05	8.573
02	PHE Division, Thatta	2021-22	14	7.483
			Total	**16.056**

Audit is of the view that works executed on 10 years old rates and same nature of schemes already in progress created doubt over execution of work.

The matter was reported to the management during August to November 2022. The office of at Sr# 01 replied that, works were carried out at different durations and locations against contingent provision of the schemes. The reply of the management was not tenable as the contention of audit was not addressed with documentary evidence. No reply was received from the other office.

Audit requires conducting an inquiry into the matter.

5.5.19 Doubtful expenditure due to abnormal increase in RCC pipes - Rs. 10.153 million

As per SPPRA guidelines 2.9 Procurement Plan (Rule 11), "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of Executive Engineer, Public Health Engineering Division, Shaheed Benazirabad for the Financial Year 2021-22, it was observed that following work was awarded to M/s Abdul Sattar Arain for Construction of nullah in which provision was kept for **RCC** pipes to interconnect RCC nullah, but during execution, the quantity of **RCC** pipes was exceeded upto 1250% above the estimated amount of Rs.10.153 million. The details are as under:

Item	EST	Execution	Above/ Below	Rate	Part Rate	Amount	Premium 20.45%	Diff: Cost	Amount
Constt: of Nala (Arif Rehmani House Taj Colony to Azam Colony Oppsite main entrance Sugar Mill)									
RCC Nala	12.412	4.817							
Add 20.45%	2.538	0.985							
Diff: Cost	1.712	1.078							
Total	16.663	6.880	(41.29)%						
RCC Pipe dia	Qty of RCC pipe								
12"dia	200	2,500	1250%	412	400	1.000	0.205	0.559	1.764
18"dia	300	1,000	333%	618	600	0.600	0.123	0.420	1.143
24"dia	300	3,750	1250%	869	850	3.188	0.652	1.388	5.227
CI Mainhole	48	240	500%	6985		1.676	0.343		2.019
Bid	**2.896**								**10.153**

Audit is of the view that abnormal increase in quantity of RCC pipes reflected that instead of interconnection of RCC pipes with existing nullah, new RCC sewerage pipe network for the whole area was laid for which there was no provision in PC-I and in Technical Sanction. It is pertinent to mention here that PC-I and Technical Sanctions were based on actual surveys whereby the need for new RCC sewerage pipe network for the whole area was not planned. This reflects that amount paid against excess quantity of RCC pipes was doubtful, which needs to be investigated.

The matter was reported to the department during September 2022. The office replied that works were carried out according to site requirements, few items of works became inevitable for execution, but expenditure was within sanctioned estimates. DAC meeting was held on 05th January, 2023. DAC directed the management to provide detailed justification for abnormal increase in quantities and scope variation along with documentary evidence for verification.

Audit requires for compliance of DAC directives.

(AIR Para#04)

5.5.20 Un-economical procurements of R.O Plants – Rs.9.863 million

As per procurement guideline Clause 5.1 issued by SPPRA, "Procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of works. Staff of procuring agency must maintain the highest standards of honesty and integrity in performing their duties. Using funds and other resources for which they are responsible to provide the maximum benefit to the work".

During audit of Executive Engineer, Public Health Engineering Division, Shaheed Benazirabad for the Financial Year 2021-22, it was noted that 06 contracts of installation of RO Plants with Solar Panel system and Pump House at various villages of Taluka Sakrand and QaziAhmed were awarded to different contractors at the cost Rs. 40.02 million, wherein the following observations were made:

1. Quotation was obtained from M/S Pure Pak who offered the rate of Rs. 32.319 million for 06 R.O plants along with complete installation in modified container with 06 months maintenance, against which tender was awarded at the cost 40.02 million resulting in loss of Rs7.701million.
2. RO Plants with Solar Panel system were shown procured at two different rates i.e (04 Nos @ Rs3.267million and 02 Nos at Rs 3.889million, however as per PC-I, all R.O plants were of same specifications. Thus, any change of rate would have required change in specification with the approval of competent authority.
3. Payment of Rs.3.889million was made to M/s. B.M Jafrani against procurement of RO Plants with Solar Panel system, whereas in initial quotation received from the same supplier at the time of estimates, an amount of Rs.2.970million was quoted. This resulted into excess award of work Rs.0.919million.

Audit is of the view that tender was awarded over and above the quoted rates which renders the procurement uneconomical.

The matter was reported to the management during September 2022. The management replied that procuring agency had adopted open competitive method, whereas variation of cost was due to different capacities of the units i.e., 10,000 TDS and 5000 TDS. Reply of the office was not supported with documentary evidence.

Audit requires justifications duly supported with documentary evidence. **(AIR Para#06,09and10)**

5.5.21 Loss due to procurement of proprietary item from un-authorized suppliers – Rs. 9.205 million

As per procurement guideline Clause 5.1 issued by SPPRA, "Procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of works. Staff of procuring agency must maintain the highest standards of honesty and integrity in performing their duties by: (ii) Using funds and other resources for which they are responsible to provide the maximum benefit to the work."

During audit of following offices of Public Health Engineering & Rural Development Department, Government of Sindh during the Financial Year 2021-22 awarded conracts amounting to Rs. 63.430 million for purchase and installation of 80KVA to 350KVA Generators to various contractors under water supply schemes. The detail is as under:

(Rs. in million)

Sr#	Name of Office	AIR PARA#	Contractor quoted rate	Supplier quotation	Excess
01	XEN, PHE, Division, Shikarpur	05	41.00	34.885	6.115
02	XEN, PHE, Division, SBA	01	22.430	19.340	3.090
	Total		**63.43**	**54.225**	**9.205**

Audit observed the following irregularities:

1. Tender was called for particular specification of **Perkins** made Generator instead of general specification in violation of SPPRA Rule.
2. Rate analysis was based on single quotation of M/s. Empower and no other quotations were found in the record. If management had required an item of proprietary nature, it should have procured from the proprietor under the direct contracting as allowed under the SPPRA Rule.
3. For estimate preparation, the department obtained quotation from M/s Empower who was the authorized dealer of **Perkins** generators, but tender was awarded to the general supply contractors at higher rates.

Audit is of the view that item of proprietary nature was procured at un-economical rates, which resulted in loss of Rs. 9.205 million to public exchequer.

The matter was reported to the management during September & November 2022. The management replied that procuring agency has adopted open competitive method after approval of rate analysis from Chief Engineer. The reply is not tenable as it contradicts the observations raised.

Audit recommends to provide detailed and specific justifications against the observations raised.

5.5.22 Excess payment on paver blocks – Rs.8.847 million

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

During audit of Executive Engineer Public Health Engineering, Thatta for the Financial Year 2021-22, it was observed that as per detailed estimate, the quantity for providing and fixing paving blocks was 03 times more than the CC plain work. As per execution, approximately 04 times more than the quantity of CC plain was made, thus allowing 25% excess quantity of paving blocks to the contractor i/c carriage. The details are given in **Annex-6 of Chapter-5**

Audit is of the view that execution of paving blocks was linked with item of CC plain as provided in the estimates. Thus, increase in quantity of paving blocks did not commensurate with the quantity of CC plain which shows that excess payment of Rs. 8.847 million was made to contractor.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

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

(AIR Para#26&27)

5.5.23 Irregular payment on excess quantity of steel – Rs. 6.195 million

As per SPPRA guidelines 2.9 Procurement Plan (Rule 11), "The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should use them economically and efficiently without exogenous considerations."

During audit of Executive Engineer, Public Health Engineering, Jamshoro for the Financial Year 2021-22, it was observed that an expenditure amounting to Rs. 6.195 million was made against excess execution of steel without change in design and revision of Technical Sanction. Further, payment against excess steel beyond the estimates was made in 1st R.A bill in the month of June without any change in RCC quantity. Details are as under:

Name of Scheme: Construction of RCC Clear water tank 75" dia (@ Nos) for Filtration of water supply Scdheme Kotri City Zone A (Allahwala chowk) District Jamshoro, w/o TC/4098/2022 dated 06.06.22 M/S Muhammad Iqbal Shaikh & Co. CV# D-51 dated 16.06.22 1st RA

(Rs. in million)

Description of items	Qty as per TS/Boq	Qty as per Bill	Rate	Excess Qty	Amount	Excess %
Fabrication of steel	926.30	1500	5001.7 4950	573.70	2.840	61.93%
Premium 13.10% above					0.372	
Add Diff cost of steel			5200	573.70	2.983	
Excess amount					**6.195**	

Audit is of the view that by allowing payment against excess steel in 1st R.A bill in the month of June without change in design, undue favor was extended to the contractor just to avoid lapse of budget.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit requires providing justification for the matter.

(AIR Para#09)

5.5.24 Unjustified procurement of solar panel system – Rs. 6.065 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, "Means should be devised to ensure that every Government servant

realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence".

During audit of Executive Engineer Public Health Engineering, Thatta for the Financial Year 2021-22, it was observed that an amount of Rs. 6.065 million was paid to M/s. Madani Engineering against the work ***Solar System at Source*** under the scheme 'Construction of Rural Water Supply Scheme Pir Patho Thatta'. As per T.S, one unit of Solar Panel System of 44 KVA was recommended to run 25 BHP+15 BHP motors, on the other hand two units of solar panel system each 44 KVA were procured, but the quantity of pumping machinery of 25 BHP+15 BHP remained same (quantities of Rising main 6" Distribution main 6" were also the same).

Audit is of the view that the contractor was paid in excess against an item beyond the requirement, which resulted in unjustified procurement.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit requires justification of the additional installation for solar panel system.

(AIR Para#16)

5.5.25 Excess payment against acquisition of land – Rs. 5.500 million

According to Rule-110 (iii) of Sindh Financial Rules, Volume-I "(Land Acquired by Negotiation), the officer who settles the price should draw up Form-A in Appendix 5 prescribed for use in the case of an award and this should be made the basis of the subsequent payment".

During audit of the Executive Engineer, Public Health Engineering, Tando Allahyar, for the Financial Year 2020-21, it was observed that work 'Elimination of Urban Sewerage Discharging in irrigation canals and lakes in Sindh' was awarded to M/s. Muhammad Iqbal Shaikh & Co. As per the letter of Mukhtiarkar (Revenue), Taluka Tando Allahyar the cost of land was evaluated

between Rs. 2.500 million to Rs. 3.500 million, whereas the management paid Rs. 9.00 million which resulted in excess payment of Rs. 5.500 million.

Audit is of the view that excess payment against acquisition of land contrary to the evaluation of the revenue authorities resulted in loss to the public exchequer.

The matter was reported to the department during March 2022. The office replied that acquisition of land and payment to the party was the function of LAO. DAC meeting was held on 05th January 2023. DAC directed the management to provide current status of land and Form-07 to audit for verification and also obtain disbursement details from LAO in order to reconcile the amount paid by the department.

Audit requires compliance of the DAC directives.

(AIR Para#03)

5.5.26 Irregular payment by allowing excess quantities in Base-course and Carpet - Rs. 4.108 million

As per approved sanctioned estimate of work, the quantities (19601cft) of item of work, 'Base Course' are required to be 50% of the quantities (39202cft) of item of work 'Sub-base course' and quantities (78404 Sft.) of item of work 'Carpet' double the quantities of item of work 'Sub-base course'.

During audit of Director General Rural Development Department, Hyderabad for the Financial Year 2021-22, it was observed that excess quantities of Base-Course and Carpeting were executed as compared to the quantities of underlying layer of Sub-Base Course. The quantities of Sub Base Course was deceased by 12%, but on the contrary, the quantities of Base Course and Carpeting were abnormally increased by 52% and 26% respectively as compared to estimate. The details are given in **Annex-7 of Chapter-5.**

Audit is of the view that as per estimate, the quantities of Base Course were (based on volumetric calculations of length, width and thickness) designed at 50% of the item of Sub-base whereas for item of carpeting, quantities were estimated twice of the item 'Sub-base course'. This shows that the quantities of item of Base-Course and Carpeting were executed more than the due quantities, which resulted in excess payment of Rs. 4.108 million

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit requires justification for the excess quantities of base-course and carpeting.

(AIR Para#07)

5.5.27 Excess payment on earthwork due to non-adjustment of deductibles – Rs. 3.956 million

As per approved sanctioned estimates, "Quantities of hard crust and berm are required to be deducted from the quantities of item of Earth work formation (compacted at 85%)."

During audit of Director General Rural Development Department, Hyderabad for the Financial Year 2021-22, it was observed that payment amounting to Rs. 10.587 million was made to the contractors against earthwork formation, but deductions required to be made for 95%, hard crust and berms were not made from the executed quantities as required in the estimate. The details are given in **Annex-8 of Chapter-5**.

Audit is of the view that due to non-deduction of quantities of 95% compaction, hard crust and berms from earthwork formation an overpayment of Rs. 3.956 million was madee.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit recommends recovery of the overpaid amount from the contractors.

(AIR Para#08&09)

5.5.28 Non-crediting of call deposits into treasury – Rs. 126.418 million

According to Para-63 of CPWA Code, "When money is received by Government officers on behalf of the Government it should be at once brought to account. Furthermore, as per Rule-75 and Rule-76 of CPWA code, the officer in-charge of call deposit should keep a book in Form-4 in which all remittances

to the treasury should be entered upon and account of call deposit transactions should be maintained in form-I of call deposit as regular arrangement."

During audit of following offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Year 2021-22, it was observed that an amount of Rs. 126.418 million was received as bid security/call deposits from contractors in shape of pay orders. However, the executive failed to deposit the same as per rule. The detail are as under:

(Rs. in million)

Sr#	Name of Department	Year	AIR Para#	Amount
1	PHE Division Larkana	2021-22	25	103.480
2	PHE, Division Thatta	2021-22	24	11.618
3	PHE, Division Sukkur	2021-22	02	11.320
			Total	**126.418**

Audit is of the view that retaining government money i.e call deposit instead of depositing into treasury resulted in violation of rules and procedures.

The matter was reported to the management during September to November 2022, but no reply was received till finalization of report.

Audit recommends prompt deposit of the amount as specified.

5.5.29 Overpayment due to miscalculation – Rs. 4.149 million

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

During audit of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Year 2021-22, it was observed that excess amount of Rs. 4.149 million was paid to various contractors due to erroneuous arithmetic calculation. The details are as under:

(Rs. in million)

Sr#	Name of Department	Year	AIR PARA#	Amount Due	Amount paid	Excess
2	PHE Division, Jamshoro	2021-22	02	1.664	3.163	1.499
3	PHE, Division Thatta	2021-22	28	36.276	38.089	1.184
		2021-22	29	0.994	2.278	1.284
4	D.G RDD Hyderabad	2021-22	10	0.550	0.732	0.182
			Total	**39.484**	**44.262**	**4.149**

Audit is of the view that due to arithmetic totaling errors, the contractors were overpaid, which reflects negligence of the management.

The matter was reported to the department from August to November 2022. but no reply was received. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact of Rs.1.040 million, but the PAO did not take remedial measures to avoid recurrence. Despite request DAC meeting was not conveyed by the PAO til finalization of this report.

Audit requires compliance of the DAC directives.

5.5.30 Non/less recovery of Stamp Duty – Rs. 3.469 million

According to Para 22-A of Stamp Act, "It is duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of Agreement @ 0.35 paisa per hundred rupees of the value of the Agreement or against tender cost."

During audit of various offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Years 2018-19 to 2021-22, it was observed that contracts for various works were executed, but Stamp Duty amounting to Rs. 3.469 million was not obtained from the contractors. In some cases it was short realized than the applicable rates. The details are given in **Annex-9 of Chapter-5**.

Audit is of the view that non-recovery of Stamp Duty resulted into non-realization of government revenue.

The matter was reported to the department from March 2020 to November 2022. The management replied that Stamp Duty was recovered from contractors at prescribed rate of 0.35%. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact of Rs. 11.489 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January 2023. DAC directed the management to submit documentary evidence (in original) for verification.

Audit requires compliance of the DAC directives.

5.5.31 Collusive practice in bidding process – Rs.367.081 million

As per Rule-2(q)(ii) of SPPR 2010, "Collusive Practice means any arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procurement agency to establish prices at artificial, non-competitive level for any wrongful gains."

During audit of Executive Engineer, Public Health Engineering, Karachi for the Financial Year 2020-21, it was observed that sealed bids were invited vide NIT No.TC/G-148/848 dated 11.02. 2013 for the scheme 'Construction of Retention Weir/Dam at Khand Jhang Near Tapo Moidan UC-3 Gadap Town Karachi' with estimated cost of Rs.379.846 million. Three contractors participated in the bidding process who offered rate on item basis however, it was observed that hand writing in all three bids were same and there was very small variation in quoted rates. The detail is as under:

(Rs. in million)

Sr#	Name of bidder	Bid offered
1	M/S Faheem & Naseem Construction	367.082
2	M/S Aquib Builders	367.784
3	M/S Trand Construction & Co.	368.706

Audit is of the view that work was obtained through collusive practice to benefit one particular contractor which creates doubt about the whole bidding process.

The matter was reported to the department during March 2022. The management replied that tender procedure was adopted and work was awarded as per rules. DAC meeting was held on 05th January, 2023. DAC referred the matter to the committee to be constituted to ascertain the facts regarding the issue raised and submit findings accordingly.

Audit requires compliance of DAC directives.

(AIR Para#01)

5.5.32 Non obtaining of performance guarantee/ Bid Security – Rs. 107.04 million

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

During audit of the following offices of Public Health Engineering & Rural Development Department for the Financial Year(s) 2018-19 to 2021-22, it was observed that performance guarantee amounting to Rs. 134.68 million, was not obtained from the contractors nor any evidence was provided regarding retention of Call Deposit equivalent to performance security amount. The details are as under:

(Rs. in million)

Sr#	Name of Office	Year	AIR Para#	Tender cost	Security
1	PHE, Division, Hyderabad	2021-22	01	626.473	62.647
2	PHE (O&M) Division Hyderabad	2021-22	01		12.275
3	PHE (O&M) Division Thatta	2021-22	02		9.551
4	PHE, Division, Sanghar	2021-22	02	64.741	6.474
5	PHE (O&M) Division Kamber-shahdadkot	2021-22	04		4.574
6	XEN, PHE (O&M) Sijawal	2020-21	09	82.573	4.129
7	XEN, PHE Kashmore@ Kandhkot Sr#11, MfDAC 2020-21	2018-19	04	147.717	7.39
				Total	**107.04**

Audit is of the view that due to non-obtaining of the performance security at the start of work, undue favour was extended to the contractors at the cost of the government interests.

The matter was reported to the department from March 2020 to November 2022. The management replied that call deposits were obtained from contractors before award of work. The irregularity of the similar nature was also reported in Audit Reports for the year 2021-2022 with financial impact of Rs. 42.651 million, but the PAO did not take remedial merasures to avoid recurrence. DAC meeting was held on 05th January, 2023. DAC directed the management to provide evidence of security/call deposits retained by the offices as per applicable rates.

Audit requires compliance of the DAC directives.

5.5.33 Award of work to black-listed contractor – Rs.13.826 million

As per decision of the Review Committee SPPRA vide No.AD(L-II) SPPRA/CMS-2961/2021-22/0875 dated 04-03-22, "M/s. Ghulam Murtaza Government contractor is here by black listed for participating in any procurement proceeding under Rule-35(1)(a)(b) of SPPRA Rules 2010 amended in 2019."

During audit of the office of Director General Rural Development Department, Hyderabad for the financial year 2021-22, it was observed that contractor M/s. Ghulam Murtaza was black listed by SPPRA on 04-03-22, whereas another work amounting to Rs. 13.826 million was awarded to the same contractor on 22-04-22. Further, no dates were mentioned in MBs and contractor bills. The payment was made on 24-06-22.

Name of work: Construction of road village Yaqoob Sobho to Rahu Halepoto at Kumb Shakh, Bulri shah karim, T.M Khan

Bid opening	w/o & dt	Document Date	Payment Date	Cheque No	Amount
13-04-22	62	6/21/2022	6/24/2022	4612424	1.951
	22-04-22	6/21/2022	6/24/2022	4612692	11.174
				Total	**13.125**

Audit is of the view that, award of work to the black-listed contractor reflects violation of the decision taken.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit recommend providing justification against the negligence committed.

(AIR Para#02)

5.5.34 Irregular refund of security deposit – Rs.6.962 million

As per Rule 7.12.3(i) of SPPRA, Procurement Regulation (Works), "Security Deposit can be released in either of following ways:

(a) On completion of the works; half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction;

(b) Full amount be released after completion of defect liability period".

During audit of following offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Years 2018-19 & 2020-21, it was observed that security deposit amounting to Rs. 6.962 million was refunded during the execution of work or prior to completion of defect liability period. The details are as under:

(Rs. in million)

Sr#	Name of office	Year	AIR Para#	Amount
1	XEN, PHE Tharparkar	2018-19	AIR PARA# 06, MfDAC PHE # 1 2019-20	5.00
2	XEN, PHE Malir karachi	2020-21	04	1.962
			Total	**6.962**

Audit is of the view that release of security deposit before completion of work and defect liability period is negligence on part of the management.

The matter was reported to the department from March 2020 to April 2022. The management replied that security deposits were refunded properly as per rules. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact of Rs. 45.554 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January, 2023. DAC directed the management to provide documentary evidence regarding fulfilment of codal formalities before refund of security deposit.

Audit recommends compliance of DAC directives.

5.5.35 Irregular inclusion of additional profit in estimates – Rs. 4.301 million

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

During audit of Executive Engineer, Public Health Engineering Division, Thatta for the Financial Year 2021-22, it was observed that rate analysis of solar panel system was prepared by department based on quotations received from suppliers which already included supply, transportation, installation along-with all taxes and profit. While sanctioning the R.A. bill, 10% profit was further added by the department despite the fact that the quoted amount already was inclusive of the profit. The details are given in **Annex-10 of Chapter-5.**

Audit is of the view that due to addition of 10% profit against the quoted price, an additional benefit of Rs. 4.301 million was given to the contactors by inflating the estimated amount. Thus, favour was extended to the participating contractors while preparing rate analysis at the cost of public exchequer.

The matter was reported to the management during September 2022, but no reply was received. Despite written request DAC meeting was not conveyed by the PAO till finalization of report.

Audit recommends conducting an inquiry into the matter besides affecting recovery of additional profit paid.

(AIR Para#20)

5.5.36 Non-crediting of lapsable deposits into government account – Rs. 4.162 million

According to Para-399 (iii) of Central Public Works Account Code, "The unclaimed balances of Public Works Deposits for more than three complete account years should be credited to Government as lapsed deposit."

During audit of various offices of Public Health Engineering & Rural Development Department, Government of Sindh for the Financial Years 2020-21 & 2021-22, it was observed that an amount of Rs. 4.162 million was lying in Public Works Deposits (Form-78) as lapsable deposable deposits since long and was required to be credited into government account. The details are as under:

(Rs. in million)

Sr#	Name of Office	Particulars	Year	AIR Para#	Amount
1	PHE, Division, Larkana	Lapsable deposits	2021-22	40	2.325
2	PHE, Division, Umerkot	Lapsable deposits	2020-21	01	1.588
3	PHE, Division, N/Feroze	Lapsable deposits	2020-21	05	0.249
				Total	**4.162**

Audit is of the view that due to the negligence of the management unclaimed balances were not timely credited to the government account.

The matter was reported to the department from March 2022 to November 2022. The management stated that amount deducted as security from contractors is still not claimed by the them. The irregularity of the similar nature was also reported in Audit Report for the year 2021-2022 with financial impact of Rs. 2.325 million, but the PAO did not take remedial measures to avoid recurrence. DAC meeting was held on 05th January, 2023. DAC directed the management to deposit the unclaimed amount lying for more than (03) years into government account.

Audit requires compliance of the DAC directives.

Chapter-6 WORKS & SERVICES DEPARTMENT

6.1 Introduction

After promulgation of SLGO 2001, Communication and Works Department was renamed as Works & Services Department, which is responsible for providing services in the form of road network and building facilities to various departments of Government of Sindh. Its main activities are planning, designing, construction and maintenance of Roads/Highways and Buildings.

The following key functions are undertaken by the department:

a) Implementation of Annual Development Program (ADP) in terms of construction and improvement of new and existing infrastructure. It also includes all domestic and Foreign Aided Projects.
b) Implementation of the Annual Maintenance and Repair Programme.
c) Preparation of feasibility reports of roads / projects.
d) Designing of roads and buildings and preparing detailed estimates.
e) Quality Assurance of projects.
f) Providing technical/execution assistance to other departments and agencies.

(Rs. in million)

Sr.#	Description	Total Nos	Audited	Expenditure audited FY 2021-22
1	Formations	67	42	74,617.941
2	Foreign Aided Projects (FAP)	1	1	395.000

6.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2021-22 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget	Final Budget	Releases	Actual Expenditure	Excess/(Savings)
46,083.922	65,689.731	65,429.375	63,510.545	(1,918.830)

The department was unable to spend the allocated budget in time. As a result, savings of Rs.1,918.830 million was observed which was not surrendered in time.

6.3 Classified Summary of Audit Observations

Observations amounting to Rs. 15,085.549 million were raised as a result of this audit. This amount also includes recoverable of Rs.56.427 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	**Irregularities**	
A	HR/Employees related irregularities	-
B	Procurement related irregularities	13,897.548
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	1,188.001
	Total	**15,085.549**

6.4 Comments on the Status of Compliance with PAC Directives

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

Sr. #	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	25	4	0	4	-	
	1998-99	19	10	0	10	-	
3	1999-2000	25	1	0	1	-	
4	2001-02	25	5	0	5	-	
5	2004-05	28	22	2	20	9.1	
6	2005-06	13	8	0	8	-	
7	2006-07	5	2	0	2	-	
8	2007-08	18	5	0	5	-	
9	2008-09	15	4	0	4	-	
10	2009-10	21	1	0	1		
11	2010-11	25	12	0	12		
12	2014-15	0	0	0	0	-	Report not yet discussed
13	2016-17	0	0	0	0	-	
	2020-21	20	20	6	14	30	
14	2021-22	0	0	0	0	0	
Total		**239**	**94**	**8**	**86**		

6.5 Audit Paras

6.5.1 Non-production of record

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

(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

(3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of the various offices of Works & Services Department, Government of Sindh for the Financial Years 2020-21 & 2021-22, auditable record pertaining to development and non-development expenditure was not provided despite repeated requisitions. Due to non-production, the record involving financial impact of Rs.13,109.812 million remained unaudited. The details are given in **Annex-1 of Chapter-6.**

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

The matter was reported to the management during January 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.5,123.023 million but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 16-12-2022 & 06-01-2023.

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

6.5.2 Unauthorized execution of works beyond jurisdiction – Rs.825.687 million

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

During audit of the following offices of Works & Services Department, Government of Sindh for the Financial Years 2020-21 & 2021-22, it was observed that the management executed various schemes at a cost of Rs.825.687 million which were required to be executed by other government departments. Audit was not provided any NOC for handing-over / taking-over of the works constructed and rehabilitated. The details are given in **Annex-2 of Chapter-6.**

Audit is of the view that due to the execution of the works beyond jurisdiction and without obtaining NOC from the departments concerned, chances of duplicate execution of works by different agencies cannot be ruled out.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, production of NOC from the departments concerned.

6.5.3 Abandonment of works by contractors without forfeiture of security deposit - Rs.11.827 million

As per SPPRA Rule 35 (1), "The following shall result in blacklisting of suppliers, contractors, or consultants, individually or collectively as part of consortium- (d) willful failure to perform in accordance with the terms of one or more than one contract; (e) failure to remedy underperforming contracts, as identified by the procuring agency, where underperforming is due to the fault of the contractor, supplier or consultant."

(i) During audit of XEN Building Division, Khairpur for the Financial Year 2021-22, it was observed that an expenditure amounting to Rs.10.317 million was made against 'Construction of Blind & Deaf Care Center at Khairpur', which was awarded in 2011 to be completed in 2012, but the same was abandoned by the contractor in 2017 despite several reminders issued by the management. Later on, the management terminated the contract in February 2022 and cleared all the outstanding bills without forfeiture of the security deposit. The detail is as under:

(Rs. in million)

Particulars	AIR#	M/S	W/O dt	Amount
Construction of Blind & Deaf Care Center at Khairpur (Main Buildings) i/c W/s S/f Compound Wall & Ext: Development	05	Junejo &Co:	295/ 18-06-2011 16th & Final Bill	10.317

(ii) During audit of Executive Engineer, Provincial Building Division, Thatta for the year 2020-21**,** it was observed that an amount of Rs.1.510 million was received as Call Deposit for various works awarded to the contractor M/s Mukhtiar Ali & Co. Later on, the contractor abandoned the works, but the management refunded security deposit. The detail is as under:

(Rs. in million)

Sr. #	P.O		Refund	Cheque		AIR#	Amount
	No.	Date	C.V No.	No.	Date		
1	PO 0003884	20-02-2012	18	3824380	20-10-2020	10	1.510
	PO 0003882	20-02-2012					
	PO 0014981	4/6/2012					
	PO 0014983	4/6/2012					
	PO 0055592	3/12/2012					

Audit is of the view that management neither safeguarded the government interests by forfeiture of the security deposits nor backlisted the firms. Thus, the above lapse on part of the management indicates improper watch and absence of systemic internal controls.

The matter was reported to the management during March, July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the above irregularities besides, fixing responsibility on the person(s) at fault.

6.5.4 Non-adjustment of the advances – Rs. 7.321 million

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

During audit of the following offices of Works & Services Department, Government of Sindh for the Financial Year 2020-21 & 2021-22, it was observed that Rs.7.321 million were outstanding against Public Works advances since long time. The detail is tabulated as under:

(Rs. in million)

Sr. #	Name of Formation	AIR Para#	Year	Description	Amount
1	Executive Engineer Provincial Buildings Division-I, Karachi	11	2021-22	Misc. P.W Advance	1.197
2	Executive Engineer Provincial Building III Division, Karachi	06		Misc. advance not realized as per Form-70	1.610
3	Executive Engineer District Highways Division, Tando Allahyar	01		PW Advance	1.765
4	Executive Engineer Buildings Division, Khairpur	7	2020-21	PW Advance	2.619
5	Executive Engineer Provincial Buildings Division, Thatta	1		Misc. P.W Advance	0.130
				Total	**7.321**

Audit is of the view that the non-adjustment of the advances reflects negligence on part of the management.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends adjustment of the advances besides, fixing responsibility on the person(s) at fault.

6.5.5 Non-Execution of the deposit work - Rs.175.571 million

As per para 170 of Account Code, Volume-III, "Outstanding items under the Deposit Register should be cleared/adjusted at the close of financial year." Further as per para 399 (iii) Central Public Works, "The balances un-claimed for more than three complete account years should be credited to the Government as lapsed deposits."

During audit of the following offices of Works & Services Department, Government of Sindh for the Financial Year 2020-21 & 2021-22, it was observed that an amount of Rs.175.571 million was retained as outstanding balance against the deposit works. The detail is given as under:

(Rs. in million)

Sr. #	Name of Formation	Description	AIR Para#	Year	Amount
1	Executive Engineer, District Highways Division, Shaheed Benazirabad	A/C-IV, Sugar Cane Cess & DERA-II Programme	03	2021-22	2.825
2	Executive Engineer, District Highways Division, Hyderabad	Deposit work	07		9.533
3	Executive Engineer, Provincial Highways Division, Nausheroferoze @ Khairpur	Deposit work	13		2.957
4	Executive Engineer, District Highways Division, Kashmore @ Kandhkot	Deposit work	22		107.891
5	Executive Engineer Provincial Highways Division, Badin	Deposit work	08		6.238
6	Executive Engineer Highways Division, Khairpur	Deposit work	06	2020-21	46.127
				Total	**175.571**

Audit is of the view that the non-execution/non-completion of the deposit works reflects negligence on part of the management.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the outstanding balance of the deposit works. Further if the works have been completed satisfactorily, the balance amount under each work may be credited to the government.

6.5.6 Finalization of M&R work without execution of the road component – Rs.2.237 million

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

During audit of the Executive Engineer, Provincial Highways Division, Dadu for the Financial Year 2021-22, it was observed that the work amounting to Rs.8.698 million was awarded against which components of work i.e. Road Work and 100Rft. Pre-stressed bridge were to be constructed. However, the management executed bridge work against the entire amount of the contract, whereas the road work amounting to Rs.2.237 million was not executed. The detail is as under:

(Rs. in million)

Name of Work	Contractor	Component of Work	Work Award Cost	Expenditure as per Bill
M&R of redecking of RCC Slab of (100 Rft.) Pre-stressed Bridge over rice canal at Mile 4/0 Along Mehar Nau Goth road	Meesam Construction Co. (1st final R.A)	Road Work	2.237	-
		100Rft. Pre-stressed bridge	6.046	8.570
		Allowed: SRB 5%	0.414	0.428
		Total	**8.698**	**8.998**

Audit is of the view that the non-execution of the road work and spending of the entire contract amount against the bridge component reflects uneconomical execution of the work besides, negligence on part of the management.

The irregularity was pointed out to the management in the month of August, 2022, but no reply was received.

Audit recommends conducting an inquiry into the matter.

(AIR Para#10)

6.5.7 Excess payment due to calculation error – Rs.11.193 million

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

During audit of various following of Works & Services Department, Government of Sindh for the Financial Year 2020-21 & 2021-22, it was observed that excess payment amounting to Rs.11.193 million was made against the work done due to calculation error. The details are given in **Annex-3 of Chapter-6.**

Audit is of the view that the excess payment against the work done resulted in loss to public exchequer.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery/adjustment of the excess amount besides, responsibility may be fixed on the person(s) at fault.

6.5.8 Irregular execution of work in deviation of estimate – Rs.1,159.128 million

As per para 527 of Public Works Departmental Manual, Volume-I, "No work shall begin unless proper detailed design and estimate have been sanctioned; allotment of funds made and order for its commencement issued by the competent authority."

During audit of the following offices of Works & Services Department, Government of Sindh for the F.Y 2020-21 & 2021-22, it was observed that works amounting to Rs.3,959.10 million were executed and shown as completed,

whereas various items valuing Rs.1,159.128 million were not executed in deviation of the approved estimates. The details are given in **Annex-4 of Chapter-6.**

Audit is of the view that the non-execution of several items/components of works on completed schemes reflects deviation from the approved estimate, thus rendering the works irregular.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

6.5.9 Unjustified execution of extra items of works – Rs.119.144 million

As per Para-711 of Public Works Department Manual, "The officer competent to sanction tender for the execution of extra items 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."

During audit of the following offices of Works & Services Department, Government of Sindh for the Financial Years 2020-21 & 2021-22, it was observed that an expenditure of Rs.119.144 million was made against extra items of work which were not included in the Technical Sanction nor were approved by the Chief Engineer. The details are given in **Annex-5 of Chapter-6.**

Audit is of the opinion that management did not exercise due diligence while preparing original estimates and undue benefit was extended to the contractors by allowing extra items of work without approval of the Chief Engineer.

The matter was reported to the management during January 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.195.216 million, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit recommends regularization of the expenditure.

6.5.10 Irregular refund of security deposit – Rs. 232.203 million

According to Clause-I of the Contract Agreement, "The security deposit lodged by a contractor (in cash or recovered in installment from his bills) shall be refunded to him after the expiry of three months from the date on which work is completed."

During audit of the following offices of Works & Services Department, Government of Sindh for the F.Y 2020-21 & 2021-22, it was observed that security deposits amounting to Rs.232.203 million were refunded to various contractors prior to the completion of the works. As per rule, the Security Deposit is required to be refunded after the completion of defective liability period and fulfillment of other codal formalities. Thus, the payment was made in violation of above clause. The details are given in **Annex-6 of Chapter-6.**

Audit is of the view that the pre-mature refund of security deposit to the contractors reflects negligence on the part of the management which shows that government interests were not safeguarded.

The matter was reported to the management during January 2022 to November 2022. The office of the Secretary Works & Services Department, Government of Sindh, Karachi submitted evasive reply. The irregularity of the same nature was also reported in Audit Report for the year 2021-22 with financial impact of Rs.460.930 million, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

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

6.5.11 Excess payment on bitumen without utilization – Rs.0.546 million

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

During audit of the Executive Engineer, Provincial Highways Division, Larkana for the Financial Year 2021-2022, it was observed that the management made excess payment amounting to Rs.0.546 million to the contractor on account of bitumen without its utilization. The quantity of 20.15 Ton bitumen was shown utilized for the work done admeasuring 150,480 sft on 1st coat of surface dressing at the ratio of 30 lbs. However, the escalation charges were paid against the quantity of 36.94 tons of bitumen resulting in excess payment on account of excess quantity of 16.79 tons bitumen @ Rs.32,489 per ton. Detail is as under:

(Rs. in million)

Bill No. & Dated	Name of Work & Contractor	Qty.	Unit	Due Qty. of bitumen (80/100)	Qty. of bitumen allowed	Excess Qty. of bitumen allowed	Rate allowed	Excess payment
3rd dated 13-05-2022	Reconditioning of link road from Naudero-Sukkur road @ point Jat Bhutta Stop to Mubarak Jeho i/c main structure (4.80 Kms) (M/s. Ghulam Nabi)	150,480	%Sft.	20.15	36.94	16.79	32,489	0.546

Audit is of the view that undue benefit was extended to the contractor on account of excess payment of bitumen without utilization which resulted into loss to the public exchequer.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

(AIR Para#01)

6.5.12 Defective execution of road work in violation of specification – Rs.16.645 million

According to Sr. No.7 Page No.15 for laying pre-mix carpet or asphalt on existing surfaces, “Making diagonal groves of 1 ½” - 1 ½” at 2 feet center to center in road surface.”

During audit of the Executive Engineer, Provincial Highways Division, Larkana for the Financial Year 2021-2022, it was observed that the management executed reconditioning of road work amounting to Rs.16.645 million. The original estimate of reconditioning work of road was approved with diagonal

grooves of 1 ½" -2" x 1 ½"-2" at 2 ft. center required for proper bonding of new layer over the existing layer, however the same was executed without use of the diagonal grooves. The detail is as under:

(Rs. in million)

Bill No. & Date	Name of work	Name of contractor	Up to date Expenditure on road
02nd Dated 30-05-2022	Reconditioning of road from Garhi Khuda Bux Bhutto Saidudero road to Dhamrah Mahota via village Kubro, village Sanwan Khan Gopan (Gulsher Gopang) & Wandh Khuda Bux Bhutto (5.00 Kms)	M/s. Evergreen Enterprises	16.645
		Total	**16.645**

Audit is of the view that execution of work without carrying out the item of diagonal grooves as per specification could result in improper bonding between the layers thus, impacting the durability of the road and its life-span. Due to non-following of the approved specification, it rendered the whole work defective.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification for the matter.

(AIR Para#03)

6.5.13 Irregular refund of lapsed deposit – Rs.73.727 million

Para 399 (III) Central Public Works Accounts Code states that, "Balances unclaimed for more than three complete account years should be credited to government as lapsed deposit."

During audit of the following offices of Works & Services Department, Government of Sindh for the F.Y 2020-21 & 2021-22, it was observed that security deposits amounting to Rs.73.727 million were refunded to various contractors after lapse of more than three years of completion of works. The details are given in **Annex-7 of Chapter-6.**

Audit is of the view that unclaimed balances for more than three years were required to be credited to government as lapsed deposit, but refund of security deposits in violation of this rule reflects weakness of internal controls.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault.

6.5.14 Loss due to non-utilization of departmental machinery – Rs.19.847 million

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

(i) During audit of the Executive Engineer, Provincial Highways Division, Shaheed Benazirabad for the Financial Year 2021-2022, it was observed that the management executed item of borrow pit excavation for road work including 85% compaction @ composite rate of Rs.8,679.15 % Cft. plus, premium. However, the procuring agency did not utilize the departmental machinery / road rollers 18 in nos. available with the division. The detail is as under:

(Rupees in Million)

Bill No. & Date	Name of Work & Contractor	Name of Item	Qty.	Unit	Rate allowed	Composite rate	Anticipated saving
02nd Dated 17-06-2022	Construction of road from Ghazi Khan Mari Road @ Jam Wah to village Shaukat Qaim khani via Noor Muhammad Shar i/c link to Mitho Khan Shar 0/0-2/1 (M/s. Muhammad Shahid & Co.)	Earth work (85% compaction)	1,140,546	%0 Cft.	8,679.15	1,445.58	1.306
07th Dated 17-06-2022	Improvement/ rehabilitation/ construction of various internal roads of U.C Jamal Shah mile 0/0-8/0+330 (M/s. Canny Engineers & Developers)	Earth work (85% compaction)	1,383,877	%0 Cft.	8,679.15	1,445.58	2.000
						Total	**3.307**

Audit is of the view that due to non-utilization of available machinery for earthwork compaction and charging the same through the contractor, the

government exchequer sustained financial burden. The audit calculated the financial impact of compaction paid to the contractor on basis of applying CSR, 2012 rate which could have been saved by utilizing available departmental machinery. This resulted in loss of Rs.3.307 million.

(AIR Para#13)

(ii) During audit of various offices of Works & Services Department, Government of Sindh for the Financial Year 2021-22, it was observed that huge fleet of road rollers and vehicles along-with sufficient staff for the maintenance of roads were available with Highways Division, but same were not being properly utilized. Audit also observed that an amount of Rs.16.540 million was being paid by the management as salaries to the staff for management and operations of machinery. The management stated that all the machinery was in un-serviceable condition therefore, for the minor repair works the contractor were being hired to carry out the same.

The contention of the department is not tenable as the amount of Rs.1.140 million was released for repair and maintenance of road machinery, but the same was not spent accordingly. Further no any efforts were being taken by the management to dispose of / auction these assets. Moreover, no detail of maintenance of Register in Form 42 and Register of Manufacture in Form 36 were available on record. The detail is as under:

(Rs. in million)

Sr.#	Name of Formation	AIR#	Year	Amount
1	Executive Engineer, District Highways Division, Kashmore @ Kandhkot	31	2021-22	12.349
2	Executive Engineer, District Highways Division, Jacobabad	14		4.191
			Total	**16.540**

Audit is of the view that non-utilization/maintenance of the departmental assets resulted in outsourcing of the works through private contractors, thus causing loss to the public exchequer.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the observations raised above.

6.5.15 Irregular award of works without technical evaluation of bids- Rs.554.096 million

As per SPPRA Rule-47. Conditions for Use of Various Procedures (1), "Single Stage One Envelope Bidding Procedure shall be used as the standard bidding procedure for procurement of goods, works and services of simple and routine nature and where no technical complexity or innovation is involved; (2) Single Stage Two Envelope Bidding Procedure shall be used where the bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation."

During audit of Executive Engineer, Highway Division, Thatta for the year 2021-2022, it was observed that works amounting to Rs.554.096 million were awarded to various contractors on single stage single envelope basis without technical evaluation of the works despite the fact that civil works require technical evaluation by adopting at least single stage-two envelope procedure. The details are as under:

(Rs. in million)

S#	Name of Work	NIT No date	Estimated amount
01	Procurement of ADP work	NO.TC/G-55/210 9-3-2022	294.283
02	Procurement of ADP work	NO.TC/G-55/208 9-3-2022	259.813
		Total	**554.096**

Audit is of the opinion that the works were awarded without technical evaluation of bids, which reflects undue favor was extended to the contractors.

The matter was reported to the management during January 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.285.759 million, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit requires justification for not conducting the technical evaluation of the bids.

(AIR Para#02)

6.5.16 Splitting of work to avoid tender – Rs.4,506.857 million

Rule 12 (1) of SPPR 2010 provides that, "All proposed procurements for each financial year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan. Rule 17 (1) ibid provides that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in the rules."

During audit of the following offices of Works & Services Department, for the Financial Year 2020-21 & 2021-22, it was observed that an expenditure amounting to Rs.4,506.857 million was made against various works by splitting to avoid tender. The details are given in **Annex-8 of Chapter-6**.

Audit is of the view that due to non-invitation of tenders the government was deprived of attaining competitive rates.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

6.5.17 Unjustified execution of work by classifying schedule items as non-schedule – Rs.201.432 million

According to Para 1 of the Introduction to the Schedule of Rates (Composite) for Finished Items of Works 2012, "The Standing Rates Committee, Sindh introduces the Schedule of Rates General for Finished Items of works, Volume III, Part II & V, 2012 replacing the same publication of 2004, it gives a broad base to all the Departments for framing the detailed estimates of work. Composite item rates being based on market rates of material and labour are subject to revision from time to time."

Further, according to Para 7 of *ibid*, "All works shall be executed adoption composite rates as per this Schedule and material shall be produced by the contractor on their own."

During audit of the following offices of Works & Services Department, for the Financial Year 2020-21 & 2021-22, it was observed that the management converted schedule items into non-schedule items with higher rates without approval of the Standing Rates Committee which resulted in excess payment of Rs.201.432 million. The details are given in **Annex-9 of Chapter-6.**

Audit is of the view that undue benefit was extended to the contractor by executing work as non-schedule item which resulted in unjustified execution of the work.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

6.5.18 Less deduction of security deposit – Rs.207.228 million

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

During audit of the following offices of Works & Services Department, for the Financial Years 2020-21 & 2021-22, it was observed that an amount of Rs.4,404.936 million was paid, but security deposit amounting to Rs.207.228 million was less deducted from the bills of the contractors. Further, in some cases the amount of performance security was also not obtained at the prescribed limit. The details are given in **Annex-10 of Chapter-6.**

Audit is of the view that due to short deduction of security deposit from the bills; the interest of government was not safeguarded.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends to work out short deduction of security deposit against the on-going schemes and recover the same to safeguard the public interest.

6.5.19 Less deduction of Income Tax – Rs.8.071 million

According to Section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time, "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 prescribed rates."

During audit of the following offices of Works & Services Department, for the Financial Year 2021-22, it was observed that Income Tax amounting to Rs.8.071 million was less deducted from the bills of contractors. The detail is as under:

(Rs. in million)

Sr. #	Name of Formation	AIR#	Year	Details	Amount paid	Income tax less deducted
1	Executive Engineer, Provincial Highways Division, Shaheed Benazirabad	01	2021-22	04 contractors Deducted @ 6.50% instead of 7.5%	59.425	0.297
2	Executive Engineer Provincial Coastal Highways Division, Hyderabad	12		03 contractors Deducted @ 6.50% instead of 7.5%	279.419	1.400
3	Executive Engineer, Highways Division, Shikarpur	03		Various works Deducted @7% instead of 7.5%	1,212.954	6.374
				Total	**1,551.798**	**8.071**

Audit is of the view that due to less deduction of Income Tax; the potential revenue of the government could not be realized.

The matter was reported to the management during July 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs113.489 million but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit recommends recovery of the same at the earliest.

6.5.20 Non-recovery of Stamp Duty – Rs.36.165 million

According to 22-A of Stamp Act, 1899, "It is the duty of the competent authority to recover the Stamp Duty and affix the same, while execution of agreement @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost."

During audit of the following offices of Works & Services Department, for the Financial Years 2020-21 & 2021-2022, it was observed that various contracts amounting to Rs.10,854.821 million were awarded to various contractors, but Stamp Duty @ 0.35%, was not deducted. Hence, due to non-deduction of Stamp Duty government sustained loss of Rs.36.165 million. The details are given in **Annex-11 of Chapter-6**.

Audit is of the view that due to non-recovery of Stamp Duty, the government exchequer was deprived of the due revenue.

The matter was reported to the management during January 2022 to November 2022. The office of the Secretary Works & Services Department, Government of Sindh, Karachi submitted evasive reply. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.25.103 million, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit recommends prompt recovery of Stamp Duty.

6.5.21 Non-deduction of Sindh Sales Tax – Rs.160.893 million

As per SRB letter dated 29-08-2019, "Sindh sales tax on service providers contractors/vendors deducted/withhold and deposit on payment bills of for all civil works including Civil work/construction works & repair of all government building works and similar other works @5% of the value of the bill and deduct all other taxable services at the applicable rate of tax prescribed in 2nd schedule to the Act 2011."

During audit of the following offices of Works & Services Department, for the Financial Years 2020-21 & 2021-22, it was observed that an amount of Rs.3,130.575 million was paid to various contractors, but Sindh Sales Tax at prescribed rate was not deducted. This resulted in non-realization of Rs.160.893 million. The details are given in **Annex-12 of Chapter-6.**

Audit is of the view that non-deduction of Sindh Sales tax resulted in loss of government revenue.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends to recover the outstanding amount at the earliest.

6.5.22 Irregular execution of work over & above the estimated cost – Rs.454.141 million

As per Para-532 of Public Works Department Manual, "A revised estimate containing the facts and causes of revision must be submitted when sanctioned estimate is likely to exceed by more than 5% either rising from the rate being found insufficient or from other cause whatsoever."

During audit of the following offices of Works & Services Department, for the Financial Years 2020-21 & 2021-22, it was observed that an expenditure amounting to Rs.454.141 million was made over & above 5% of the estimated cost of various works without approval of revised estimates. The details are given in **Annex-13 of Chapter-6.**

Audit is of the opinion that the works executed without approval of the revised Technical Sanction resulted in irregular expenditure.

The matter was reported to the management during January 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.1,089.836 million but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit recommends revision of Technical Sanction under intimation to Audit.

6.5.23 Non-hoisting of contract documents - Rs.1,193.870 million

According to SPPRA 2010, Rule 10, "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."

During audit of the following offices of Works & Services Department, for the Financial Years 2020-21 & 2021-22, it was observed that various works amounting to Rs.1,193.870 million were executed, but the contract documents were not made public by way of hoisting on the Authority's website. The detail is given as under:

(Rs. in million)

Sr. #	Name of Formation	AIR#	Financial Year	Description	Amount
1	Executive Engineer, Provincial Buildings Division, Mirpurkhas	04	2021-22	Contract agreements and Contract evaluation reports of 08 works	1,026.000
2	Executive Engineer, District Buildings Division, Dadu	03		14 works of District ADP Non-hoisting of Newspaper Clippings	90.800
3	Executive Engineer, Buildings Division, Sanghar	12	2020-21	Various works	19.011
4	Executive Engineer, Buildings Division, Mithi	11		Various works	28.892

5	Executive Engineer, Buildings Division, Matriari	1		03 works	29.165
				Total	**1,193.870**

Audit is of the view that non-hoisting of the contract documents on the authority's website resulted in violation of the SPPRA Rules.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification against the irregularity.

6.5.24 Excess payment on account of consumption of material than actual utilization - Rs.6.126 million

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

(i) During audit of the following offices of Works & Services Department, for the Financial Year 2021-22, it was observed that excess quantity of 776.85 cwt steel amounting to Rs.5.771 million was utilized against the following two works. The detail is given as under:

Sr. #	IPC No. & Date	Name of formation	AIR #	Qty. of steel paid in execution (Cwt.)	Due Qty. of steel as per escalation (Cwt.)	Excess Qty. utilized	Rate (Cwt.)	Amount
1	06th R.A bill Dated 24-06-2022	Executive Engineer, Provincial Buildings Division-II, Karachi	02	2,920.20	2,607.14	313.06	5001.70	1,565,849
2	CV#04, 9th RA, Chq#4538359 dt06-06-2022	Executive Engineer, Provincial Building Division, Shaheed Benazirabad	11	1,171.648	395	776.648	5001.70	4,205,036
							Total	**5,771,000**
							Total in Rs. million	**5.77**

(ii) During audit of Executive Engineer, Provincial Highways Division, Shaheed Benazirabad for the Financial Year 2021-2022, it was observed that the

management made expenditure on excess consumption of bitumen for an amount of Rs.0.355 million by allowing quantity on differential cost more than the measured quantity.

Bill No. & Dated	Name of Work & Contractor	Name of Item	Qty.	Unit	Due Qty. of bitumen (80/100)	Qty. of bitumen allowed	Excess Qty. of bitumen allowed	Rate allowed	Excess payment
05th Dated 17-06-2022	Improvement/ rehabilitation/ construction of various internal roads of U.C 68th mile	**Part (iii):** 1st Coat using 30 lbs. of bitumen of 80/100	142,560	Sft.	19.09	34.09	5.45	65,216	355,474
	(M/s. Naseem Ahmed Shah)	**Part (iii):** 1.5" Thick Asphalt	142,560	Sft.	9.55				
								Total	**355,474**
								Total in million	**0.355**

Audit is of the view that undue benefit was extended to the contractor on account of excess consumption of materials than claimed in differential cost, which resulted in loss to the public exchequer.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

(AIR Para#02)

6.5.25 Excess consumption of steel and cement plaster – Rs.3.289 million

As per Rule 23 of G.F.R, "Every Government officer should realize fully and clearly that he will be personally responsible for any loss sustain by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contributed to the losses by his own action or negligence."

During audit of Executive Engineer, Provincial Building Division, Shaheed Benazirabad for the Financial Year 2021-22, it was observed that steel

and plaster amounting to Rs.3.289 million were consumed in excess than estimates.

Audit also noted the following observations:

(i) Steel as compared to RCC was used more than the specified ratio in the estimates, which resulted in excess consumption amounting to Rs.2.586 million.
(ii) Plaster 1:6 &1:4 as compared to Brick work was used more than the specified ratio as provided in the estimates i.e quantity of Brick work was executed below the estimates whereas the quantity of Plaster exceeded than that provided in the estimates which resulted in excess consumption of cement plaster work for an amount of Rs.0.707million.

Audit is of the view that the excess execution of the quantities of steel and cement plaster were allowed resulting in loss to government exchequer.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the irregularity.

(AIR Para#12)

6.5.26 Excess payment on account of differential cost of material – Rs.1.549 million

According to the Standing Rates Committee's Notification vide Addendum & Corrigendum No.2 Case No.IV/2(IV)-SO(RATES) dated 1st December, 2021, "The differential cost of cement is Rs.145 per bag."

Further, according to Para 2 (b) of *ibid*, "Payment of difference of cost is applicable on above items on new NIT and Chief Engineers/Heads of Building Departments are authorized to rationalize the premium on all these schemes accordingly."

During audit of Executive Engineer, Provincial Highways Division, Shaheed Benazirabad for the Financial Year 2021-22, it was observed that the management made excess payment amounting to Rs.1.549 million on account of

differential cost of material against various works beyond admissibility. The details are given in **Annex-14 of Chapter-6**

Audit also observed the following issues:

(i) For works at Serial#1 of Annex-14, applicable rate for differential cost of bitumen was Rs. 62,876 per ton, but the same was paid @ Rs. 65,216 per ton which resulted into excess payment of Rs. 0.134 million.

(ii) For the work at Serial#2 of Annex-14, the differential cost of cement was Rs.145 per bag plus premium on item of concrete plain @ 71.01% which comes out to be Rs.247.96 per bag. However, the contractor was paid differential cost of cement @ Rs.310 per bag resulting in excess rate of Rs.62.04 per bag.

(iii) For the work at Serial#3 of Annex-14, the differential cost of cement was Rs.145 per bag plus premium on item of cement concrete plain @ 10.88% which comes out to be Rs.160.78 per bag. However, the contractor was paid differential cost of cement @ Rs.310 per bag resulting in excess rate of Rs.149.22 per bag.

Audit is of the view that undue benefit was extended to the contractors on account of differential cost of bitumen and cement beyond admissibility which resulted in loss to the public exchequer.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

(AIR Para#04)

6.5.27 Excess execution of items of First Coat and Asphalt Concrete – Rs.10.537 million

According to Para-23 of General Financial Rules Volume – I, "Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on

his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence."

During audit of the Executive Engineer, Provincial Highways Division, Shaheed Benazirabad for the Financial Year 2021-2022, it was observed that the management made excess payment of Rs.10.537 million on account of 1st coat of asphalt concrete. The total length of road as calculated from the item of brick edging was found to be 8,792 Rft. Thus, the proportionate ratio of 1st coat and asphalt should not have exceeded the maximum quantity of 52,752 Sft., whereas in contravention to that, the 1st coat and asphalt were executed upto the quantity of 189,512 Sft. and 177,841 Sft. respectively which resulted in excess execution of the quantities. The detail is as follows:

Name of work: Improvement of road from Al-Noor Sugar mill to village Habeeri mile 0/0-2/0 (M/s. Gul Bahar Soho) 12th R.A. Bill, dated 20-06-2022.

(Rs. in million)

Name of item	Qty. executed	Due Qty.	Excess Qty.	Unit	Rate	Excess amount
1st Coat	189,512	52,752	136,760	%Sft.	1,679.65	2.297
1-1/2" Thick Asphalt	177,841	52,752	125,089	%Sft.	6,587.15	8.240
Total	**367,353**	**105,504**				**10.537**

Audit is of the view that undue benefit was extended to the contractor on account of payment beyond actual execution of the items which resulted in loss to the public exchequer.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

(AIR Para#05)

6.5.28 Irregular acceptance of single bid without market analysis - Rs.64.968 million

As per Rule 48 of Sindh Public Procurement Rules, 2010, "If single bidder participates for the bidding process, the rates will be compared with market rates or last awarded contract."

During audit of the following offices of Works & Services Department, for the Financial Year 2020-21 & 2021-22, it was observed that contracts of various schemes costing Rs.64.968 million were awarded on single bid basis without comparison of market rates. Further, the market rate analysis and rates of previous contracts of similar nature of works were also not produced to audit for further scrutiny. The detail is as under:

(Rs. in million)

Sr. #	Name of Formation	AIR#	Financial Year	Description	Amount
1	Executive Engineer, District Buildings Division, Sukkur	01	2021-22	Award of tender on single bid(s) without comparison of market rates	20.332
2	Executive Engineer, Highways Division, Tando Muhammad Khan	05			6.016
3	Executive Engineer, Highways Division, Umerkot	3	2020-21	Award of tender on single bid(s) without comparison of market rates	16.065
4	Executive Engineer, Highways Division, Sujawal	7		Do	22.555
				Total	**64.968**

Audit is of the view that participation of a single bidder without conducting market rate analysis raises suspicion of favouritism therefore, chances of uneconomical procurement cannot be ruled out.

The matter was reported to the management during January 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs103.117 million but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit recommends justification for award of work on single bid in absence of market analysis.

6.5.29 Irregular payment of liability without approval of Finance Department – Rs.1.656 million

According to Rule-134 of Sindh Budget Manual, "All charges must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the grants of another year."

During audit of the Executive Engineer Provincial Building Division, Hyderabad for the Financial Year 2021-22, it was observed that payment of Rs.1.656 million was made against liability of 03 M&R works of previous years without approval of the Finance Department. The details are given in **Annex-15 of Chapter-6.**

Audit is of the view that the payment against the liability of previous years' M&R works without approval of the Finance Department is held irregular.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends ex-post facto approval of the Finance Department.

(AIR Para#06)

6.5.30 Irregular execution of work beyond 15% permissible limit – Rs.1,211.637 million

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."

During audit of the following offices of Works & Services Department, for the Financial Years 2020-21 & 2021-22, it was observed that various works were awarded at a cost of Rs.1,769.879 million. Later on, cost and scope of the

works were enhanced to Rs.2,981.515 million which resulted in excess expenditure of Rs1,211.637 million beyond the permissible limit of 15%. The details are given in **Annex-16 of Chapter-6.**

Audit is of the view that execution of works beyond 15% of the original cost by the same contractor without calling fresh tender was in violation of the SPPRA Rule.

The matter was reported to the management during January 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.300.906 million, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit requires justification for the matter.

6.5.31 Non-deposit of original Call Deposit/Bid Security – Rs.22.050 million

As per 6.4 SPPRA guidelines, "(a) A Procuring agency may require the bidders to furnish a bid security neither less than one percent nor exceeding five percent of the Bid Price/Estimated Cost in the form of a call on deposit, pay order, demand draft or Bank guarantee issued by a Scheduled Bank in Pakistan in favour of procuring agency, which shall remain valid for a period of 28 days beyond the validity period for the bids in order to provide the procuring agency reasonable time. (d) bid security of the successful bidder will either be returned, when the bidder has signed the agreement and furnished the required performance security or will be adjusted as part of retention money/security deposit/performance security."

During audit of the following offices of Works & Services Department, for the Financial Year 2021-22, it was observed that call deposits amounting to Rs.22.050 million were retained, but were not deposited in government treasury in violation of the prescribed rules. The details are given in **Annex-17 of Chapter-6.**

Audit is of the view that unauthorized retention of call deposit without justification was negligence on the part of the management.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

6.5.32 Excess payment of Secured Advance against rate of steel – Rs.67.500 million

As per standard Form of Bidding Documents issued by SPPRA, "The contractor shall be entitled to receive Secured Advance from the procuring agency against an Indenture Bond in P.W. Account Form 31 (Fin R. Form No.2) in respect of non-perishable materials brought at site, but not yet incorporated in the permanent works and sum payable for such materials on site shall not exceed 75% of the landed cost of imported materials, of ex-factory / ex-warehouse price of locally manufactured or produced materials, or market price of standard materials. Detail account of advance must be kept in part-II of running account bill. The Secured Advance may be permitted only against materials / quantities anticipated to be consumed / utilized on the work within a period of 3 months from the date of issue of secured advance."

During audit of the Provincial Buildings Division-I, Karachi for the Financial Year 2021-2022, it was observed that the management made excess payment of Rs.67.500 million to the contractor on account of secured advance on delivery of steel on site. The part rate @ per ton amounting to Rs.225,000/- was paid to the contractor @ 75% of Rs.300,000/- whereas the market rate of the steel as per escalation notification by the Standing Rates Committee was Rs.210,000/-. Hence, Rs.67,500/- per ton was paid in excess on account of Secured Advance at 75% of the admissible rate. The details are given in **Annex-18 of Chapter-6.**

Audit is of the view that undue benefit was extended to the contractor on account of secured advance payment beyond admissible rates which resulted in loss of public exchequer.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter besides, prompt recovery of the over-paid amount.

(AIR Para#02)

6.5.33 Unauthorized payment of Secured Advances before recovery of previous advance – Rs.274.156 million

As per Regulations for procurement of works 2013 para **9.3(02)(a),** "**Secured Advance** on the written request of the contractor whose contract is for finished work is allowed to a contractor on the basis of non-perishable non-combustible materials brought and properly stocked/stored to site of work. Secured advance as a good practice is avoided/discouraged. However, wherever allowed, it should be strictly in conformity with the rules and procedure in addition to the condition mentioned below: -(i) on verification and certification of quality, quantity and market rates of the material by the Assistant Engineer/Engineer's representative; (ii) contractor has to furnish the "Indenture Bond" (Annexure I); (iii) secured advance shall be paid to the contractor on the quantities brought and properly stored at site of work. Full quantities of materials for entire work / contract should not be advanced; (iv) Recoveries of advances so made should be made from his bills for work done as the materials are used, the necessary deductions be made whenever the items of work in which are used are billed for, or shall be recovered in full within 90 days, even if unutilized; (v) New secured advance should not be allowed until and unless the previous advance, if any, stands fully recovered (vi) advance amount is calculated on the basis of 75% of the market value of that material."

During audit of the following offices of the Works & Services Department for the Financial Years 2020-21 to 2021-22, it was observed that an amount of Rs.274.156 million was paid as Secured Advance against the material supplied to various contractors in violation of the rules.

(Rs. in million)

S.No.	Office	F.Y.	AIR No.	Amount
1	Executive Engineer Provincial Building Division, Mirpurkhas	2021-22	7	179.907
2	Executive Engineer, Provincial Building Division, Thatta	2020-21	25	88.186
3	Executive Engineer Provincial Building Division, Sukkur	2020-21	23	6.063
			Total	**274.156**

The following irregularities were observed against each case:

1. The management at S#01 paid multiple advances to M/s. Hot Chand Bhuromal for Steel against the scheme "Establishment of Public School & Darul Sakoon at Prem Nagar Islamkot" without recovery of the first one. All the three advances were paid in the month of June and the same were neither recovered till 3rd RA Bill nor Indenture Bond was obtained.
2. The management at S#02 allowed two advances to M/s. Harish & Co against the work, 'Construction of Admin Block Library, Cafeteria, Engineering Maintenance Block, Hostel for visiting faculty & lower staff', but the same was not recovered despite lapse of two years.
3. The management at S#03 made payment for Secured Advance against 62 tons of steel instead of estimated quantity of 39.015 tons which resulted in excess quantity of steel i.e. 22.985 tons amounting to Rs.4.367 million. Further, the payment of Secured Advance was made @ 95.24% for the material supplied instead of admissible limit of 75%.

Audit is of the view that payment of secured advance in violation of rules was unauthorized.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

6.5.34 Irregular payment of steel in violation of specification – Rs.10.880 million

As per Rule 6.2.2(2) of Guidelines / Regulations for Procurement of Works Part II: Bill of Quantities: Procuring agency shall prepare the Bill of Quantities appropriate to the works. The quantities given in the Bill of Quantities are estimated and provisional, and provide common basis for tendering. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the contractor and verified by the Engineer and valued at the rates and prices tendered in the bill of the quantities.

During audit of office of the Provincial Buildings Division-I1, Karachi for the Financial Year 2021-2022, it was observed that the management made advance payment against M.S Steel Bar amounting to Rs.10.880 million instead of Cold Twisted Tor bars in violation of approved specification as provided in the estimate. Detail is given as under:

(Amount in million)

R.A Bill No. & Dated	Name of Work & Contractor	Qty. of steel	Unit	Full rate	Part rate (75%)	Amount
16th R.A Bill Dated June, 2022	Construction of Divisional Warehouse in Sindh @ Karachi (M/s. Anwar Ahmed Construction Co.)	48.00	Per Ton	164,848	123,636	5.935
		40.00	Per Ton	164,848	123,636	4.945
					Total	**10.880**

Audit is of the view that due to violation of specification, chances of substandard execution of work cannot be ruled out. Thus, the payment made against Secured Advance stands irregular.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification of the matter for execution of item against the specification.

(AIR Para#08)

6.5.35 Irregular execution of solarization work– Rs.12.973 million

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

During audit of Executive Engineer, District Buildings Division, Dadu for the Financial Year 2021-22, it was observed that an expenditure amounting

to Rs.12.973 million was made against additional facilities & solar panel system of DC Office Dadu. However, market rate estimates were prepared and procured from single vendor i.e. M/s. Bhittai Electric Store on cash memos without mentioning date, which showed that the estimates were obtained from non-specialized vendor.

Audit is of the view that the procurement of solar system without market survey and non-obtaining of NOC from the Energy Department Government of Sindh, rendered the whole expenditure irregular.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para#01)

6.5.36 Irregular constitution of Procurement Committee -Rs.1,159.778 million

As per letter No.Dir(CB)/SPPRA/3-4(Ireg-95)/14-15 of Government of Sindh, Sindh Public Procurement Regulatory Authority dated 28th May, 2015 at serial No.1 "Composition of the Procurement Committee is not in conformity with Rule-7 of SPP Rules, 2010 (Amended-2013) as Divisional Accounts Officer cannot be considered an outside member of the procurement committee."

As per Rule-7 of SPP Rule-2010, "The procuring agency shall, with approval of its Head of the Department, constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by a gazetted officer not below the rank of BS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency."

During audit of the various offices of Works & Services Department, Government of Sindh for the Financial Years 2020-21 & 2021-22, it was observed that procurement amounting to Rs.1,159.778 million was made, but the Procurement Committee was not constituted as per the rules. The details are as under:

(Rs. in million)

Sr. #	Name of Formation	AIR Para#	Financial Year	Description	Amount
1	Executive Engineer, Provincial Buildings Division-III, Karachi	01	2021-22	Divisional Accounts Officer was included in the Procurement Committee	448.099
2	Executive Engineer, Buildings Division, Sujawal	03		Procurement committee not constituted by the head of the department	203.466
3	Executive Engineer, District Buildings Division, Sukkur	03		Procurement committee not constituted by the head of the department	246.921
4	Executive Engineer, Provincial Highway Division, Larkana	06	2020-21	Procurement committee not constituted by the head of the department	261.292
				Total	**1,159.778**

Audit is of the view that due to non-constitution of procurement committee as per the prescribed rules, it resulted into violation of SPPRA Rules.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

6.5.37 Mis-procurement due to award of work to the second lowest bidder –Rs.548.151 million

As per Notification NO. SORI(SGA&CD)2-30/2010, "In exercise of the powers conferred by Section 26 of the Sindh Public Procurement Act, 2009, the Government of Sindh is pleased to make the following rules: (46) Procedures of open competitive bidding - Save as otherwise provided in these rules, the following procedures shall be permissible for open competitive bidding; (2) Single stage – two envelope procedure (J) bid found to be the lowest evaluated or best evaluated bid shall be accepted.

During audit of the following offices for the Financial Year 2021-22, it was observed that works were not awarded to the lowest bidder in violation of rules. The details are as under:

(Rs. in million)

Sr. #	Name of Office	Name of Work & Contractor	AIR Para#	Year	Amount
1	XEN Provincial Buildings Division-III, Karachi	Construction of Residential & Studio Apartments at Bath Island" was awarded to M/s. Abdul Majeed & Co.	02	2021-22	448.100
2	XEN Machinery Maintenance Division, Umerkot	Construction of road from New Chore to Mehandre-jo-Par Mile:0/0-9/0 (14.48 Kms) (Remaining Work)	02		100.051
				Total	**548.151**

Audit also observed the following issues:

i. The work at S.No.1 was rejected on the grounds of non-availability of experience relating to Judiciary which was un-justified as such condition restricted the healthy competition. Further, the tender was invited on single stage single envelope procedure which was not applicable for mega projects like this, wherein the procurement process required technical evaluation before opening of financial bids; whereas the single stage single envelop method of procurement cannot be adopted to properly evaluate the bids technically.

ii. The work at S.No.2 was not awarded to the lowest bidder with the reason of "not relevant experience" and the management awarded the contract to the second lowest bidder.

Audit is of the view that non-award of work to the lowest bidder on the basis of above-mentioned reasons resulted into violation of SPPRA Rules leading to mis-procurement.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires inquiry into the matter for fixing responsibilities on person(s) at fault.

6.5.38 Excess payment due to unjustified execution of linked items of road work –Rs.1.606 million

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order.

During audit of the Executive Engineer, Provincial Highways Division, Dadu for the Financial Year 2021-22, it was observed that as per estimate of the work 'Construction of remaining portion of Toung to Balpuri Thano Ahmed Khan Road mile 12/4-18/1', the items 'Providing 1st coat of surface dressing' & 'Providing 1inch thick carpet' were required to be executed in the same quantities, however the item '1inch thick carpet' was executed 36,137 % sft. in excess, which resulted in excess payment of Rs.1.606 million. The details are given in **Annex-19 of Chapter-6**.

Audit is of the view that the quantity of 1st coat of surface dressing should commensurate with the quantity of the carpeting as these items were laid in layers over one another, but in the instant case, the quantity of carpeting was increased without affecting the quantity of surface dressing. This resulted in unjustified excess payment against the item of carpeting.

The matter was reported to the management during August, 2022 but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the payment of carpeting without having any surface dressing.

(AIR Para#03)

6.5.39 Unjustified payment of M&R works to avoid lapse of budget– Rs.54.305 million

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

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

During audit of various offices of Works & Services Department, Government of Sindh for the Financial Year 2021-22, it was observed that an amount of Rs.54.305 million was paid to the contractors on account of works having completion time period between 06 months to 01 year, but date of MBs on bill and payment date reflected that the works were completed within seven to fourteen days after the award of work. The details are given in **Annex-20 of Chapter-6.**

Audit is of the view that huge payments were made within a short period of time during the month of June which reflects that the amount was released to the contractors in advance to avoid lapse of budget.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

6.5.40 Irregular approval of District ADP schemes beyond financial competency – Rs.929.914 million

According to notification No. SO(C-IV)SGA&CD/4-54(B)/11 dated 29th November, 2011 issued by Services General Administration & Co-ordination Department, "The Government of Sindh is pleased to constitute District Development Committees (DDCs) for the purpose of implementation of District Development Schemes for which Deputy Commissioner will be the Chairman of the committee and DDC shall have the power to approve the development schemes of the district upto Rs 20 million. The Deputy Commissioner shall be the Project Director of the Development schemes."

During audit of Executive Engineer, District Highway Division Badin, for the Financial Year 2021-22, it was observed that various schemes amounting to Rs.929.914 million were approved by the District Development Committee (DDC), headed by the Deputy Commissioner Badin, beyond its financial

competency i.e. Rs.20.00 million for each scheme. The details are given in **Annex-21 of Chapter-6**.

Audit is of the view that the management transgressed the financial powers in violation of delegation of powers which resulted in irregular approval of schemes.

The matter was reported to the management during July 2022 to November 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.6.767 million, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit recommends providing clarification regarding approval of the District Schemes beyond financial competency.

(AIR Para#01)

6.5.41 Unjustified payment on execution of various items of works – Rs.39.304 million

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

(i) During audit of XEN Building Division, Shaheed Benazirabad for the Financial Year 2021-22, it was observed that work amounting to Rs.5.238 million was awarded to M/s. Sadar Din Memon on account of "Construction of Hall at DC office" in which 60% work of plaster, 100% work of Aluminum doors & windows and 100% marble work had been completed, whereas work on main RCC structure i.e. Roof, Beams and Slabs was still required to be executed. The details are given in **Annex-22 of Chapter-6**.

Audit is of the view that execution of items of plaster work, Aluminum doors/windows and Marble work before execution of work on main RCC structure implies that work was not executed as per specification; thus, the payment stands unjustified.

(AIR Para#06)

(ii) During audit of XEN Building Division, Khairpur for the Financial Year 2021-22, it was observed that in the work "Construction of Municipal Committee Hall at Kingri", the items of RCC & Brick work including marble flooring at ground floor & first floor were shown executed up to 100% without completion of foundation work.

Audit is of the view that partial completion of foundation work in contrast to that 100% completion of other items at the ground floor and first floor was unjustified.

(AIR Para#01)

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter.

6.5.42 Irregular expenditure from M&R head due to misclassification– Rs.144.226 million

According to Rule 12 of GFR, Volume-I, "A controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided."

During audit of the following offices of Works & Services Department for the Financial Years 2020-21 & 2021-22, it was observed that the management awarded the work amounting to Rs.144.226 million for the ADP schemes but the expenditure was booked under M&R head of account instead of Capital component of the ADP concerned.

(Rs. in million)

Sr. No.	Name of office	AIR Para#	Financial Year	Amount
01	Executive Engineer, Provincial Buildings Division-II	05 & 07	2021-22	88.362
02	Executive Engineer Provincial Building Division, Sukkur	17	2020-21	55.864
			Total	**144.226**

Audit also observed that the work at Sr. No.1 with stipulated completion time of three months was carried out within 10 to 22 days of the award, which

created doubts at the quality of actual work done. The details are given in **Annex-23 of Chapter-6**.

Audit is of the view that execution of work without fulfilling codal formalities and subsequent charging of expenditure from M&R head instead of capital head of account resulted in misclassification of expenditure.

The matter was pointed to the management in the month of June 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends regularization of the expenditure besides fixing of responsibility on the person(s) at fault.

6.5.43 Non-reconciliation of payment made to the Land Acquisition Officer - Rs.47.629 million

As per Rule 41 (a) of SFR Vol-I, "The departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller".

During audit of various offices of Works & Services Department, Government of Sindh for the financial years 2020-21 & 2021-22, it was observed that an amount of Rs.47.629 million was paid to Land acquisition officers without providing disbursement details.

(Rs. in million)

Sr. #	Name of Formation	AIR Para#	Year	Description	Amount
1	Executive Engineer Provincial Highway Division Khairpur	07	2021-22	Payment for land acquisition to Acquisition officer Hyderabad without land transcript report & its utilization	34.000
2	Executive Engineer Highway Division Khairpur	13	2020-21	Payment for land acquisition to Acquisition officer Kotdigi without utilization report	13.629
				Total	**47.629**

Audit is of the view that due to the payment without obtaining details of the owners and the utilization report, the chances of misappropriation cannot be ruled out.

The matter was reported to the management during January 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires details of disbursements to the beneficiaries by the LAO.

6.5.44 Irregular approval of technical sanction over and above the Administrative Approval –Rs.61.199 million

As per SPPRA Procurement Regulations (Works) issued on May 2011, 11.1.4, "After issuance of administrative approval, but before the start of work or incurring of the expenditure on such scheme/work, it is found that cost is not sufficient for completion of the scheme due to inadequate financial/ physical provisions, then PC-I of the scheme is modified by incorporating additional provisions and thus administrative approval issued on Modified PC-I is called Modified Administrative Approval and have built in cushion of 15 percent excess on Modified AA cost. The amount of the detailed estimate must not exceed the amount included in the administrative approval by more than 10 per cent."

During audit of Executive Engineer Provincial Highway Division Khairpur for the Financial Year 2021-22, it was observed that technical sanction amounting to Rs.61.199 million was approved by the Chief Engineer over and above 10% of the administrative approved cost of the schemes without modification of the same. The details are given in **Annex-24 of Chapter-6**.

Audit is of the view that approval of T.S over and above the administrative approved cost/PC-I cost beyond permissible limit resulted in irregular approval of T.S.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends obtaining approval of modified PC-I.

(AIR Para#15)

6.5.45 Partial completion of works despite 100% financial progress - Rs.131.879 million

According to Rule-23 of GFR Vol-I, "Every Government officer should realize fully and clearly that he will be that he will be personally responsible for any loss sustain by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contributed to the losses by his own action or negligence."

During the course of audit of office of Executive Engineer, District Highway Division Jacobabad, for the year 2021-22, it was observed that 100% expenditure was made against the schemes whereas the progress report showed partial work done. Detail is as under:

(Rs. in million)

Total No of Schemes	Total Estimated Cost	Cumulative Expenditure made upto June 2022	Cumulative Financial Progress	Cumulative Physical Progress	Range of physical progress	Remarks
17	131.879	131.879	100%	71%	5% to 90%	Details attached at AIR

Audit is of the view that due to non-completion of schemes despite 100% financial progress, it implies that the schemes have exceeded the PC-I cost.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of the matter.

(AIR Para#02)

6.5.46 Unjustified executions of construction of road work– Rs.63.386 million

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

During audit of XEN Highways Division, Ghotki for the Financial Year 2021-22, it was observed that expenditure of Rs.63.386 million was made against various works which were initiated during the period 2014-2015. The works were partially executed in the first year and then no activity was carried out for more than 5-8 years. The details are as under:

(Rs. in million)

Sr. #	Name of Office	AIR Para#	Financial Year	Amount
1	XEN Highways Division, Ghotki	01	2021-22	39.477
2		02		23.909
Total				**63.386**

Audit also observed the following issues:

i. For the works at S.No.1, total expenditure of Rs.39.477 million was made against the works which started during 2014-2015. Out of the total expenditure, an amount of Rs.24.546 million (66%) was paid during the year 2021-22, whereas only Rs.14.930 million was paid during the initial stages of the award of work.

ii. For the works at S.No.2, the schemes were started in 2014 & 2016, whereas the item of 'carpeting' was executed in 2021-22 after a lapse of significant period. Further it was noticed that the differential cost of bitumen was not claimed in the bills, despite the fact that the cost of bitumen escalated due to inflation and provision for differential cost was available in the estimate (38.79 tons).

The details of S.No (i) & (ii) are given in **Annex-25 of Chapter-6.**

Audit is of the view that due to an extraordinary delay, there exists a possibility that works executed 7-8 years ago would have deteriorated on account of persistent weathering effects and commencement of the same work renders it unjustified.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

6.5.47 Irregular execution of work due to abnormal variations against estimate – Rs.8.513 million

As per para 527 of Public Works Departmental Manual, Volume-I, "No work shall begin unless proper detailed design and estimate have been

sanctioned; allotment of funds made and order for its commencement issued by the competent authority."

(i) During audit of Executive Engineer, District Highways Division, Khairpur for the year 2021-22, it was observed that an expenditure of Rs.4.677 million was made against M&R work i.e. 'Road from Kholra to Haji M.Bachal Soomro executed by M/s RM Associates on items of Base Course & First Coat, but abnormal variations in the execution of these items were noticed as compared to the original estimates. The detail is as under:

Item	Estimate	Execution	Excess/ Below	Percentage
Work Order#148, dt:23/3/2022				
Base course	2,316	10,880	8,564	369.78%
First coat	9,266	38,415	29,149	314.58%

(AIR#05)

(ii) During audit of the Executive Engineer Provincial Building Division, Sukkur for the Financial Year 2020-21, it was observed that work of 'Construction of Director Agriculture Extension Office Sukkur' was awarded to M/S The Team, but due to additional execution of quantities, excess payment of Rs.3.836 million was made. The detail is as under:

1. The executed quantity of Frames/Chokhats (Doors/windows) was 646Rft, which was 05 times (500%) more than the estimates.
2. Not only the executed quantities for G.I Frames/Chokhats (Doors) were 04 times (400%) more than the estimated quantities, but also the management executed additional quantities of Aluminum channel for doors irrationally.
3. Similarly, the executed quantities of 1st class deodar wood (Doors/windows) were approximately 11 times (1080%) more than the estimates. The details are given in **Annex-26 of Chapter-6**.

(AIR Para#14)

Audit is of the view that abnormal variations in execution of main items of work as compared to estimates, resulted in enhancement of overall scope of work without approval of the competent authority.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the above irregularities.

6.5.48 Execution of work in violation of Design/T.S – Rs.25.133 million

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

(i) During audit of XEN Highways Division, Khairpur for the Financial Year 2021-22, it was observed that an amount Rs.19.842 million was paid to M/S Nawab Khan & Brothers against the scheme 'Construction of road from Sanhro Wah to Allah Bux Rind, Kotdiji mile 1/4- 3/2', wherein the following irregularities were noticed:

1. Quantities of items of road work exceeded upto 5%, whereas the total length of road (9240 ft with12ft width) remained unchanged.
2. Quantities of span culverts exceeded upto 91%, which reflected that 02 span culverts were constructed more than the estimated quantity.
3. 10 Feet bridge was not constructed, but the work was finalized.

(AIR Para#02)

(ii) During audit of XEN Building Division, Khairpur for the Financial Year 2021-22, it was observed that expenditure amounting to Rs.5.251 million was made on ground floor for the scheme, 'Establishment of Modern Fire Station at Khairpur (Civil Work)', in which following points were noticed:

1. Quantity of RCC and brick work was executed at 73% & 51% of the estimates respectively, whereas quantity of CC Plain was executed 253% of the estimates.
2. Quantity of RCC was shown executed 73% of the estimates, whereas quantity of Steel was shown 106% of the estimates. This shows that payment for excess consumption of steel amounting to Rs.0.789 million was made as compared to estimates.
3. In 6th RA, paver block was shown executed, but in 8th RA paver block execution was deducted and CC topping was included, which reflects that fake entries were recorded in MB against 6th RA. The details are given in **Annex-27 of Chapter-6**.

Audit is of the view that either defective estimates were prepared or execution was beyond the scope of work.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for abnormal variation in the scope.

(AIR Para#04)

6.5.49 Irregular payment against various road works in short duration - Rs.29.970 million

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

During audit of the office of Executive Engineer, Highway Division Khairpur for the Financial Year 2021-22, it was noticed that an amount of Rs.29.970 million was paid to contractors under the following schemes in which 100% quantities of various items were shown completed within 01 to 02 weeks, except for item of carpet whereas period for completion of works was 02 years. The details are as under:

(Rs. in million)

CV#	Name of work	Contractor	W/O	Expenditure	Cost
H-41 9/6/2022	Reconditioning of road from A.Hafeez Chandio to village Gharibo Chandio, kingri 0/0-1/5+330	M/S Rizwanullah	363 1/6/22	10.00	19.899
H-42 9/6/2022	Reconditioning of road from Wada Panhyar to Nanda Panhyar, kingri 0/0-1/6		365 1/6/22	9.97	19.601
H-216 16/6/2022	Reconditioning of road from Bakhar kanasira to old NHW via Dar, Kotdiji 0/0-0/7+330	M/S Imtiaz Ali Wassan	370 1/6/22	10.00	19.494
			Total	**29.970**	**58.994**

Audit is of the view that release of payment within 1 to 2 weeks of award of works shows that management made advanced payment in the month of June to avoid lapse of budget.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification against the irregularity.

(AIR Para#01)

6.5.50 Excess award of work above the quoted premium - Rs.2.496 million

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

During audit of the office of XEN Building Division, Khairpur for the Financial Year 2021-22, it was observed that work 'Construction of Jamia Masjid at Shia Eidgah Khairpur' was awarded to M/S Naqvi Builders at an amount of Rs.14.468 million, whereas the contractor's quoted premium of 14.10% above the Schedule-B comes out to be Rs.11.972 million in contrast to the awarded amount.

Rs. in million

As per BOQ	Premium		Total	Difference
10.493	14.10%	1.479	11.972	2.496

Audit is of the view that improper application of premium amount on Schedule-B, resulted in excess award of work by an amount of Rs. 2.496 million.

The matter was reported to the management during July 2022 to November 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends to rectify the work order and recover any excess payment if made.

(AIR Para#03)

6.5.51 Excess expenditure without obtaining revised administrative approval – Rs.37.062 million

As per Special Powers Part-II, Second Schedule of the Sindh Delegation of Financial Powers and Financial Control Rules 2019, "Chief Engineer has full powers subject to the condition that the excess over the amount for which administrative approval has been accorded does not exceed 15 per cent. In case of excess over 15 percent, fresh administrative approval will be required."

During audit of various offices of Works & Services Department, for the Financial Year 2020-21, it was observed that works under various schemes amounting to Rs.61.905 million were awarded, but expenditure made against the same was Rs.98.966 million, which was beyond 15% of the original cost, resulting in excess expenditure of Rs.37.062 million without obtaining Revised Administrative Approval. The details are given in **Annex-28 of Chapter-6.**

Audit is of the opinion that the works were irregularly executed beyond 15% as the mandatory revised administrative approval was not obtained.

The matter was reported to the management during January 2022 to April 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends obtaining revised administrative approval.

6.5.52 Award of works to contractors without PEC Registration – Rs.19.361 million

As per PEC letter No.PEC/Consult/ES/1900017 dated 01-09-2005, "Non-engineering works shall be constructed except by constructor or operated except by operator licensed as such by the council (PEC). All consulting engineering services in Pakistan shall be entrusted to only a consulting engineer duly registered as such with the council (PEC)." Further as per Planning & Development Department, Government of Pakistan's letter No.1(63-

A)PP&H/PD/2005 dated 14-09-2005, "All respective provincial departments, city/district government, TMA's, UC Administrations, housing, water supply and sanitation agencies must ensure that compliance of the instructions given in Pakistan Engineering Council byelaws 1986 & 1987 are fully implemented in all engineering contracts and procurement of engineering services and works in order to restrain from pre-qualification of all such local and foreign firms, which do not abide by PEC laws and rules."

During audit of the Executive Engineer, Buildings Division, Sanghar for the F.Y 2020-21, it was observed that works amounting to Rs.19.361 million were awarded to various contractors without having Pakistan Engineering Council (PEC) registration. The details are given in **Annex-29 of Chapter-6.**

Audit is of the view that the award of works to contractors without registration with PEC is serious negligence on the part of the management, which reflects weakness of internal controls.

The matter was pointed out to the department in March, 2022, but no reply has been received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting an inquiry into the matter.

(AIR Para#07)

6.5.53 Non-completion of work as per PWD Specification - Rs.60.060 million

According to Clause-17 of the agreement, "If at any time before the security deposit is refunded to the contractor, it shall appear to the Engineer-in-Charge or his sub-ordinate in charge of the work, that any work executed with unsound, imperfect or unskilful workmanship or with materials of inferior quality, or that any materials or articles provided by him for the execution of work are unsound, or quality inferior to that contracted for, or are otherwise not in accordance with the contract, it shall be lawful for the Engineer-in-charge to intimate this fact in writing to the contractor and then notwithstanding ,the fact that the work materials or articles complained of, may have been inadvertently passed, certified and paid for, the contractor shall bound forthwith to rectify or remove and reconstruct the work so specified in, whole or part, as the case may require."

During audit of the following offices of Works & Services Department, for the Financial Year 2020-21, it was observed that an amount of Rs.60.060 million was paid to contractors against the final bills, wherein several items were paid at reduced rate. The details are given in **Annex-30 of Chapter-6.**

(Rs. in million)

Sr. #	Name of Office	AIR#	Year	Amount
1	Executive Engineer, Buildings Division, Kashmore @ Kandhkot	04	2020-21	18.216
2	Executive Engineer, Provincial Building Division, Thatta	11	2020-21	41.844
			Total	**60.060**

Audit is of the view that due to payment at reduced rates on final bills, chances of compromise on quality of the work cannot be ruled out.

The matter was reported to the management during March 2022. The irregularity of the same nature was also reported in Audit Reports for the year 2021-22 with financial impact of Rs.8.042 million, but the PAO did not take remedial measures to avoid recurrence. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 06-01-2023.

Audit requires justification for the matter.

6.5.54 Non-recovery of rental charges against accommodation - Rs.56.427 million

According to Para 1 (1) of the Communication & Works Department, Government of Sindh office order No. EI(W&W)1-9/91 Dated 08-01-1992, "Collection of revenue for room rents, vehicle hire charges and telephone charges from guests and after preparing proper accounts remit the same into government treasury. Further para (2) of ibid states that, "Ensure that no government charges remain unrealized from guest."

During audit of the following offices of Works & Services Department, for the Financial Year 2020-21, it was observed that the management allotted government accommodations to the employees/occupants without recovery of room rental charges amounting to Rs.56.427 million. The detail is as under:

(Rs. in million)

Sr.#	Name of Formation	AIR#	Financial Year	Details	Amount
1	Resident Engineer, Special Project Sindh House, Islamabad	03	2020-21	Accommodation provided to 04 employees EX-R.E. of BPS-19 without recovery of rental charges	56.022
2	Comptroller, Sindh House Islamabad/Murree	06	2020-21	Recovery of room rent charges from occupant Mr. Azam Larik, Driver Room No.20 of 90 days staff without allotment orders	0.405
				Total	**56.427**

Audit is of the view that non-recovery of rental charges resulted in undue benefit to the employees besides, loss of revenue.

The matter was pointed to the management in the month of March 2022, but no reply was received. Despite written request vide letters dated 16-11-2022 & 06-01-2023, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for the matter besides, prompt recovery of the rental charges from the incumbents.

Chapter-7 THEMATIC AUDIT

7.1 Improvement of link roads infrastructure for rural prosperity

7.2 Introduction

The invention of the wheel is considered to be one of the remarkable hallmarks of human intellect. It ushered in an era of tremendous progress and represented a major turning point in human civilization. In terms of technical and scientific perspective, the benefits reaped by mankind from this invention are multifarious, but its prime advantage was observed with the construction of the road network. By dint of the wheel and road nexus, humanity witnessed a paradigm shift in various spheres of life as the former opened up more areas and stimulated economic and social development. By linking producers to markets, workers to jobs, students to school and the sick to hospitals, roads are vital to any development agenda. Therefore, the development of a well-connected road network can easily be categorized as the prime determinant of an area's well-being. The importance of durable road infrastructure can be gauged from the fact that it has been declared as one of the Sustainable Development Goals 2030 set by the United Nations. Roads are the predominant mode of transport in Pakistan, accounting for 96% of freight traffic and 91% of passenger movement. Sindh, in the capacity of being Pakistan's second-largest populous province, plays a pivotal role in the national economy, but the poverty level in the province has been alarmingly high because of inequality, poor education and lack of employment opportunities[3]. This cheerless factor has greatly affected the periodic uplift of the human development index. The rural population of the province constitutes 47.98%[4] (23 million), out of which 40% (9.2 million) of the population live below the poverty line. An improved infrastructure, most specifically the roads, is key to rural development. It is a crucial pathway to poverty alleviation as it provides access to a safe, affordable and sustainable transport system[5].

The urban population in Sindh is engaged in manufacturing, commercial and services sectors, whereas in rural areas the population is predominantly dependent upon agro-based economic activities. The demographic distribution

[3] Page 4, Pakistan Institute of Development Economics (PIDE) Annual Report 2021.
[4] Population Census 2017, https://en.wikipedia.org/wiki/Sindh#Economy
[5] Asian Development Blog https://blogs.adb.org/blog/rural-roads-are-key-helping-societys-most-vulnerable

of the province in terms of Urban and Rural comparability is 20:80 respectively. A better road network in rural areas can reduce the cost of agricultural products, curtail access time to the market, ensure better health services, enhance education opportunities and accelerate economic growth. Due to the absence and poor maintenance of the road network, the rural population has been persistently deprived of the gains of social and economic prosperity.

In the aftermath of the above rural road infrastructure challenges, the Government of Sindh has initiated many construction, rehabilitation and upgradation schemes. The instant report based upon Thematic Audit is an attempt to review the endeavors on part of the Works & Services Department (WSD), Government of Sindh to improve the condition of the existing roads besides, constructing new ones to raise rural prosperity and assess compliance of the relevant Sustainable Development Goals set by the United Nations.

7.3 Background:

In Sindh, agriculture is the largest sector accounting for over 25% of Pakistan's exports. The major source of these exports comprises cotton-based textiles and agro-processed goods. The rural areas are currently marred by poorly maintained roads and unpaved tracks, which link a number of villages to the suburban towns. The international standard suggests the availability of 1 km of road per 1 sq. km area, whereas Pakistan has 0.33 km of road per 1 sq. km area[6]. The threshold of this optimal parameter is even lesser in rural areas. Consequently, the rural areas are devoid of the standard road connectivity to attain sound economic development besides, easy access to education, health facilities and bartering. Subsequent to the enactment of the Devolution Plan in 2001, Communication and Works Department was renamed as Works & Services Department. The WSD plan and execute road networks. Keeping in view the infrastructure constraints impacting the rural population and national economy, the Government of Sindh through WSD has been taking various efforts to improve the road infrastructure for rural prosperity. From 2015-16 to 2019-20, the WSD executed 2387 schemes in the entire province with an expenditure of Rs.106,458.675 million, out of which 617 schemes were completed with a road length of 5715 kms. Despite hefty spending on various schemes, most of the rural population is deprived of the intended benefits. The people in most rural areas are still devoid of easy access to education, health and

[6] Asian Development Bank Transport Sector Assessment, https://www.adb.org/sites/default/files/linked- documents/46377-002-ssa.pdf

bartering facilities. A Road Master Plan is being prepared by the WSD for the next 20 years, which also includes a survey of the existing 57000 km road network. It is worth mentioning that a special machine has been procured by the consultants which can measure the IRI (International Roughness Index) of the road. GPS coordinates of all roads will be included in the road database. On the basis of these features, Master Planning will be carried out for the next 20 years[7]. The endeavors initiated by the WSD are sublimely public-oriented, but a mammoth task lies ahead to achieve the optimum targets.

7.4 Establishing the Audit Theme

7.4.1 Reasons of Selection

The low road density and poor road conditions have drastically constrained the development of the provincial economy. Consequently, the subject theme has been selected to review the policies and tangible efforts taken by the government to bring forth notable progress and use of pragmatic solutions in the context of real-world decisions.

Further, the issue is relevant to the SDG 2030 of the United Nations under Goals # 9 and 11 to which Pakistan is also a signatory. The details are as under:

Theme	Relevance of the theme with SDGs	Targets
Improvement of link roads infrastructure for rural prosperity	Goal 9-Industry, Innovation and Infrastructure	9.1 - Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
		11. a - Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.
	Goal-11 Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

[7] https://wsd.sindh.gov.pk/foreign-assisted

In order to align with the SDGs, the Government of Sindh has initiated a number of development schemes to improve the road infrastructure with the aim to establish an effective road network for rural connectivity with main markets.

7.4.2 Purpose/Objectives

The purpose of this thematic audit is to find out the grey areas in the execution of the road infrastructure schemes and to review how effective the measures taken by the authorities concerned have been to develop an effective rural road network for the prosperity of the remote areas. The report shall be helpful to the Government of Sindh and the administrative department i.e. WSD in assessing their prevalent position regarding the attainment of targets relevant to Sustainable Development Goals i.e. Goal 9-Industry, Innovation and Infrastructure and Goal 11- Sustainable Cities and Communities. It will also be prolific to evaluate vital indexes pertaining to the socioeconomic development of rural areas.

The outcome of the report is expected not only to sensitize the executive and legislature for taking necessary corrective measures in achieving the desired results but also to create awareness among the general masses.

The objectives of the audit are also to determine the effectiveness of current policies, frameworks, rules and implementation strategies related to the subject.

7.4.3 Scope

The scope of this audit was to assess whether the huge expenditure against rural road development contributed to the socio-economic upliftment of the rural population or otherwise. There are 836 new and existing road schemes throughout the province, wherein 49 schemes pertain to the main roads and the remaining are mostly rural/link road schemes. Keeping in view the vastness of the research threshold, the scope of the instant thematic audit has been limited to the major schemes in Thatta, Naushero Feroze, Shaheed Benazirabad and Tando Allahyar districts. In pursuance of preparing the thematic report, while adhering to the relevance of the scope, a review of financial data from the provincial budget book and the combined physical-financial progress report submitted by the WSD was holistically made.

The following ToRs were chalked out for the thematic audit activity:

- To assess the role and responsibilities of different government agencies.
- To assess the inter-departmental coordination between various government agencies.
- To evaluate the implementation status of schemes in terms of cost and time over-run.
- To analyse gaps in the planning, implementation and monitoring stages of various schemes.
- To evaluate the non-achievement of set targets by the government despite the utilization of funds.
- To examine discrepancies that contributed to the rapid deterioration of the infrastructure.
- To highlight the adversities faced by the rural population in the absence of resilient road infrastructure.

7.5 Legal framework governing the theme

As per Rules of Business 1973, WSD will perform the following function relevant to the improvement of road infrastructure in urban and rural precincts:
"Planning, designing, construction, monitoring, maintenance and repair of Roads, Bridges, Ferries, Tunnels, Ropeways, Causeways and Tramway lines."
In addition to the above, the WSD follows Public Works Department Code (PWD).
Both of the above are integral features governing the legal framework of the theme.

7.6 Stakeholders and governmental organizations identified as directly/indirectly involved

1. Works & Services Department.
2. Finance Department, Government of Sindh.
3. Planning and Development Department, Government of Sindh.
4. Chief Engineer Highways Hyderabad and Sukkur.
5. Five Circles headed by Superintendent Engineers at the Division level.
6. Executive Engineers at District levels.
7. District Administration.
8. Sindh Public Procurement Regularity Authority.

7.7 Role of important organizations

Works & Services Department has the mandate to plan and execute schemes for the improvement of the roads in the province. The work is executed through Chief Engineers stationed at Hyderabad and Sukkur with subordinate support of offices involving Superintendent Engineers in circles and Executive Engineers in districts.

Finance Department manages the province's fiscal, tax and economic policy. It is also entrusted to generate the financial periodic reports as required under the law.

The Planning and Development Department is responsible for all development schemes, programs and proposals submitted by other departments and for making recommendations to the government thereon. It monitors the progress and evaluation of development schemes and makes their critical appraisal.

7.8 Organization's Financials

The Works & Services Department (WSD) is a regular department of the Government of Sindh. The development expenditure is being charged through the department's Development Demand No. SC12132 as well as by the District Governments under Development Demand No. SC12167. The road infrastructure schemes are fully funded by the Government of Sindh. The total throw-forward funds required to complete all the road schemes as of 01.07.2021 stood at Rs.102,151.941 million. The Government of Sindh earmarked Rs. 16,785.372 million against 292 ongoing schemes, whereas for the 401 new schemes it has allocated Rs.12,632.975 million during the Financial Year 2021-22[8].

7.9 Field Audit Activity

7.9.1 Methodology

The audit teams conducted an audit of the available data relevant to the various road schemes while focusing on quantitative and qualitative aspects of the theme. During the desk audit following documents were reviewed:

[8] Vol V, Budget Book 2021-22, Government of Sindh.

1. PC-I copies of various schemes.
2. Progress report of all schemes.
3. PC-IV copies of the completed schemes.
4. Payment vouchers of various field formations.

Subsequent to the desk audit, the field audit teams visited various formations responsible for the execution of schemes including the head office of WSD (Secretariat). The details and statistical data were obtained from the Secretariat which maintains the complete profile of the road network. In addition to that, useful and relevant information from the internet was also extracted to supplement the thematic audit exercise.

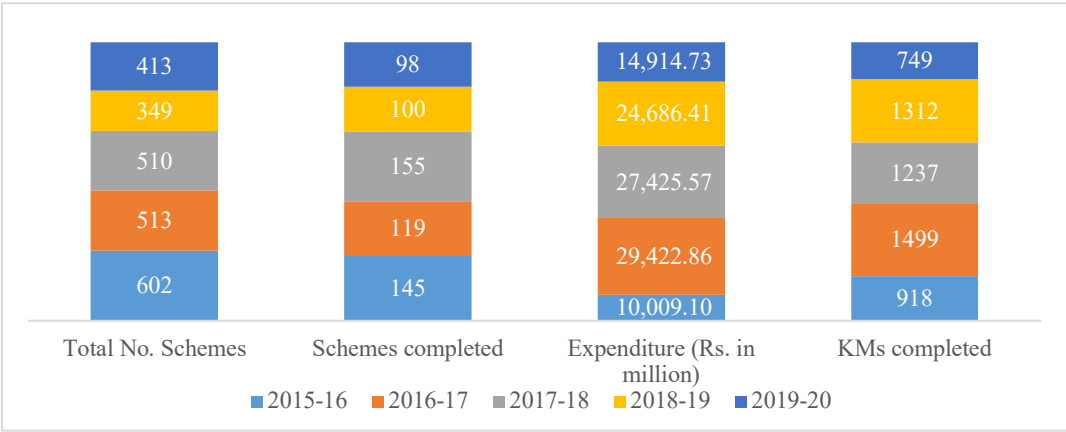
7.9.2 Audit Analysis

7.9.2.1 Review of Internal Controls

To determine the effectiveness of internal controls in pursuance of government policies and efforts towards improving link road infrastructure for rural prosperity, the relevant documents pertaining to various schemes were scrutinized. The integral reason that rendered the internal controls weak was the inordinate delay in the completion of the schemes caused due to non-release of funds, significant deviations from PC-I and the inability to take punitive action against the defaulting contractors. In terms of releasing funds, the ongoing schemes were not given due priority and budgetary allocations were irrationally made against fresh schemes. There was a gap in systematic monitoring and execution between Works & Services Department and the engineering staff, which resulted in a time overrun. Prior to the initiation of a particular scheme, comprehensive surveys were not undertaken to ascertain the quantum of benefits to be extended to the rural populace. The durability factor was not given due priority, resultantly the condition of the roads started to deteriorate within a short period of construction. It was also observed that the absence of an internal audit mechanism resulted in excess payment to contractors against the actual work done.

7.9.2.2 Critical Review

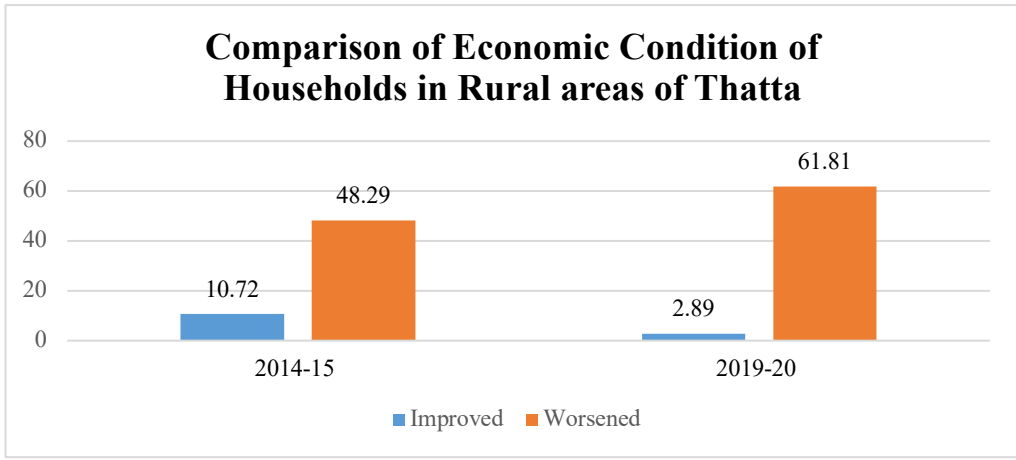
Apropos of the discussion above, it can be emphatically inferred that improvement in rural road infrastructure plays an important role in the overall prosperity of an area. Steps towards addressing the road infrastructure-related problems in Sindh have been inadequate in contrast to huge funding. From 2015-16 to 2019-20, the WSD executed 2387 schemes in the entire province with an expenditure of Rs.106,458.675 million, out of which 617 schemes were completed with a road length of 5715 km.



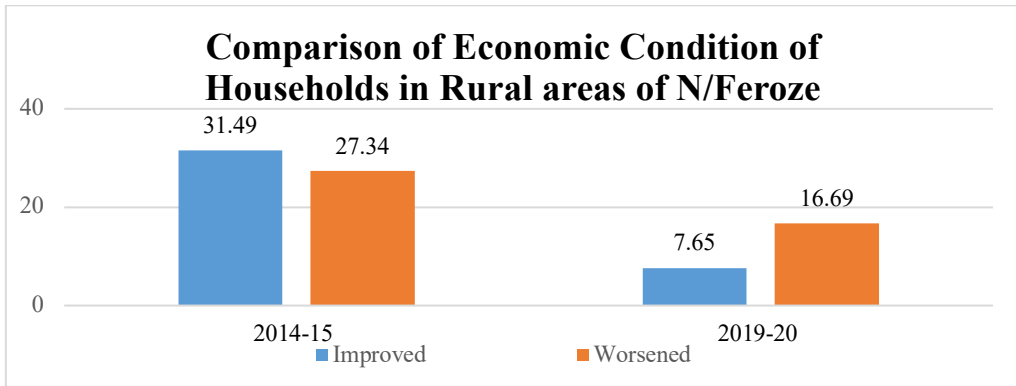
Audit compared the level of prosperity in rural areas of various districts on the basis of the economic condition of households and improvement in the dispensation of education and health facilities.

In Thatta from 2015-16 to 2018-19, the WSD completed 23 road schemes for connectivity of villages with towns and cities including Karachi through the National Highway. The department made an expenditure of Rs. 4,144.736 million against the improvement of 238 km of roads. As per the PC-I of the schemes, the executing authorities declared that it was difficult to quantify the exact benefits of the roads, but the major common objectives identical to all the schemes were reduction in the transport cost of the agricultural produce and easy access to the schools and hospitals. In order to assess the benefits of the schemes, the Audit analyzed the economic condition of the households during 2014-15 and 2019-20. Accordingly, a review of the Pakistan Social and Living Standards Measurement Survey in the year 2014-15 revealed improvement in 10.72% of households in the rural areas of Thatta. Contrary to it, 48.29% of households witnessed worsened economic condition. Comparatively, in the year 2019-20

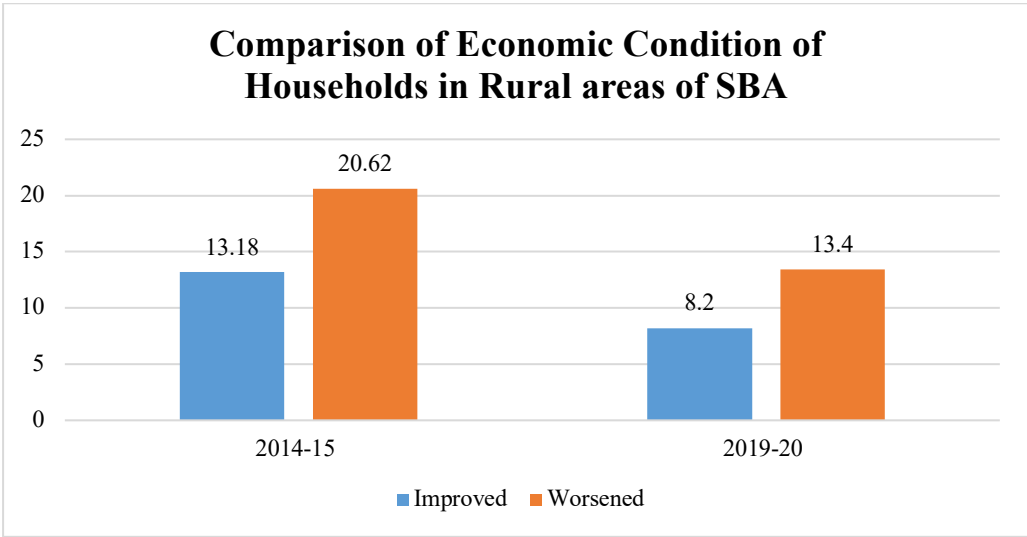
after the construction of the roads, only 2.89% of households improved, whereas the economic condition of 61.81% of the population further declined. Hence, the benefits envisaged in the PC-I of the schemes remained unattained.



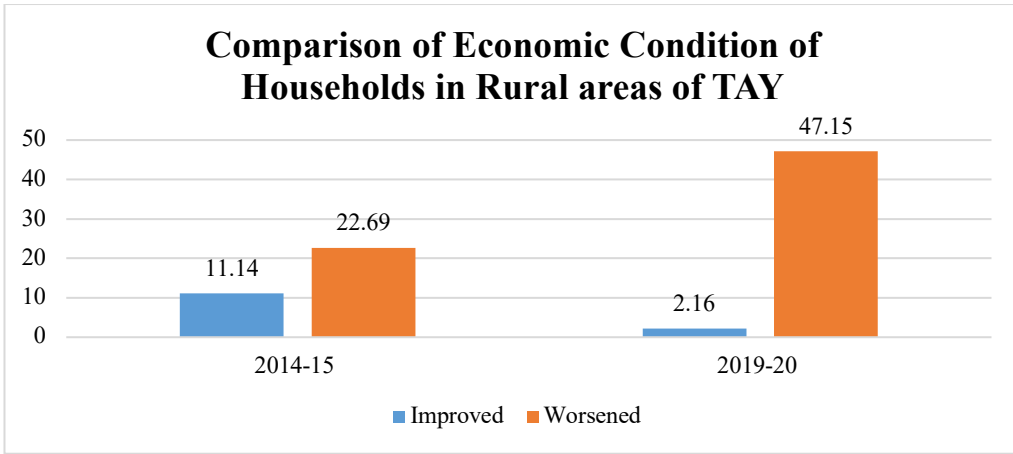
Similarly, the WSD executed 33 schemes during the same period in the rural areas of Naushero Feroze to connect those with the main arteries of the road network including Mehran Highway and National Highway. The department made an expenditure of 3,453.811 million against the construction/improvement of 190.31 km of roads. The core objective of the schemes was to ensure easy access in rural areas to markets, schools and hospitals. On scrutiny of the relevant data compiled by the Pakistan Bureau of Statistics, it was observed that 31.49% of households improved and 27.34% worsened in terms of economic condition in the year 2014-15. Whereas, in 2019-20 the former stood at 7.65% and the latter declined to 16.69%. Hence, the year 2019-20 recorded a decline in the cumulative economic conditions of the households.



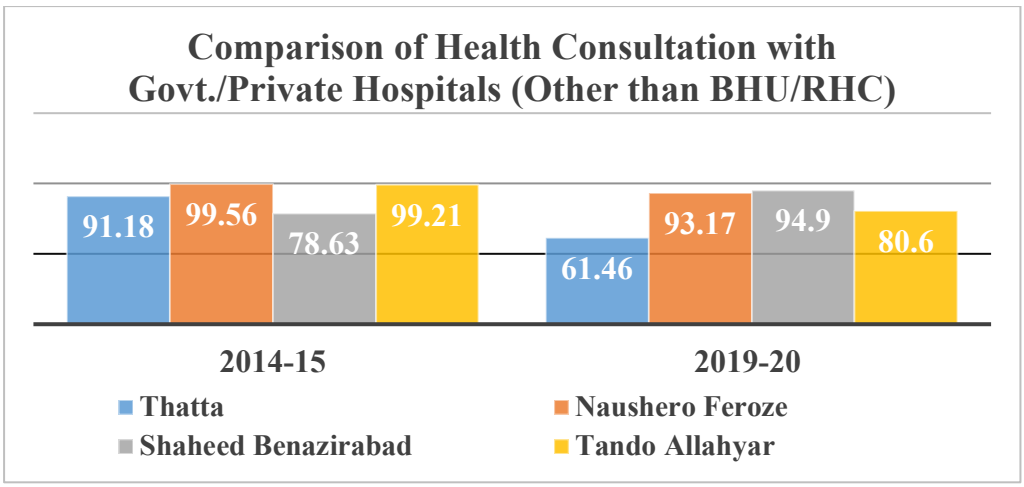
During 2015-16 to 2018-19, the WSD completed 40 schemes in Shaheed Benazirabad admeasuring 592.885 km at an expenditure of Rs. 12,219.21 million to connect rural areas with mainstream road network. Scrutiny of the relevant data showed improvement in 13.18% of households and 20.62% of households witnessed worsened economic condition in the year 2014-15 before the execution of the schemes. However, after one year of completion of the schemes, 8.2% of households improved, whereas 13.4% of households reflected negative economic position. Comparatively, the data revealed decline in worsened households from 20.62% to 13.4% which is a positive sign attributed to rural road improvement.



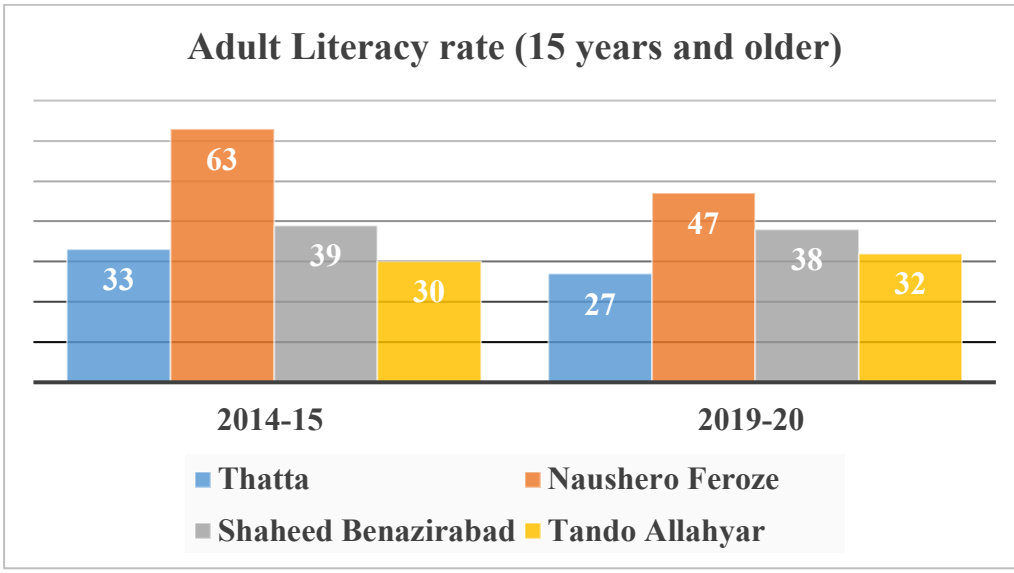
In Tando Allahyar, WSD executed 14 road schemes with an expenditure of 2,788.926 million for improvement of 153.22 km of roads. In all the schemes, the major benefit envisaged in PC-I was easy access to farm, education and hospitals. Accordingly, data from the Pakistan Social and Standard Living Survey was compared between 2014-15 and 2019-20 to assess benefits of the completed schemes for the rural prosperity. It was observed that the economic condition of 11.14% of households in Tando AllahYar improved in 2014-15 compared to 2.16% in 2019-20. On the other hand, the economic condition of 22.69% of households worsened in 2014-15 as compared to 47.15% in 2019-20.



Further, data in terms of consulting Government. Hospitals/Private Hospitals other than Basic Health Units/Rural Health Centers was analyzed to assess the percentage distribution of population in rural areas, which consulted hospitals in towns/cities during 2014-15 and 2019-20 i.e. before and after execution of the schemes mentioned in the preceding paragraphs. In Thatta, 91.18% of people consulted Government./Private hospitals in 2014-15, whereas in the year 2019-20, 61.46% of people referred to the same. In Naushero Feroze 99.56% of people consulted Government./Private hospitals in 2014-15, whereas in 2019-20 the percentage declined to 93.17%. In Shaheed Benazirabad, 78.63% of people got treatment from Government./Private hospitals in 2014-15, whereas in 2019-20, the percentage swelled to 94.9%, thus registering a positive impact. Comparison of data in district Tando Allahyar for the years 2014-15 and 2019-20 reflected a bleak scenario i.e. 99.21% and 80.60% respectively.



Adult literacy (15 years and older) in the rural areas was also compared in the above districts in order to assess the impact of the road schemes. Audit observed 33%, 63%, 39% and 30% rural adult literacy rate in Thatta, Naushero Feroze, Shaheed Benazirabad and Tando Allahyar respectively before the start of the various schemes. In 2019-20, the rate declined to 27% in Thatta, 47% in Naushero Feroze, 38% in Shaheed Benazirabad, but improved slightly to 32% in Tando Allahyar. The review of the adult literacy data reveals no significant impact on the improvement of the literacy rate in the rural areas after construction of the roads.



It is pertinent to mention that, the WSD initiated 04 major road improvement schemes in Districts Thatta, Tharparkar and Umerkot with an approved cost of Rs. 11,253.205 million[9], but the same remained incomplete despite a huge expenditure of Rs. 4,274.057 million and lapse of a considerable period, which casts a negative impression on the efficiency of the authorities concerned.

Though, the objectives of the specified schemes seem very productive, but poor progress of previously conceived schemes raises questions regarding their implementation. The gap in setting targets and failure to achieve those on time reflects a lack of commitment.

[9] Annexure I

Most of the development schemes are facing inadequate funding problems. New schemes are conceived with the robust budgetary allocation as per PC-I, but later on funds are curtailed resulting in delayed completion or abandonment of a particular scheme. It has been noticed that the scheme "Construction of road from New Chore to Mendhrejopar admeasuring 45.88 kms" was initiated in September 2006 and was supposed to be completed in 2009, but owing to budgeting constraints the specified scheme still remains incomplete. This reflects serious shortcomings at the planning stage of the specified scheme.

In certain instances, it has been observed that the funds remained unutilized every year due to various reasons that include red-tapism, technical anomalies, weak feasibility reports, lengthy/time-bound procedure of planning and lethargic releases from the Finance Department. Organizational mismanagement due to a lack of observing proper procurement procedures within the department is one of the key bottlenecks in achieving the desired goals. The absence of a well-planned procurement cycle in conformity with the best practices of financial propriety resulted in the slow utilization of funds. This negligence ultimately contributes to sub-standard construction owing to which the road infrastructure dilapidates rapidly.

Pre-qualification of contractors is an essential requirement for major schemes because it attracts competent and reputable firms. Nevertheless, it has been observed that a considerable number of schemes are awarded to contractors without engaging in the pre-qualification procedure. Owing to this negligence contracts are awarded to firms having less professional expertise, resulting which sub-standard infrastructure work is executed. The quality of construction gets compromised and the roads start to deteriorate within a short span of time. Furthermore, there exists a strong cartelization among the contractors and it becomes extremely difficult for fresh aspirants to gain entry. The authorities concerned have failed to put a check on this alarming trend.

The Finance Department releases funds for new schemes at the cost of running schemes. Due to this paucity in the flow of funds, the contractors abandon the schemes. In the aftermath of abandoning an ongoing scheme, a considerable amount of expenditure is put to wastefulness. An incomplete scheme not only hampers commuting, but also poses a severe threat to the safety of travelers. Besides, no punitive measures as per rules are taken against the defaulting contractors.

Non-revision of the Composite Scheduled Rates 2012 is one of the integral reasons for sub-standard execution of work and non-completion of the schemes on time. The rates of items in the schedule are more than a decade old. The prices of materials have increased significantly, but the works are still awarded on outdated schedule rates by allowing premiums. Owing to persistent fluctuation in the rates of materials, it becomes difficult for the contractors to cope with the time value of money during the execution period. Abrupt increase in the material rates during the execution of the work results in the abandoning of the scheme. The absence of an escalation clause in the agreements is one of the main reasons that render the work economically impractical for the contractors.

7.9.2.3 Significant Audit Observations

7.9.2.3.1 Decline in prosperity of the households due to non-completion of the schemes - Rs. 10,397.205 million

As per the PC-I of the schemes, "The scheme will increase the access of population to markets, education and health."

During the thematic audit for the Financial Year 2021-2022, it was observed that the management initiated execution on 2 main schemes i.e. 'Const: of road from Ali Bunder to Nagarparkar' and 'Construction of Road from Islamkot to Thar Coalfield Blocks VIII, IX, X upto Nagarparkar Road' amounting to Rs. 10,397.205 million in Tharparkar during the years 2007-08 & 2017-18, but failed to complete the same. The scrutiny of data compiled by the Pakistan Bureau of Statistics in the rural areas of the district revealed that in 2015 economic condition of 34.33% households worsened and in the year 2019-20 this declining trend affected 67.39% households.

Audit is of the view that due to the non-completion of the schemes, a sharp decrease in the economic conditions of the households was witnessed.

Audit requires justification for the matter.

7.9.2.3.2 Non-achievement of PC-I objectives - Rs. 6,449.753 million

As per the PC-I of the schemes, "The scheme will increase the access of population to markets, education and health."

During the thematic audit for the Financial Year 2021-2022, it was observed that the management initiated execution on 3 main schemes i.e. 'Improvement / Construction of Ghulamullah to Garho road i/c Bridge over Creek and Construction of link upto National Highway on west of Garho Town', 'Construction of Sindh Coastal Highway Sakro / Gaghar Phatak - Keti Bandar - Shah Ghorabari/ Bunder - Ali Bunder (Ghaghar Phatak - Keti Bunder Phase-1)' and 'Construction and Reconditioning of road from National Highway (N-5) Dhabeji Creeks Side to connect Port Qasim Dual Carriageway Dhabeji Special Economic Zone (CPEC)' amounting to Rs. 6,449.753 million in Thatta during the years 2007-08 and 2017-18, but failed to complete the same. The scrutiny of Gross Enrolment Ratio of the students compiled by BoS at the Matric Level (Age 13-14) in the rural areas of the district revealed that in 2015 the rate was 13% which declined to 9% in 2020.

Audit is of the view that due to the non-completion of the schemes, the PC-I objective to access educational institutes was not achieved, resultantly the rate of gross enrolment in higher secondary schools declined.

Audit requires justification for the matter.

7.9.2.3.3 Non-allocation/release of funds against ongoing schemes

According to Fund Release Strategy for Development Schemes vide No.3/1922-AC(Coord.)/P&D/2017 dated:21.06.2017, "The Finance Department shall:

1. Release funds in one-go for the schemes to be completed by June 2018.
2. Release funds in two equal instalments for rest of the on-going schemes."

During the thematic audit for the year 2021-22, it was observed from progress report that the management started various schemes amounting to Rs.6,367.199 million for construction/improvement of roads during 2006-07 to 2020-21. As per the progress report, no funds were released against the schemes, resultantly the same were still under progress despite lapse of 2-14 years. The detail is given in **Annex-2 of Chapter-7.**

Audit holds the view that non-allocation of funds for the schemes pending since long resulted in time overrun and wastage of expenditure due to weathering effects on the incomplete schemes.

Audit recommends to give justification for not achieving the intended targets besides, taking remedial measures accordingly.

7.9.2.3.4 Irregular payment to contractor against Triple Surface Treatment-Rs 18.148 million

As per specification of the work estimate, "Triple Surface Treatment is executed on the base course, which must be completed as per the specification."

During audit of the Executive Engineer, Provincial Highways Division Sanghar for the Financial Year 2021-2022, it was observed that an amount of Rs.18.148 million was paid to the contractor for execution of Triple Surface Treatment, but base course was not completed as per the specification. The management withheld part rate payment against the item of base course; however, the TST item was executed without completing the base course. The detail is given in **Annex-3 of Chapter-7.**

Audit is of the view that payment to the contractors against Triple Surface Treatment without completion of the base course reflects execution of the latter contrary to the specifications besides, extending of undue benefit to the contractor.

Audit requires justification for the matter.

7.9.2.3.5 Non-completion of schemes – Rs. 14,001.283 million

As per the PC-I of various link road schemes, "The projects will be completed in 36-48 months."

During the thematic audit, it was observed that as per PC-I of the project 'Construction of Sindh Coastal Highway Sakro / Gaghar Phatak - Keti Bandar - Shah Ghorabari/ Bunder - Ali Bunder (Ghaghar Phatak - Keti Bunder Phase-1) 90.0 km' the completion period of the scheme was 3 years after the Administrative Approval on 07.01.2007, whereas the same remained incomplete despite lapse of more than 15 years. Further, the length of the road was curtailed from 90 km to 49.25 km in the modified/revised PC-I, however the expenditure/budgetary allocation remained the same i.e. Rs.2,407.049 million. Besides, 18 other major schemes amounting to Rs.11,593.334 million were also

not completed despite lapse of a considerable time. The detail is given in **Annex-4 of Chapter-7**.

Audit is of the view that the non-execution of the schemes in time resulted in the time-overrun and cost overrun, consequently the desired benefits of the same remained unachieved besides, causing loss to the public exchequer.

Audit recommends conducting an inquiry into the matter besides, fixing responsibility on the person(s) at fault.

7.10 Departmental Responses

The management did not furnish replies against the observations raised.

7.11 Recommendations

- In order to reap the optimum benefits of the chalked-out schemes, it is imperative on the part of the authorities to diligently abide by the relevant laws and policies.
- The Government should focus on constructing durable roads in far-flung and remote areas to link them with main roads/highways, making it easier for the indigenous population to improve economic growth.
- There should be a rational budgetary allocation for new schemes. Ongoing schemes should be given priority for the release of funds.
- Comprehensive surveys and research should be undertaken for ascertaining the overall effect of links roads on the people's socio-economic conditions.
- No compromise should be made regarding the quality and standard of road construction. Pre-qualification of contractors should be exercised in order to promote professional and competent firms.
- Periodic reports and journals should be published to remain cognizant of the latest statistical data which would help in the effective planning of schemes.
- The relevant human resources should be recruited only on the basis of professionalism and competence.
- Revision of Composite Scheduled Rates 2012 is imperative in order to offer reasonable cost-benefit opportunities to contractors. This will result in timely and smooth execution of the schemes.

- Timely release of allocated funds against the schemes is important in order to complete the same within the timeframe given in PC-I.

7.12 Conclusion

There has been a meagre increase in the economic prosperity of the rural areas throughout Sindh due to the non-completion of the schemes in time and lack of funding. The Government of Sindh has been initiating a number of road schemes to improve the economic condition of the rural communities in pursuance of the Sustainable Development Goals (SGDs) 9 & 11, but owing to ill-conceived policies, the intended benefits could not be achieved. In pursuance of the targets envisaged in SDGs, the commitment and endeavors on the part of the government need to be holistically revisited. Audit findings revealed that the absence of meticulous planning, delays in the timely execution of work, substandard construction, haphazard monitoring, lack of coordination and belated funding have been the integral cause of dismal rural prosperity. The link roads become badly deteriorated during the short span of their construction and the repair of the existing roads also reflects a dismal state of affairs. Further, the procedural weaknesses in awarding the contracts and the inadequacy of engineering professionalism have worsened the situation. The overall rural prosperity in Sindh remained low during the years under review. Despite the enormous financial and human resources engagement, the end results have not been up to the mark. One of the prime reasons behind this alarming state of affairs is the absence of planning, therefore the prevalent situation demands extraordinary efforts on part of the government to avoid further deterioration in the lifestyle of people in rural areas. Although Sindh is the highest contributor to GDP, it still lags far behind other provinces in terms of rural prosperity. It is high time that authorities initiated pragmatic policies to improve the condition of the people residing in rural Sindh for achieving the targets envisaged in Sustainable Development Goals.

Memorandum for Departmental Accounts Committee (MfDAC)-Annex-A

Sr. #	Name of Department & Observation	Nature of Irregularity
1	**Development Authorities**	
	Gorakh Development Authority	
1	Excess execution of items of work-Rs.190.948 million	Procurement related irregularities
2	Execution of item of work contrary to the prescribed specification	Procurement related irregularities
3	Irregular & faulty maintenance of more than one measurement book for the same work	Other
4	Non-preparation of PC-II (Feasibility study) against the work - Rs.985.310 million	Other
5	Irregular execution of work in deviation of Re-revised PC-I	Other
	Hyderabad Development Authority	
1	Loss to Govt. due to deduction of WHT by private banks Rs.1.527	Management of Accounts with Commercial Banks
2	Maintenance of bank accounts in an unauthorized bank - Rs.297.129 million	Management of Accounts with Commercial Banks
3	Non-maintenance of consumption account for material procured-Rs.12.609 million	Other
4	Un-authorized drawl of POL for private vehicles –Rs.0.253 million	Other
5	Irregular payment on escalation charges – Rs.48.813million	Other
6	Irregular allotment of residential plots through auction instead of balloting – Rs.101.669 million	Other
7	Irregular expenditure on beautification works - Rs.3.750 million	Other
8	Non-initiation of encroachment drive to vacate land	Other
9	Non-recovery of outstanding dues from Bahria Town – Rs.566.811 million	Other
10	Irregular expenditure on non-scheduled items of work –Rs.5.496 million	Other
11	Non-recovery of water and sewerage dues -Rs.5,165.279 million	Other
12	Irregular refund of Security Deposit - Rs.14.853 million	Other
13	Irregular expenditure on beautification campaign without approval – Rs.5.806 million	Other
14	Unjustified expenditure on entertainment charges–Rs0.820 million	Other
15	Splitup to avooid the tender –Rs.1.060 million	Procurement related irregularities
16	Non-imposition of penalty for delayed works - Rs.103.41 million	Value for money and Service Delivery related issues
	Karachi Development Authority	
1	Alteration in the date of birth to enhance length of service, appointment in minor age and promotions beyond service structure & seniority	HR/Employee related irregularities
2	Unjustified promotions beyond service structure & seniority	HR/Employee related irregularities
3	Failure in taking action against the absconders	HR/Employee related irregularities
4	Unauthorized hiring of staff without advertisement and open competition – Rs. 5.409 million	HR/Employee related irregularities
5	Unjustified promotions by way of change of cadre and without seniority	HR/Employee related irregularities
6	Unjustified award of time scale without approval of the governing body	HR/Employee related irregularities
7	Un-authorized appointment before attaining the age of maturity	HR/Employee related irregularities

8	Irregular promotion of employees	HR/Employees related irregularities
9	Unjustified payment of advance two increments on performance-3.053 million	HR/Employees related irregularities
10	Irregular expenditure on POL without maintenance of record – Rs. 7.034 million	Other
11	Non-maintenance of annual accounts duly audited by the Chartered Accountants	Other
12	Irregular expenditure on POL without maintenance of record – Rs. 1.324 million	Other
13	Irregular expenditure on POL without maintenance of record – Rs. 2.392 million	Other
14	Discrepancy in the balances of recovery in the figures – Rs. 44.160 million	Other
15	Unjustified expenditure without 10% check measurement – Rs. 34.876 million	Other
16	Excess inclusion of quantities of cartage against the debries in the estimate – Rs. 0.667 million	Other
17	Irregular expenditure on POL without maintenance of record – Rs. 1.248 million	Other
18	Irregular payment of liability from the current year's budget – Rs. 22.348 million	Others
19	Non-adjustment of advances – Rs. 5.211 million	Others
20	Unauthorized payment to the employees against various tasks – Rs. 2.010 million	Others
21	Unauthorized retention of expired medicines in the poly clinic	Others
22	Non-installation of machinery and equipment	Others
23	Failure in handing-over of the completed housing scheme to the allotees	Others
24	Irregular splitting of a single scheme – Rs.3.971 million	Procurement related irregularities
25	Splitting up of work orders to avoid open tenders – Rs. 1.314 million	Procurement related irregularities
26	Irregular procurement of weapons – Rs.0.557 million	Procurement related irregularities
27	Award of work after expiry of bid validity period – Rs. 218.803 million	Procurement related irregularities
Lyari Development Authority		
1	Irregular payment of Secretariat Allowance – Rs.0.326 million	HR/Employees related irregularities
2	Non-Recovery of subsidy amount against the plots allotted to Karachi Press Club- Rs.696.00 million	Other
3	Non-provision of mutation fee against 2414-acres of land	Other
4	Execution of authority business without mutation of the land and layout plan	Other
5	Loss due to non-taking action against hindrances by local people on Government Property Rs.43.911 million	others
6	Utilization of vehicles by unauthorized personnel	others
7	Non-Balloting of 9,835 Nos. of plots	others
8	Delay in the timely completion of the project	others
9	Irregular Allotment of plots	others
10	Unauthorized execution of works - Rs.548.790 million	Procurement related irregularities

11	Wastage of Public Funds due to improper planning/execution – Rs.6,620.964 million	Value for money and Service Delivery related issues
	Sehwan Development Authority	
1	Irregular payment of salaries without deduction of GP Fund and Income Tax Rs.18.893 million	HR/Employees related irregularities
2	Irregular payment of rental charges of camp office Rs.0.332 million	Other
3	Irregular transfer of funds without approval – Rs.2.0 million	Other
4	Irregular expenditure without technical sanction Rs.1.132 million	Other
5	Loss of public money due to non-filer status with income tax department Rs1.957 million	Other
6	Non-recording of expenditure in books of accounts - Rs.10.847 million	others
7	Irregular refund of security deposit-Rs.1.00million	others
8	Loss due to seizure of official vehicle	others
9	Irregular expenditure without the approval of Annual Budget by the Government	others
10	Retention of vehicle by the unauthorized persons / officials	others
11	Unauthorized payment on the execution of work Rs.1.284 million	others
12	Irregular payment of electrification charges on installation of 11KVA Feeder Rs.7.878 million	Procurement related irregularities
13	Non-installation of Sui Gas meters despite payment – Rs.3.986 million	Procurement related irregularities
14	Irregular expenditure against POL - Rs.3.987 million	Procurement related irregularities
15	Irregular execution of work without contract agreementRs112.146 million	Procurement related irregularities
16	Non-recovery of Stamp Duty –Rs.0.393 million	Procurement related irregularities
	Zulifkar Development Authority	
1	Unauthorized payment of salary to Vice Chairman – Rs.1.521 million	HR/Employees related irregularities
2	Irregular appointment of Deputy Director (Security) on contingent basis – Rs.0.186 million	HR/Employees related irregularities
3	Unauthorized payment of hiring to M.D. during additional charge period – Rs.1.015 million	HR/Employees related irregularities
4	Non-adjustment/recovery of mobilization advances along with interest-Rs.1,196.006 million	Other
5	Irregular expenditure on hiring of office building -Rs.8.099 million	Other
6	Non-reconciliation of expenditure- Rs.96.104 million	Other
7	Non-conducting of post audit of Assignment Accounts – Rs96.104 million	Other
8	Unjustified consumption of POL on field vehicles without development activity -Rs.1.188 million	Other
9	Non-imposition of Liquidated Damages - Rs.875.7 million	Other
10	Non-achievement of projects in the light of PC-I provisions – Rs.4257.890 million	Value for money and Service Delivery related issues
11	Unjustified Non-Development expenditure – Rs.270.909 million	Value for money and Service Delivery related issues
2	**Education Works Divisions**	
1	Misstatement of monthly figures in Form-78 - Rs. 0.989 million	Management of Accounts
2	Non-verification of bid security - Rs. 8.642 million	Management of Accounts
3	Non- incorporation of expenditure in Form-64-Rs. 6.736 million	Management of Accounts

4	Variation in the amount between SAP data and Monthly Account – Rs. 4.250 million	Management of Accounts
5	Incorrect booking of receipts in Form-46 (Register of revenue receipts) – Rs 3.526 million	Management of Accounts
6	Non-deposit of call deposit into government account-Rs1.883 million	Management of Accounts
7	Variation of expenditure between bill amount and progress report – Rs10.02 million	Management of Accounts
8	Excess payment due to incorrect application of rate – Rs 0.292 million	Others
9	Unauthorized expenditure on account of P.O.L – Rs. 0.338 million	Others
10	Mis-reporting of financial progress of works-Rs1.621 million	Others
11	Unjustified expenditure of scheme without achieving physical progress-Rs.1.817 million	Others
12	Un-justified work approved in various Schemes without having plot/space for construction of Rs 0.848 million	Others
13	Irregular expenditure on acquisition of land –9.00 million	Others
14	Non-handing over of school buildings despite completion - Rs. 47.005 million	Others
15	Non- submission of PC-IV of the completed schemes – Rs 25.371 million	Others
16	Wrongful inclusion of twenty-five schools in Rehabilitation of High Priority 4560 Schools	Others
17	Excess payment for RCC Rs. 0.412 million	Others
18	Excess payment of mobilization advance – Rs 5.861 million	Procurement relating observations
19	Unjustified payments against secured advance to consume budget – Rs 36.590 million	Procurement relating observations
20	Unjustified payment against Secured advance – Rs 11.822 million	Procurement relating observations
21	Irregular recording of measurement – Rs 121.829 million	Procurement relating observations
22	Doubtful payment of work done – Rs 7.433 million	Procurement relating observations
23	Irregular formation of Complaint Redressal Committee (CRC)	Procurement relating observations
24	Irregular Expenditure against M & R work – Rs. 21.195 million	Procurement relating observations
25	Irregular expenditure against earth work - Rs. 60.934 million	Procurement relating observations
26	Irregular payment against liabilities after 2 years - Rs 1.941 million	Procurement relating observations
27	Irregular payment of work without measurement - Rs 1.510	Procurement relating observations
28	Execution of works after lapse of elongated period - Rs 9.759 million	Procurement relating observations
29	Execution of deposit work without authorization - Rs. 61.977 million	Procurement relating observations
30	Un-authorized verification of payment by AEN – Rs. 3.548 million	Procurement relating observations
31	Irregular award of works after lapse of bid validity period -Rs. 66.222 million	Procurement relating observations
32	Un-authorized expenditure over and above funds provided -Rs80.264 million	Procurement relating observations
33	Un-authorized payment of electric works from other division -Rs1.328 million	Procurement relating observations
34	Irregular award of work without advertisement in print media – Rs. 17.246 million	Procurement relating observations
35	Duplicate inclusion of work in new ADP scheme - Rs. 2.474 million	Procurement relating observations
36	Non-utilization of funds of ADP schemes – Rs. 56.200 million	Procurement relating observations
37	Irregular award of M&R works – Rs 91.322 million	Procurement relating observations

38	Irregular sanction of T.S/estimate after issuance of work order-Rs0. 840 million	Procurement relating observations
39	Abnormal delay in execution of work after lapse of four years–Rs4.047 million	Procurement relating observations
40	Non-utilization of funds – Rs61.352 million	Procurement relating observations
41	Un-justified delay in completion of Scheme Rs.2.532 billion	Procurement relating observations
42	Irregular payment to Contractors on item of schedule - Rs. 2.483 million	Procurement relating observations
43	Irregular execution of contract agreement before issuance of work order – Rs28.283 million	Procurement relating observations
44	Unjustified payment to the contractor against construction of compound wall – Rs 0.218 million	Procurement relating observations
45	Non execution of component of works – Rs 0.432 million	Procurement relating observations
46	Irregular expenditure without sanction of estimate –Rs.50.796 million	Procurement relating observations
47	Doubtful execution of work due to abnormal delay in payment – Rs. 4.309 million	Procurement relating observations
48	Irregular execution of M&R works on expired technical sanction – Rs 36.559 million	Procurement relating observations
49	Irregular award of civil work to the electric work contractor – Rs 5.22 million	Procurement relating observations
50	Non-deduction of Shrinkage Allowance from earthwork-Rs0.459 million	Procurement relating observations
51	Irregular award of work–Rs41.972million	Procurement relating observations
52	Non-imposition of penalty on delay – Rs 211.055 million	Procurement relating observations
53	Irregular expenditure against construction of wall - Rs. 19.121 million	Procurement relating observations
54	Excess payment due to allowing excess rate – Rs. 3.277 million	Procurement relating observations
55	Irregular execution of extra items of works - Rs 50.036 million	Procurement relating observations
56	Irregular payment of work done – Rs 0.953 million	Procurement relating observations
57	Recording of measurement before issuance of work orders - Rs4.909 million	Procurement relating observations
3	**Irrigation Department**	
1	Irregular payment of pay and allowances - Rs.4.730 million	HR/Employee related irregularities
2	Irregular appointment/posting of officers/officials in PMO without the provisions in the PC-I - Rs.15.790 million	HR/Employee related irregularities
3	Irregular appointment of underage staff	HR/Employee related irregularities
4	Irregular payment through DDO account - Rs.1.212 million	Management of Accounts
5	Irregular payment on M&R work amounting –Rs0.534 million	Others
6	Unjustified expenditure on compaction of earthwork- Rs.35.536 million	Others
7	Unjustified withholding amount from contractors' bills – Rs650.909 million	Others
8	Payment on account of steel and boulder 9" without testing Rs.181.455 million	Others
9	Unauthorized allotment of vehicles/misuse of public resources – Rs.9.186 million	Others
10	Unauthorized payment against the item of work compaction of earth – Rs467.825 million	Others
11	Un-justified excess payment on un skilled labour due to variation in rate– Rs0.504 million	Others
12	Un-justified execution of stone pitching-Rs184.612 million	Others

13	Un-justified payment on account of escalation to the contractor-Rs 18.853 million	Others
14	Unjustified provision of 5% reserve quantity of stone in the estimate-Rs 2.890 million	Others
15	Purchase of vehicles without supporting record- Rs3.499 million	Others
16	Irregular payment of POL on Minister Irrigation vehicles GSA-295 & 296 –Rs0.925 million	Others
17	Irregular expenditure on the compaction of earth-Rs1.063 million	Others
18	Unjustified expenditure on repair of generator Rs.2.356 million	Others
19	Irregular payment on reduced rates Rs.31.172 million	Others
20	Unjustified expenditure on repair of generator Rs.2.356 million	Others
21	Irregular payment on escalation charges-Rs3.193 million	Others
22	Unjustified expenditure on desilting of earth – Rs34.384 million	Others
23	Unjustified expenditure on repair of generator Rs.2.356 million	Others
24	Irregular payment on account of extra lead Rs2.907 million	Others
25	Irregular expenditure on account of boring of tube wells without soil testing - Rs2.017 million	Others
26	Irregular expenditure on account of POL – Rs1.312 million	Others
27	Loss of revenue on account of dismantled construction material-Rs0.460 million	Others
28	Non-finalizing of schemes amounting -Rs375.369 Million	Others
29	Irregular expenditure on O&M charges before completion of work/scheme – Rs5.687 million	Others
30	Excess appointments of Tube well operators and chowkidars	Others
31	Non-utilization of funds -Rs18.520 million	Others
32	Excess payment on fiber glass casing fitter -Rs0.450 million	Others
33	Unauthorized allotment of Government vehicles	Others
34	Unauthorized creation of liability-Rs2.907 million	Others
35	Un-justified creation of liability due to mismanagement -Rs0.783 million	Others
36	Defective preparation of estimates - Rs 2.464 million	Others
37	Payment on same work three times – Rs1.772 million	Others
38	Unjustified award of work below the PC-I cost – Rs.1,474.167 million	Others
39	Excess approval of the rate of riprap on the apron, drain and toe wall – Rs. 123.883 million	Others
40	Excess approval of the rate of riprap on a slope – Rs.154.392 million	Others
41	Non-preparation of detailed budget estimates and work plan	Others
42	Irregular utilization of additional funds from GoS against the Revenue Component of the project - Rs.37.587 million	Others
43	Non-approval of detailed estimates – Rs.6,578.597 million	Others
44	Purchase of vehicles over and above the provision in the PC-I.	Others
45	Irregular operating of projects/schemes under the same assignment account-Rs.36.903 billion	Others
46	Non-disclosure of information in the Financial Statements	Others
47	Non-approval of detailed estimates-Rs.496.83 million	Others
48	Unauthorized advance payment on account of POL-Rs.4.979 million	Others
49	Irregular expenditure on POL-Rs.11.958	Others
50	Non completion of work on gates Rs.571.462 million	Others

51	Loss to Govt. due to excess payment against escalation charges - Rs426.161 million	Others
52	Non-achievement of revenue target due to delay in completion - Rs18,001.272 million	Others
53	Irregular expenditure on repair of transformers/vehicles – Rs13.229 million	Others
54	Unjustified payment for hiring of unskilled labour/coolies – Rs3.620 million	Others
55	Irregular release of water to Thar Coal Project	Others
56	Irregular/unjustified payment in deviation of estimate –Rs24.529 million	Others
57	Excess payment of premium against works – Rs45.554 million	Others
58	Doubtful payment to vendors – Rs1.201 million	Others
59	Mis-utilization of crane/workshop charges of ADP - Rs39.50 million	Others
60	Irregular procurement of spare parts without inspection-Rs10.893 million	Others
61	Un-authorized excess premium on earthwork- Rs0.509 million	Others
62	Irregular withholding of amount from payment of contractors – Rs342.423 million	Others
63	Irregular payment on account of steel without testing - Rs74.237 million	Others
64	Payment of works without inspections – Rs.36.658 million	Others
65	Irregular expenditure on POL against hired machinery– Rs10.341 million	Others
66	Irregular expenditure on the compaction of earth-Rs1.063 million	Others
67	Excess payment on account of execution of mild steel Rs0.189 million	Others
68	Irregular payment to the contractor without execution of items – Rs0.548 million	Others
69	Rush of expenditure in the month of June-Rs1,213.850 million	Others
70	Excess execution of items of works beyond permissible limit - Rs.233.112 million	Others
71	Un-justified payment to the contractor on Pre-stressed bridge - Rs.24.624 million	Others
72	Irregular expenditure on installation of electric motor pumps prior to other essential items-Rs21.670 million	Others
73	Unjustified payment on re-handling of earth Rs12.734 million	Others
74	Unjustified expenditure without investigation & mapping reports - Rs.10.340 million	Others
75	Irregular expenditure on rewinding of electric motors without details-Rs8.868 million	Others
76	Doubtful measurement/claim of the contractor without provision in the PC-I/TS-Rs8.204 million	Others
77	Unjustified inclusion of items in the estimate of tube well -7.641 million	Others
78	Irregular expenditure on M&R without approval of TS – Rs7.380 million	Others
79	Non-execution of deposit work – Rs.7.380 million	Others
80	Excess payment against execution of cement work – Rs 2.934 million	Others
81	Excess payment to the contractor against compaction – Rs.2.030 million	Others
82	Unjustified expenditure on hiring of machinery -Rs1.856 million	Others
83	Unjustified supply of diesel without work assignment/activity– Rs1.672 million	Others

84	Partial release of security deposit due to defective work – Rs.1.538 million	Others
85	Irregular payment without verification by the consultant-Rs1.086 million	Others
86	Non-preparation of feasibility report of major schemes	Others
87	Irregular allotment of additional vehicles beyond entitlement	Others
88	Unauthorized retention of government vehicles by Monitoring Unit	Others
89	Non-crediting of government revenue - Rs.526.268 million	Others
90	Irregular payment of secured advance - Rs.346.094 million	Others
91	Defective execution of cement concrete lining work-Rs.292.608 million	Others
92	Irregular payment due to non-recording of date of measurement – Rs267.293 million	Others
93	Non-crediting of call deposit into government treasury–Rs135.47 million	Others
94	Unjustified payment without detailed measurement –Rs.72.725 million	Others
95	Irregular payment of M&R works of previous year - Rs.24.150 million	Others
96	Non adjustment/clearance of Public Works Deposits – Rs.20.092 million	Others
97	Irregular expenditure against hiring of machinery due to change of measurement unit–Rs.19.572 million	Others
98	Variation in closing and opening balance -Rs.4.364 million	Others
99	Variation in opening balance of security deposit -Rs1.327 million	Others
100	Unjustified expenditure on repair of vehicle – Rs1.185 million	Others
101	Unjustified payment of liabilities from current year's budget – Rs0.571 million	Others
102	Abnormal delay in execution of schemes	Others
103	Unauthorized occupation of Bungalows/Quarters of Barrage Colony, Sukkur	Others
104	Non-utilization of machinery and technical staff	Others
105	Non-imposition of penalty - Rs.1,258.35 million	Others
106	Irregular payment without execution of the actual work – Rs.478.790 million	Others
107	Non-maintenance of consumption account – Rs237.604 million	Others
108	Irregular payment of Mobilization Advance without bank guarantee-Rs.101.471 million	Others
109	Unjustified payment of mobilization advance– Rs.54.84 million	Others
110	Irregular expenditure on hiring of hydraulic excavator– Rs.47.501 million	Others
111	Irregular payment at higher rates than approved scheduled rates - Rs23.108 million	Others
112	Non-deduction of shrinkage allowance on earthwork - Rs.22.002 million	Others
113	Irregular sanction of estimates beyond delegated powers – Rs.20.244 million	Others
114	Irregular execution of extra items of works – Rs.11.198 million	Others
115	Non-adjustment of advance payment for deposit work – Rs.7.10 million	Others
116	Irregular payments against POL from M&R budget – Rs.1.800 million	Others
117	Over payment due to non-deduction of factor rate for stack measurement–Rs.1.150 million	Others
118	Unjustified provision of quantities of items on lump sum basis in estimate	Others

119	Award of work without composition of procurement committee– Rs32.703 million	Procurement Related irregularities
120	Award of contract to contractor without integrity pact–Rs32.703 million	Procurement Related irregularities
121	Irregular award of contract amounting Rs176.456 million	Procurement Related irregularities
122	Irregular appointment of individual consultants without advertisement and required education and experience-Rs.6.780	Procurement Related irregularities
123	Unjustified approval of technical sanction and award of tender Rs110.118 million	Procurement Related irregularities
124	Irregular award of works due to variation in offered bid and bid evaluation reports-Rs30.121 million	Procurement Related irregularities
125	Irregular award of work beyond permissible limit of estimate –Rs81.191 million	Procurement Related irregularities
126	Wasteful expenditure against procurement of furniture-Rs9.780 million	Procurement Related irregularities
127	Irregular payment for procurement of generators – Rs7.500 million	Procurement Related irregularities
128	Irregular award of contract against irrelevant bank guarantee - Rs.319.244 million	Procurement Related irregularities
129	Non-hoisting of corrigendum for postponement of tender opening date - Rs19.287 million	Procurement Related irregularities
130	Irregular award of work due to non-obtaining of call deposit -Rs.1.851 million	Procurement Related irregularities
131	Splitting of single scheme into packages – Rs.121.321 million	Procurement Related irregularities
132	Irregular constitution of procurement committee -Rs.13.218 million	Procurement Related irregularities
4	**Public Health Engineering & Rural Development Department**	
1	Non-production of record	Non-Production
2	Irregular payment against Project Allowance – Rs19.445 million	HR/Employees related irregularities
3	Irregular appointment of Sub-Engineers	HR/Employees related irregularities
4	Irregular expenditure on non-scheduled items without rate analysis-Rs726.82million	Procurement related irregularities
5	Irregular payment without recording of measurements – Rs. 191.206 million	Procurement related irregularities
6	Irregular expenditure on scheme without land acquisition- Rs. 129.741 million	Procurement related irregularities
7	Unauthorized floating of tender before approval of the technical sanction Rs70.916 million	Procurement related irregularities
8	Defective execution of paving blocks in violation of specification-Rs59.412 million	Procurement related irregularities
9	Unauthorized award of tender due to short receipt of call deposits – Rs 52.034 million	Procurement related irregularities
10	Irrgular execution of work beyond premissible limits Rs. 36.001 million	Procurement related irregularities
11	Unjustified payment against difference cost of materials- Rs. 34.300 million	Procurement related irregularities
12	Irregular execution of paving blocks before construction of CC drains - Rs. 20.007million	Procurement related irregularities
13	Unauthorized payment of premium paid on paver block- Rs. 17.713 million	Procurement related irregularities
14	Irregular execution of work of storage tank–Rs13.521 million	Procurement related irregularities

15	Irregular payment on purchase of transformer- Rs 10.779 million	Procurement related irregularities
16	Unauthorized sanction of premium ceiling on carriage- Rs.7.721million	Procurement related irregularities
17	Irregular execution of extra items of works - Rs.4.467 million	Procurement related irregularities
18	Defective execution of work of compound wall –Rs. 3.459 million	Procurement related irregularities
19	Misappropriation due to excess quantity of pipes without change in deign–Rs.3.290 million	Procurement related irregularities
20	Defective execution of works–Rs. 3.152 million	Procurement related irregularities
21	Non-crediting of revenue into Government account-Rs114.280 million	Management of Accounts with Commercial Banks
22	Variation in figures of Income tax SAP Data and payment bills-Rs17.851million	Management of Accounts with Commercial Banks
23	Non-recovery of taxes – Rs 2.483 million	Others
24	Non/less recovery of stamp duty – Rs. 0.143million	Others
25	Abnormal delay in completion of Schemes/works	Others
26	Non-hoisting of BER and contract agreement on SPPRA website –Rs. 1550.891 million	Others
27	Non-imposition of penalty on delay in completion of works- Rs431.413 million	Others
28	Unjustified expenditure in the month of June – Rs. 369.935 million	Others
29	Non-utilization of funds – Rs. 251.265 million	Others
30	Unjustified payments against the cumulative work at different villages-Rs165.069 million	Others
31	Irregular execution without provision in PC-I- Rs. 78.937million	Others
32	Irregular award of work due to variation in BER -Rs36.096 million.	Others
33	Irregular releases of funds	Others
34	Poor performance due to non-functioning of R.O Plants & Drainage systems	Others
35	Irregular execution of work beyond operational Jurisdiction	Others
36	Missing/Un-traceable Vehicles	Others
37	Abnormal variation in the quantities of PC-I & PC-IV	Others
5	**Works & Services Department**	
1	Irregular Appointment of underage staff members	HR/Employees related irregularities
2	Unauthorized Payment of various allowances – Rs.0.031 million	HR/Employees related irregularities
3	Unauthorized posting of non-cadre employee on cadre post	HR/Employees related irregularities
4	Non-deduction of house rent allowance- Rs.0.174 million	HR/Employees related irregularities
5	Unjustified payment of Adhoc Relief Allowance 2013 @ 15% - Rs.0.277 million	HR/Employees related irregularities
6	Excess payment to the pensioners beyond superannuation – Rs.0.063 million	HR/Employees related irregularities
7	Irregular payment of conveyance allowance- Rs.0.120 million	HR/Employees related irregularities
8	Unauthorized promotion of staff during the absconding period	HR/Employees related irregularities

9	Non-auction of off-road vehicles	HR/Employees related irregularities
10	Unjustified payment of arrears of salary through adjustment bills – Rs.0.873 million	HR/Employees related irregularities
11	Un-justified payment of water charges beyond domain – Rs.3.968 million	Others
12	Non-verification of bank guarantee – Rs.110.605 million	Others
13	Irregular expenditure against M&R liability – Rs.2.245 million	Others
14	Non-allocation of funds for pending scheme during the FY 2020-21 - Rs.15.949 million	Others
15	Award of contracts without Electrical license –Rs.1.890 million	Others
16	Delay in deposit of bid security -Rs.9.646 million	Others
17	Non-payment of annual motor vehicle tax	Others
18	Irregular expenditure on M&R without budget - Rs.6.477 million	Others
19	Irregular procurement of items for other offices from budget of procuring agency - Rs.5.370 million	Others
20	Unauthorized retention of stock in books of account – Rs.1.420 million	Others
21	Wrong booking of receipts in the register of revenue receipts – Rs.0.882 million	Others
22	Payment of work after two years of work award without justification – Rs.0.712 million	Others
23	Defective preparation of PC-I– Rs.19.952 million	Others
24	Un-authorized retention of Govt. vehicle by Secretary - Rs.1.00 million	Others
25	Recovery of expenditure incurred against off-road vehicles-Rs.0.068 million	Others
26	Unauthorized operation of kitchens - Rs.14.954 million	Others
27	Suspicious refund of security deposit – Rs.2.330 million	Others
28	Non-utilization/surrender of funds – Rs.186.816 million	Others
29	Non-crediting of deposits in Govt. Account – Rs.1,272.508 million	Others
30	Non-reconciliation of expenditure – Rs.1,521.811 million	Others
31	Un-justified expenditure on demarcation of land – Rs.0.600 million	Others
32	Non - installation of transformers and electric meters – Rs.3.464 million	Others
33	Irregular expenditure of POL and other contingencies from capital head -Rs.2.100 million	Others
34	Non-recovery of secured advance -Rs.17.270 million	Others
35	Un-justified engagement of consultant for obtaining approval of scheme from Capital Development Authority -Rs.3.950 million	Others
36	Un-authorized possession of vehicle	others
37	Abnormal delay in execution of Schemes -Rs.7,531.797 million	Others
38	Un-justified preparation of cost estimate to avoid sanction of the competent authority-Rs.9.999million	Others
39	Unjustified repair & maintenance work beyond delegated authority - Rs.31.892 million	Others
40	Unauthorized allotment of accommodation without entitlement	Others
41	Misappropriation in the room rent charges	Others
42	Wrong booking of Income tax – Rs.53.091 million	Others
43	Non -recovery of water & electricity charges from contractors –Rs.1.811 million	Others

44	Irregular payment without contract agreements– Rs.2,634.052 million	Procurement related irregularities
45	Unjustified part rate payment – Rs.46.373 million	Procurement related irregularities
46	Non-utilization of bitumen as per specification –Rs.4.940 million	Procurement related irregularities
47	Award of work without obtaining open competition and value for money -Rs.133.900 million	Procurement related irregularities
48	Unjustified execution of additional excavation in violation of design/T.S –Rs.0.956 million	Procurement related irregularities
49	Irregular procurement of same items of M& R work on different rates – Rs.1.611 million	Procurement related irregularities
50	Abnormal Variation in per kilometer cost of road work	Procurement related irregularities
51	Irregular issuance of tender document/ BOQ before approval of technical sanction –Rs.241.324 million	Procurement related irregularities
52	Excess execution of items of work beyond permissible limit– Rs.51.453 million	Procurement related irregularities
53	Irregular payment against cartage – Rs.1.537 million	Procurement related irregularities
54	Irregular payment on account of escalation – Rs.29.487 million	Procurement related irregularities
55	Payment of mobilization advance without bank guarantee – Rs.21.332 million	Procurement related irregularities
56	Irregular payment due to un-authorized measurement-Rs.243.910 million	Procurement related irregularities
57	Suspicious payment of work done – Rs.1.156 million	Procurement related irregularities
58	Irregular payment on reduced rates – Rs.91.904 million	Procurement related irregularities
59	Non-completion of M&R works – Rs.4.724 million	Procurement related irregularities
60	Execution of earthwork through private contractors instead of Mechanical Division - Rs.18.131 million	Procurement related irregularities
61	Collusive practices in tendering process – Rs.647.462 million	Procurement related irregularities
62	Loss due to non-usage of excavated earth for filling-Rs.0.136 million	Procurement related irregularities
63	Unauthorized payment without execution of essential items - Rs.7.842 million	Procurement related irregularities
64	Irregular payment of secured advance to contractor– Rs.1.900 million	Procurement related irregularities
65	Unauthorized payment on extra lead – Rs.0.999 million	Procurement related irregularities
66	Unjustified expenditure on Dhaka grass over and above the schedule rates -Rs.1.410 million	Procurement related irregularities
67	Unjustified approval of quantities of decorative curtains -Rs.8.448 million	Procurement related irregularities
68	Defective execution of construction work by structural changes in design in deviation of approved work - Rs.43.419 million	Procurement related irregularities
69	Execution of work without essential formalities/requirements - Rs.10.030 million	Procurement related irregularities
70	Execution of M&R works of 2018-19 in the year 2020-21- Rs.53.142 million	Procurement related irregularities
71	Unauthorized payment of steel advance without justification– Rs.7.341 million	Procurement related irregularities
72	Irregular expenditure on tampered bidding documents – Rs.3.325 million	Procurement related irregularities
73	Excess execution of deposit work -Rs.15.379 million	Procurement related irregularities
74	Irregular expenditure without approval of District Oversight Committee – Rs.19.100 million	Procurement related irregularities

75	Award of works in violation of SPPRA - Rs.15.000 million	Procurement related irregularities
76	Irregular expenditure against undulation in the estimate - Rs.1.744 million	Procurement related irregularities
77	Excess Payment to contractor on account of steel – Rs.32.148 million	Procurement related irregularities
78	Doubtful recording of measurement – Rs.102.192 million	Procurement related irregularities
79	Unjustified payment of steel without execution of RCC work - Rs.2.849 million	Procurement related irregularities
80	Unjustified decrease in the approved estimated ratio of steel work - Rs.44.010 million	Procurement related irregularities
81	Unjustified payment of secured advance without requirement at site – Rs.33.600 million	Procurement related irregularities
82	Un-justified expenditure without execution of items - Rs.1.599 million	Procurement related irregularities
83	Excess payment on account of items of work - Rs.0.917 million	Procurement related irregularities
84	Non-calling of tender through international bidding above 10 million Dollars	Procurement related irregularities
85	Non-preparation of Annual Procurement Plan	Procurement related irregularities
86	Unclear status against withheld amount of contractors – Rs.81.199 million	Procurement related irregularities
87	Defective preparation of estimates & work done – Rs.308.173 million	Procurement related irregularities
88	Excess over and above the item- Rs.386.614 million	Procurement related irregularities
89	Unauthorized payment of difference of cost of material without provision in the estimates- Rs.254.625 million	Procurement related irregularities
90	Excess execution of Asphalt Concrete against base course-Rs.5.120 million	Procurement related irregularities
91	Unjustified expenditure on account of earth work compaction – Rs.0.998 million	Procurement related irregularities
92	Irregular payment of secured advance than due amount -Rs.0.403 million	Procurement related irregularities
93	Unjustified execution of road work on berms without executing earth work -Rs.1.494 million	Procurement related irregularities
94	Unjustified lump sum payment against the construction of RCC culverts -Rs.25.760 million	Procurement related irregularities
95	Unjustified payment against bitumen -Rs.7.19 million	Procurement related irregularities
96	Excess payment due to excess quantity of carpet & earthwork – Rs.17.603 million	Procurement related irregularities
97	Irregular execution of work before issuance of work order -Rs.4.273 million	Procurement related irregularities
98	Un-justified excess execution of paving blocks–Rs.3.303 million	Procurement related irregularities
99	Un-justified excess execution of Base Course-Rs.6.818 million	Procurement related irregularities
100	Doubtful execution of work – Rs.12.598 million	Procurement related irregularities
101	Payment to contractor without execution of approved work at site - Rs.18.902 million	Procurement related irregularities
102	Unjustified procurement through single stage two-envelope procedure - Rs.3.950 million	Procurement related irregularities
103	Excess expenditure on levelling through grader machine - Rs.19.852 million	Procurement related irregularities
104	Excess payment on account of cement without execution - Rs.2.356 million	Procurement related irregularities

105	Irregular Payment of premium on carriage - Rs.110.733 million	Procurement related irregularities
106	Irregular payment on execution of various items of work – Rs.1.867 million	Procurement related irregularities
107	Irregular procurement by inviting tender before approval of estimates - Rs.241.146 million	Procurement related irregularities
108	Unjustified payment without execution of work -Rs.1.030 million	Procurement related irregularities
109	Excess payment on consumption of steel and cement – Rs.0.855 million	Procurement related irregularities
110	Mis-procurement due to collusion in bidding process- Rs.19.305 million	Procurement related irregularities
111	Irregular expenditure on non-scheduled items without rate analysis – Rs.574.502 million	Procurement related irregularities
112	Unjustified execution of road construction beyond approved length – Rs.2.266 million	Procurement related irregularities
113	Unjustified excess rate allowed on item than the quoted rate - Rs.1.019 million	Procurement related irregularities
114	Non-imposition of penalty on delay in completion of works– Rs.1,093.769 million	Procurement related irregularities
115	Unjustified execution of various items of building work against estimate– Rs.2.800 million	Procurement related irregularities
116	Unjustified provision of sand cushion in violation of specification- Rs.1.980 million	Procurement related irregularities
117	Abnormal increase in cost of land due to change of road alignment - Rs.435.937 million	Procurement related irregularities
118	Irregular execution of earth work on part rate -Rs.11.239 million	Procurement related irregularities
119	Unjustified execution of base course without executing sub-base & sub-grade -Rs.43.528 million	Procurement related irregularities
120	Irregular payment of work before measurement date -Rs.4.031 million	Procurement related irregularities
121	Irregular payment of paver blocks at part rate– Rs.13.467million	Procurement related irregularities

Chapter-02 Section-I Annexes

Annex-1 (Para No 2.2.6.1)

Non-production of record

Sr#	Particulars
1	Record pertaining to non-development expenditure of Rs.200.00 million,
2	Record of receipt was also not provided on the plea that it was under the inquiry of the National Accountability Bureau (NAB) since 2019.
3	Original record of the development side containing MBs of various schemes.
4	Original cash books of expenditure and receipts.
5	Minutes of meetings of Gorakh Hills Development Authority.
6	PC-I approval, revised and re-revised files/letters.
7	Work orders and letters of acceptance.
8	Technical sanctions.
9	Copies of Agreements.
10	Call deposits of various 95 schemes.
11	The copies of production/seizure memos.
12	An amount of Rs.1,190,850/- was drawn vide cheque # 272916 dated 04-05-2020 paid to M/s Gul Construction as per SAP data, but the detailed voucher, copy of the cheque, MB etc. of the payment was also not provided.

Annex-2 (Para No 2.2.6.5)

Irregular refund of Security Deposit prior to completion of works –Rs.4.095 million

(Rs. in million)

Year	Posting Date	Cheque#	Name of Payee	Cost Center	Description	GL Desc	Amount
2019	04.05.2020	272913	Meesam Construction Company	KQ5150	Security Refund	Others	1.996
2019	23.10.2020	272925	M/S Gul Construction Company	KQ5150	Security Refund	Others	0.375
2019	09.12.2020	272930	Gul Const Co	KQ5150	Security Refund	Others	0.234
2019	09.12.2020	272931	Affco Oil Gas Fields Service Pvt Ltd	KQ5150	Security Refund	Others	1.191
2019	16.03.2021	272936	Gul Construction Co	KQ5150	Security Refund	Others	0.300
						Total	**4.096**

Chapter-02 Section-II Annexes

Annex-1 (Para No 2.3.6.2)

Excessive financial burden on hiring of contract and work charge staff-Rs.64.846 million

(a). **Statement of regular and daily wages and contract staff**

Sr.#	Category of staff	Nos. of staff	
		Regular	Daily wage/Contract
01.	Officials	94	225
02.	Workers	430	128
03.	Work charged/daily wages	000	1,220
	Total	**524**	**1,573**

(b). **Statement of comparison of expenditure on pay of contract, work charge and regular employees**

(Rs. in million)

Particular	Budget	Amount
Contract Employees	44.604	21.563
Work Charged staff	55.560	43.283
Total	**100.164**	**64.846**

(Rs. in million)

Particular	Budget	Amount
Pay of Regular Employees	66.305	21.666
	245.441	91.759
Total	**311.746**	**113.425**
Comparison in %	(46,846,411/113,425,527*100)=**57%**	

Annex-2 (Para No 2.3.6.4)

Non-cancellation of allotment of auctioned plots against defaulters – Rs.164.247 million

(Rs. in million)

Sr#	Name	Plot No	Area (Sq Yards)	Amount	Category	Scheme Name
1	Muhammad Bilal	A-1,B-A	80SqY 50 plots	9.220	Residential	Kohsar Extension
2	Syed Kashif Jameel	A-2,B-A	80SqY 50 plots	10.000	Residential	Kohsar Extension
3	Abdul Razzak	A-3,B-A	80SqY 50 plots	9.660	Residential	Kohsar Extension
4	Tahir Mughal	A-4,B-A	80SqY 50 plots	15.150	Residential	Kohsar Extension
5	Waqar Ahmed Khan	A-5,B-A	80SqY 50 plots	5.720	Residential	Kohsar Extension
6	Faiz Ul Haq Khan	School plot	1920	2.016	School	Kohsar Extension
7	Muhammad Akhtar	College plot	4333	7.599	College	Gulistan-e-Sarmast
8	Muhammad Ali	4852	80Sqy	0.162	Residential	Kohsar Extension
9	Khushnood Begum	03 Sec-01, B-01	3792	14.696	Commercial	Gulistan-e-Sarmast
10	Nasir Jameel	01 Sec-02,B-3	1710	8.422	Commercial	Gulistan-e-Sarmast
11	Riaz Ahmed	03 Sec-03, B-01	4250	22.750	Commercial	Gulistan-e-Sarmast
12	Kashif Jameel	04 Sec-03, B-01	500	4.950	Commercial	Gulistan-e-Sarmast
13	Najeeb Khan	Rec-01	600	1.860	Comm cum Residential	Gulistan-e-Sarmast
14	Najeeb Khan	Rec-02	600	1.800	Comm cu Residential	Gulistan-e-Sarmast
15	Najeeb Khan	Rec-03	600	1.800	Comm cum Residential	Gulistan-e-Sarmast
16	Syed Sajid Ali	Rec-5	600	1.825	Comm cum Residential	Gulistan-e-Sarmast
17	Tahir Mughal	Rec-6	600	0.850	Comm cum Residential	Gulistan-e-Sarmast
18	Abdul Aziz	Rec-9	600	1.975	Comm cum Residential	Gulistan-e-Sarmast
19	Nasir Jameel	Rec-11	600	2.640	Comm cum Residential	Gulistan-e-Sarmast
20	Muhammad Arif Memon	Rec-16	600	2.745	Comm cum Residential	Gulistan-e-Sarmast
21	Muhammad Hussain Memon	Rec-18	600	1.780	Comm cum Residential	Gulistan-e-Sarmast
22	Ahmed Ameer Uddin	17	4840	18.314	Farmhouse	Gulistan-e-Sarmast
23	Naveed Shah	19	4840	18.314	Farmhouse	Gulistan-e-Sarmast
			Total	**164.247**		

Annex-3 (Para No 2.3.6.6)

Misclassified and unauthorized expenditure beyond jurisdiction – Rs.1.770 million

(Rs. in million)

CV No. Date	Name of Payee	Head of Account	Expenditure Made	Cheque No.	Amount
05/28/12/2021	M/S Feeha Corporation	Beautification work	Purchase of religious books	53636718	0.298
05/28/12/2021	M/S Hassam Ahmed Laghari			53636720	0.292
06/28/12/2021	M/S Feeha Corporation			53636719	0.298
06/28/12/2021	M/S Hassam Ahmed Laghari			53636719	0.292
07/28/12/2021	M/S Feeha Corporation			53636720	0.298
07/28/12/2021	M/S Hassam Ahmed Laghari			53636718	0.292
				Total	**1.770**

Annex-4 (Para No 2.3.6.9)

(a) Non-deduction of Income tax and GST at source- Rs.2.597 million

(Rs. in million)

Sr.#	CV. No/Date	Cheque No.	Name of supplier	Name of chemicals	Hand R.No	M.Ton	Rate	Total
1	70/26.07.2021	38274384	M/s Excide Pakistan Chemicals, Karachi	Alum	688	20	26000	0.520
					687	20	26000	0.520
					691	20	26000	0.520
				Chlorine Gas	683	9	28000	0.252
2	-	38274383		Supply of Alum	695	20	2500	0.050
					694	20	2500	0.050
					693	20	2500	0.050
				Empty cylinder	684	10	9750	0.098
					682	10	9750	0.098
3	92 /27.08.2021	52217358		supply of Alum	692	20	26000	0.520
					690	20	26001	0.520
					688	20	26002	0.520
					687	20	26003	0.520
					691	20	26004	0.520
4	70 /26.07.21	52217276			-	-	-	1.825
5	92 /27.08.21	52217358			-	-	-	1.217
6	14/13.05.22	62615881			-	-	-	5.850
							Total	**13.649**
							Non-deduction of Income Tax@4.5%	0.614
							Non-deduction of GST@17%	1.983
							Total Recovery of Taxes	**2.597**

(b) Less deduction of income tax–Rs.5.602 million

(Rs. in million)

Sr.#	Period	Nos. of service providers/vendors	Amount	Amount deducted
1	July ,2021	9	11.121	0.834
2	July,2021	10	4.339	0.325
3	August,2021	18	9.047	0.679
4	August,2021	14	8.980	0.680
5	September,2021	9	5.775	0.435
6	September,2021	20	9.978	0.751
7	October,2021	42	17.675	1.242
8	October,2021	7	1.683	0.118
9	Nov. and Dec.2021	25	11.032	0.756
10	Feb. and March, 2022	52	37.239	2.608
11	April,2022	21	12.484	0.874
12	April,2022	4	19.906	1.393
13	April and May,2022	17	8.466	0.593
14	May,2022	1	9.927	0.695
15	April and June,2022	46	28.635	2.044
		Total Expenditure	**196.287**	**14.027**
		To Be deducted @10%	19.629	
		IT deducted@7 and7.5%	**14.027**	
		Less- deducted	**5.602**	

Annex-5 (Para No 2.3.6.10)

Non-recovery of stamp duty–Rs.3.004 million

(Rs. in million)

Sr.#	W/O#	Name of Works	Name of Contractor	Amount	Stamp duty
01.	2178 dtd.1 9/09/21	Improvement/Rehabilitation of water supply and sewerage system at Junejo Colony, Hyderabad.	M/s Tamzeer Hussain Construction	70.446	0.247
02.	3295 dtd. 15/12/20	P/L/J and Testing 20" PE rising main from LD-I station to SSTP construction of sump well providing fixing pump set at LD-I pumping station unit No4, Latifabad.		66.335	0.232
03.	117 dtd. 30/01/18	P/L/J & Testing 60" PE pipe water supply rising main from canal intake pumping station to pre-settlement lagoons i/c interconnection and allied works, Hyderabad.	M/s Muhammad Iqbal Shaikh &Co	317.224	1.11
04.	111dtd. 30/01/18	Sewerage system phase-III works for Qasim Abad under 25 years master plan. Pkg No04.	M/s K.A & Brothers	404.301	1.415
			Total	**858.306**	**3.004**

Chapter-02 Section-III Annexes

Annex-1 (Para No 2.4.6.1)

Non-production of record – Rs. 4,046.445 million

(Rs. in million)

Summary			
AIR Para No.	**Name of the department**	**Remarks**	**Excess**
106	Project Director (LARP)	Complete non-production	295.722
22	Director (Charge Parking/Bachat Bazar)	Complete non-production	399.536
11	Director (Public Relations)	Partial non-production	-
81	Chief Engineer	Partial non-production	2,523.142
75	Chief Medical Officer	Partial non-production	357.370
128	Law Officer	Partial non-production	50.602
126	Director (Planning & Coordination), KMTC	Partial non-production	168.441
67	Director (Marketing) Public Housing Scheme	Partial non-production	251.632
		Total	**4,046.445**

(Rs. in million)

Sr. No.	Description	Establishment	Contingency	Development	Revenue	Total
	Project Director (LARP), Karachi Development Authority (AIR Para No.106)					
01	2020-2021	56.975	4.978	-	91.974	153.927
02	2021-2022	61.090	4.995	-	75.711	141.795
	Total	**118.065**	**9.973**	**-**	**167.685**	**295.722**

(Rs. in million)

Sr. No.	Description	Establishment	Contingency	Development	Revenue	Total
	Director, Charged Parking/Bachat Bazar, Karachi Development Authority (AIR Para No.22)					
01	2016-2017	-	-	-	-	-
02	2017-2018	-	-	-	-	-
03	2018-2019	-	-	-	-	-
04	2019-2020	-	-	-	-	-
05	2020-2021	-	0.281	-	12.000	12.281
06	2021-2022	374.970	0.286	-	12.000	387.256
	Total	374.970	**0.567**	**-**	**24.000**	**399.537**

Sr#	Detail of record	F. Y
Director (Public Relations), KDA, Karachi (AIR Para No.11)		
01	Advertisements, publications, gazette notifications, office orders, disclaimers, public awareness campaigns and media announcements, incumbency period.	2016-2022
02	Salary	2016-2021
03	Contingency	2016-2021

(Rs. in million)

Abstract No. & Date	Name of Contractor	Reference	Total
	Chief Engineer, Karachi Development Authority (AIR Para No.81)		
1831 Dated 31-01-2022	M/s. Store Construction Co.	Refund of S.D.	0.185
1822 Dated 20-01-2022	M/s. Store Construction Co.		0.199
1823 Dated 20-01-2022	M/s. Store Construction Co.		0.200
2542 Dated 30-03-2022	M/s. R.K Construction Co.		0.158
2541 Dated 30-03-2022	M/s. R.K Construction Co.		0.159
1555 Dated 21-01-2022	M/s. A.M.K.M & Enterprises		1.499
1554 Dated 21-01-2022	M/s. Tahir & Brothers		1.998
2612 Dated 08-04-2022	M/s. National Association Enterprises		0.197
2611 Dated06-04-2022	M/s. National Association Enterprises		0.198
2123 Dated 02-03-2022	M/s. Atom Construction Co.		0.192
1089 Dated 18-11-2022	M/s. Z.F.I Enterprises		0.195
1088 Dated 21-11-2022	M/s. Z.F.I Enterprises		0.195
	Sub-Total		**5.375**
-	54 Engineering Departments of the Karachi Development Authority	Establishment	2,483.689
		Contingency	34.077
		Sub-Total	**2,517.766**
		Total	**2,523.142**

(Rs. in million)

Sr. No.	Description	Contingency
	Chief Medical Officer, Poly Clinic, KDA, Karachi (AIR Para No.75)	
01	2017-2018	Non-provided
02	2018-2019	Non-provided
03	2019-2020	Non-provided
04	2020-2021	163.670
05	2021-2022	193.700
	Total	**357.370**

(Rs. in million)

Sr. No.	Description	Establishment	Contingency	Total
	Law Officer, Karachi Development Authority (AIR Para No.128)			
01	2016-2017	-	-	-
02	2017-2018	-	-	-
03	2018-2019	-	-	-
04	2019-2020	-	-	-
05	2020-2021	-	6.800	6.800
06	2021-2022	43.802	-	43.802
	Total	**43.802**	**6.800**	**50.602**

(Rs. in million)

Sr. No.	Description	Establishment (Actual)	Contingency	Total
	Director (Planning & Coordination), K.M.T.C, KDA, Karachi (AIR Para No.126)			
01	2016-2017	-	-	-
02	2017-2018	-	-	-
03	2018-2019	-	2.395	2.395
04	2019-2020	64.513	1.450	65.963
05	2020-2021	66.135	0.770	66.905
06	2021-2022	32.463	0.715	33.178
	Total	**163.111**	**5.330**	**168.441**

(Rs. in rupees)

Sr. No.	Description	Contingency (Budgeted)	Revenue (Actual)	Total
	Director (Marketing) Public Housing Schemes, KDA, Karachi (AIR Para No.67)			
01	Auction file of the shops, offices and flats held in 2020	-	94.475	94.475
02	Auction file of the shops, offices and flats dated 25th May, 2021	-	31.115	31.115
03	2016-2017	1.538	12.050	13.588
04	2017-2018	4.330	15.687	20.017
05	2018-2019	4.330	13.835	18.165
06	2019-2020	4.550	7.725	12.276
07	2020-2021	3.360	38.027	41.387
08	2021-2022	3.530	17.080	20.610
	Total	**21.638**	**229.994**	**251.632**

Annex-2 (Para No 2.4.6.2)

(Rs. in million)

Sr. No.	Name of the department	Total HRA paid @ 65%	HRA due @ 45%	Difference
	a) House Rent Allowance @ 65%			
01	Director (Estate), KDA, Karachi	6.566	4.546	2.020
02	Director (Recovery), KDA, Karachi	2.611	1.808	0.803
03	Purchase Officer, KDA, Karachi	0.932	0.645	0.287
04	Director (I.T), KDA, Karachi	77.256	53.485	23.771
05	Additional Director, Horticulture, KDA, Karachi	3.008	2.082	0.925
06	Director (Land Management), KDA, Karachi	20.383	14.111	6.272
07	Chief Security Officer, KDA, Karachi	14.034	9.716	4.318
	Total	**124.790**	**86.393**	**38.397**
	b) Utility Allowance			
01	Director (Finance & Accounts)			3.156
02	Purchase Officer, KDA, Karachi			0.696
03	Director (I.T), KDA, Karachi			55.649
04	Director (Land Management), KDA, Karachi			9.456
05	Director (Recovery), KDA, Karachi			1.824
06	Director (Estate & Enforcement)			6.780
07	Chief Security Officer			8.515
08	Additional Director, Horticulture, KDA, Karachi			1.620
			Sub-Total	**87.696**
	c) Miscellaneous Allowances			
01	Chief Security Officer			0.473
02	Director (Recovery)			0.302
03	Additional Director, Horticulture, KDA, Karachi			0.263
04	Director (Estate & Enforcement)			0.291
05	Director (Finance & Accounts), KDA, Karachi			0.064
06	Purchase Officer, KDA, Karachi			0.515
07	Director (I.T), KDA, Karachi			2.765
			Sub-Total	**4.672**
			Grand Total	**130.765**

Annex-3 (Para No 2.4.6.4)

Irregular publication of NITs without approval of Information & Archives Department – Rs. 2,947.385 million

(Rs. in million)

NIT No.	Procurement ID	Quarter	Amount
Chief Engineer, KDA, Karachi (AIR Para No.47)			
EE/ED/KDA/2020/474	00586-20-0001	1st Quarter	543.027
	00586-20-0002	1st Quarter	425.372
	00586-20-0003	1st Quarter	124.472
	00586-20-0004	1st Quarter	231.088
	00586-20-0005	1st Quarter	210.600
EE/ED/KDA/2020/494	00586-20-0006	1st Quarter	190.783
	00586-20-0007	1st Quarter	147.680
	00586-20-0008	1st Quarter	116.267
	00586-20-0009	1st Quarter	192.446
EE/ED/KDA/2020/512	00586-20-0010	1st Quarter	242.690
	00586-20-0011	1st Quarter	154.710
	00586-20-0012	1st Quarter	368.250
		Total	**2,947.385**

Annex-4 (Para No 2.4.6.9)

Unjustified payment of secured advance – Rs. 29.066 million

(Rs. in million)

Bill No. & Date	Name of work & contractor	Name of item	Qty. executed	Unit	Full Rate	75% rate	Amount
1st R.A bill Dated 30-05-2022	Improvement of water supply line, installation of sewerage line, paver block and road carpeting in UC-19, District West, Karachi (ADP No.1509) (M/s. S.K Construction Co.)	Item No.01: Granular sub-base course	173,264	P. Cft.	25	19	3.249
		Item No.07: Aggregate base course	173,264	P. Cft.	60	45	7.797
		Item No.03 (Paver streets): Providing and laying of cement paving blocks flooring having size of 197 x 97 x 60 (mm)	72,000	P. Sft.	180	135	9.720
Sub-Total							**20.766**
R.A Bill No. & Dated	**Name of Work & Contractor**	**Name of item**	**Qty. of item supplied**	**Rate (Sft.)**	**Full amount**	**75% amount**	**Net amount after deduction**
1st Dated 28-05-2022	Improvement of water supply and installation of sewerage line and paver block in UC-I, /Gabopat (M/s. Mohib Enterprises)	Laying of pavers	114,600	120. 00	13.752	10,314,000	8.300
Sub-Total					**13.752**	**10.314**	**8.300**
Total							**29.065**

Annex-5 (Para No 2.4.6.12)

Non-removal of encroachments from the public housing schemes

Sr. No.	Description	Residential plots	Commercial plots	Industrial plots	Amenity plots	Flat site/Flats	Total
Director (Estate & Enforcement), KDA, Karachi (AIR Para No.107)							
01	Gulistan-e-Jauhar, Scheme No.36	1,000	93	0	57	7	1,157
02	North Karachi Township	2,360	1,189	0	0	0	3,549
03	Metroville SITE, Qasba Township	27	74	54	41	0	196
04	North Nazimabad	220	17	0	23	0	260
05	Korangi Township, Landhi Metroville	1,771	832	89	102	0	2,794
	Sub-Total (Plot sites)						**7,956**
Director (Marketing), Public Housing Schemes, KDA, Karachi (AIR Para No.71)							
		Residential Flats	**Commercial Flats**	**Industrial Flats**	**Amenity Flats**	**Flat sites**	**Total**
06	Shah Latif apartment, FL-4 & 5, Sector -20D, Shah Latif Town, Karachi	74	0	0	0	0	74
	Sub-Total (Flats sites)						**74**
						Total	**8,030**

Annex-6 (Para No. 2.4.6.13)

Unauthorized allocation of property without rent – 159.816 million

(Rs. in million)

Sr#	Location	Authorize use	Plot use	Area of plot (Sq. Yards)	Rate	Months	Amount
1	Field Office Surjani, Gadap Town	Field Office, KDA	Field offices of W&S Department	9,922	100	12	17.25
2	Field Office F.B Area, Gulberg Town	Field Offices, KDA	Field offices of W&S Department	14,374.80	100	12	5.42
3	Field Office, Gulistan-e-Jauhar, Gulshan-e-Iqbal Town	Field Offices, KDA	Field offices of W&S Department	4,517	100	12	14.404
4	VIP Rest House, COD Hill, Gulshan-e-Iqbal Town	Rest House, KDA	In occupation of Pakistan Rangers	12,003	100	12	0.388
5	Offices, Gulshan-e-Iqbal Town	Field office, KDA	In possession of KW&SB	323	100	12	2.693

06	KDA House, Jamshed Town	Residential purpose	City Nazim Camp Office	2,244.33	100	12	11.287
7	Umbrella market comprising 132 shops and installs	Public Market	In occupation of Sindh Reserve Police since 1973	9,406	100	12	4.67
8	Field Office, Korangi Town	Field Offices, KDA	Field offices of W&S Department	3,892	100	12	15.682
9	Field Office Malir Bund Division, Korangi Town	Field Offices, KDA	Field offices of W&S Department	13,068	100	12	1.88
10	Field Office Malir Bund Division, Mehran Block, Korangi Town	Field Offices, KDA	Field offices of W&S Department	1,566.97	100	12	0.281
11	Field Office Malir Bund Division, Shah Faisal Town	Field Offices, KDA	Field offices of W&S Department	234	100	12	85.861
			Total	**71,551.10**			**159.816**

Chapter-02 Section-IV Annexes

Annex-1 (Para No 2.5.6.1)

Non-production of record

Sr.#	Details of record	record required
01.	Outer development NOCs for last three years	Details of total Nos. of NOCs issued, cancelled & restored,
02.	ODC recovery/charges for last three years	Estimates prepared & sanctioned. Total amount of work done & work to be executed.
03.	Litigation cases under court of law for last three years	Detail and description of cases, case files of litigation, details of expenditure on salary of legal advisor and egal consultant firms, personnel files and employees profiles.

Annex-2 (Para No 2.5.6.3)

Excess expenditure over & above 5% of the estimate –Rs.194.367 million

(Rs. in million)

Name of contractor	Estimated amount	Contract amount	Excess/less	%	Revised Estimate Amount	Excess
M/s Star Construction Company	64.356	82.020	17.665	27.45	90.151	25.795
M/s ZBA Group	67.031	80.427	-13.396	-19.98	92.357	25.326
	44.777	3.640	-8.863	-19.79	61.629	16.852
M/s Kaim Khani Competition (JV) Al-Hamza Enterprises	25.886	30.991	5.106	19.72	35.033	9.147
M/s Shamsher Khan & Co.	71.014	81.688	-10.674	-15.03	93.851	22.838
M/s. Silver Creek Construction	6.855	7.875	-1.019	-14.87	9.050	2.195
M/s. AL-Khaliq Enterprises	14.834	17.038	-2.204	-14.86	19.582	4.747
M/S Shahzad Yousuf Zai	34.595	39.761	-5.165	-14.93	45.630	11.034
M/s. Bin Taj & Company	7.401	8.502	-1.101	-14.87	9.759	2.359
M/S Shamsher Khan & Co.	69.748	80.217	-10.468	-15.01	91.749	22.001
M/s J.Muhammad Siddique & Brothers	38.175	43.959	-5.785	-15.15	49.898	11.723
M/s Kamran Kampany	54.630	66.606	11.976	21.92	71.238	16.608
M/s Rajgan Enterprises	24.493	27.751	3.258	13.30	31.874	7.381
M/s A.A Quality Builders & Phuleli	54.921	62.196	-7.274	-13.25	71.283	16.361
					Total	**194.367**

Annex-3 (Para No 2.5.6.4)

Non-obtaining of performance security from the contractor - Rs.59.350 million

(Rs. in million)

SR.#	Name of contractor	Estimated Amount	Contract Amount	Revised Estimate Amount	5% performance Guarantee
1	M/s Crescent Construction Company	247.455	271.121	311.743	15.587
2	M/S Shamsher Khan & Co.	71.014	81.688	93.851	4.693
3	M/s ZBA Group	67.031	80.427	92.357	4.618
4	M/S Shamsher Khan & Co.	69.748	80.217	91.749	4.587
5	M/s Star Construction Company	64.356	82.020	90.151	4.508
6	M/s. Hitech Engineering & Construction Co.	63.264	75.794	80.424	4.021
7	M/s Alladin	64.605	69.004	78.792	3.940
8	M/s A.A Quality Builders & Phuleli	54.921	62.196	71.283	3.564
9	M/s Kamran Company	54.630	66.606	71.238	3.562
10	M/s Shahzad Yousuf Zai	56.232	62.548	70.986	3.549
11	M/s Haji Sirajuddin & Brothers	58.505	61.761	70.877	3.544
12	M/s M.D. Construction Co	51.568	57.180	63.555	3.178
			Total	**1,187.005**	**59.350**

Annex-4 (Para No 2.5.6.5)

Short realization of income/revenue - Rs. 213.700 million

(Rs. in million)

Charges	Balloting year	Outstanding Amount as of 30 June, 2020	Estimated Recovery 2020-2021	Recovered Till 30 June, 2021	Short Realization
Occupancy charges	1990, 1992 &1993	202.564	10.128	1.508	(8.619)
Development charges	1990, 1992 &1993	1,651.427	82.571	12.859	(69.713)
Occupancy charges	KDA Employees	95.385	4.769	2.143	(2.626)
Development charges	KDA Employees	551.857	27.593	3.183	(24.410)
Occupancy charges	1997	14.909	0.745	0.016	(0.729)
Development charges	1997	90.564	4.528	0.209	(4.320)
Occupancy charges	2008	2,285.524	114.276	24.672	(89.604)
Development charges	2008	-	-	-	-
Occupancy charges	2012	602.133	30.107	14.932	(15.175)
Development charges	2012	-	-	-	-
Occupancy charges	LDA Employees	-	-	0.427	0.427
Development charges	LDA Employees	-	-	0.000	-
Occupancy charges	Members- KPC (old)	254.338	1.182	0.299	(0.884)
Development charges	Members- KPC (old)	-	-	-	-
Occupancy charges	Members- KPC (New)	533.048	7.956	2.480	(5.476)
Development charges	Members- KPC (New)	-	-	-	-
	TOTAL	**6,281.750**	**283.856**	**62.727**	**(221.129)**
Other Charges		-	-	7.417	7.417
	Grand Total	**6,281.750**	**283.856**	**70.144**	**(213.700)**

Annex-5 (Para No 2.5.6.6)

Non-Recovery of outstanding amount from the plot owners -Rs.1,959.464 million

(Rs. in million)

HAWKSBAY SCHEME-42							
Occupancy Value							
Balloting year (1990,1992&1993)	**Size**	**Rate/ sq Yards**	**Cost per Plots**	**Quantity of Plots**	**Total Outstanding Amount**	**Recovered till June,2020**	**Balance Amount as at 30 June,2020**
	180	200	16000	13115	209.840	130.754	79.086
	120	250	30000	12542	376.260	288.983	87.277
	240	300	72000	3025	217.800	182.405	35.395
	400	450	180000	780	140.400	139.594	0.806
				Sub-Total	**944.300**	**741.736**	**202.564**
Development Charges							
Balloting year (1990,1992&1993)	**Size**	**Rate/ sq Yards**	**DC per Plot**	**Quantity of Plots**	**Total Outstanding Amount**	**Recovered till June,2020**	**Balance Amount as at 30 June,2020**
	180	475	38000	13115	498.370	42.175	456.195
	120	500	60000	12542	752.520	75.420	677.100
	240	550	132000	3025	399.300	43.791	355.509
	400	675	270000	780	210.600	47.975	162.625
				Sub-Total	**1,860.790**	**209.363**	**1,651.427**
Occupancy Value							
Balloting year 1997	**Size**	**Rate/ sq Yards**	**Cost per Plots**	**Quantity of Plots**	**Total Outstanding Amount**	**Recovered till June,2020**	**Balance Amount as of 30 June,2020**
In Sector 31	80	400	32000	1681	53.792	44.613	9.179
	120	500	60000	351	21.060	20.063	0.997
	240	600	144,000	179	25.776	21.042	4.734
				Sub-Total	**100.628**	**85.719**	**14.909**
Development Charges							
Balloting year 1997	**Size**	**Rate/ sq Yards**	**DC per Plot**	**Quantity of Plots**	**Total Outstanding Amount**	**Recovered till June,2020**	**Balance Amount as of 30 June,2020**
In Sector 31	80	475	38000	1681	63.878	10.285	53.593
In Sector 32	120	500	60000	351	21.060	3.837	17.223
	240	550	132000	179	23.628	3.880	19.748
				Sub-Total	**108.566**	**18.002**	**90.564**
						Grand Total	**1,959.465**

Annex-6 (Para No 2.5.6.8)

Non-recovery of stamp duty from various contractors –Rs.2.203million

(Rs. in million)

Sr.#	Name of contractor	Estimated Amount	Contract Amount	Revised Estimate Amount	Excess/Less	Per %	Stamp Duty 0.035
1	M/s Star Construction Company	64,355,520	82,020,410	90,150,659	25,795,139	40.08	0.140
2	M/s ZBA Group	67,030,726	80,426,510	92,356,791	25,326,065	37.78	0.132
3	M/s ZBA Group	44,776,727	53,639,556	61,629,126	16,852,399	37.64	0.132
4	M/s Kaim Khani Competition (JV) Al-Hamza Enterprises	25,885,876	30,991,440	35,032,645	9,146,769	35.33	0.124
5	M/S Shamsher Khan & Co.	71,013,900	81,687,581	93,851,416	22,837,516	32.16	0.113
6	M/s. Silver Creek Construction	6,855,097	7,874,500	9,049,787	2,194,690	32.02	0.112
7	M/s. AL-Khaliq Enterprises	14,834,301	17,038,000	19,581,725	4,747,424	32.00	0.112
8	M/S Shahzad Yousuf Zai	34,595,373	39,760,785	45,629,798	11,034,425	31.90	0.112
9	M/s. Bin Taj & Company	7,400,845	8,501,500	9,759,450	2,358,606	31.87	0.112
10	M/S Shamsher Khan & Co.	69,748,236	80,216,620	91,748,933	22,000,697	31.54	0.110
12	M/s J.Muhammad Siddique & Brothers	38,174,618	43,959,448	49,897,719	11,723,101	30.71	0.107
13	M/s Kamran Company	54,629,560	66,605,600	71,237,995	16,608,435	30.40	0.106
14	M/s Rajgan Enterprises	24,493,387	27,751,024	31,874,037	7,380,650	30.13	0.105
15	M/s A.A Quality Builders & Phuleli	54,921,408	62,195,833	71,282,571	16,361,163	29.79	0.104
16	M/s Shaheen Enterprises	8,019,486	8,977,996	10,289,571	2,270,085	28.31	0.099
17	M/s Saeed Associates	13,375,850	15,038,179	17,149,677	3,773,827	28.21	0.099
18	M/s Sajid Khan & Brothers	12,049,035	13,493,904	15,360,664	3,311,629	27.48	0.096
19	M/s Jafco Enterprises	10,249,387	11,425,110	13,057,496	2,808,109	27.40	0.096
20	M/s Rajgan Enterprises	20,865,837	23,199,312	26,575,067	5,709,230	27.36	0.096
21	M/s Muhammad Siddiq & Brothers	26,283,879	29,420,285	33,431,804	7,147,925	27.20	0.095
	Total		**784,223,592**	**888,946,931**	**219,387,884**		**2.203**

Chapter-02 Section-V Annexes

Annex-1 (Para No 2.6.6.2)

Non-deposit of pension contribution in fund account -Rs.7.543 million

(Rs. in million)

Sr#	Description	CV & Date	Cheque#	Amount	G.P Fund
1	Paid outstanding salary for 2 months to Mr. Naveed Soomro (Computer Programer)	Cv-09 & 08-07-2020	30454449	0.170	0.009
2	Salary Paid to Mr. Abdul Jabbar for July 2013 to Nov 2013, Dec 2013 to June 2014, July 2014 to Septembr 2014 and Feb 2016 to June 2016	CV-19 & 10-07-2020	30454459	0.478	0.027
3	Paid salary for different employees for different month	CV-22 & 13-07-2020	30454462	0.494	0.017
4	Salary for the month of June 2020	CV-36 & 23-07-2020	30454478	10.783	0.524
5	Paid to Salary Mr. Jalaudin Abbasi (Jr Clerk BPS-11) for June 2020	CV-50 & 24-07-2020	30454492	0.036	0.001
7	Paid salary Mr. Abdul Waheed Junejo, Mr. Sardar Ali Shah & Mr. Rafique	CV-18 & 17-08-2020	30454532	0.276	0.014
8	Paid salary for month of July 2020 SDA Regular Staff	CV-22 & 26-08-2020	30454536	10.964	0.505
9	Salary charges	CV-21 & 28-09-2020	30768284	0.121	0.008
10	Salary charges for the month of August 2020 (BPS 01 to 15)	CV-07 & 09-10-2020	30768297	5.739	0.228
11	Salary charges for the month of August 2020 (BPS 16 to 19)	CV-08 & 09-10-2020	30768298	5.643	0.306
12	Salary charges for 22 employees for August 2020	CV-16 & 14-10-2020	30768306	1.018	0.048
13	Salary charges for July to Sep 2019 of 02 employees	CV-24 & 23-10-2020	30768317	0.247	0.014
15	Salary charges paid to Aneel Kumar on Diwali	CV-23 & 25-11-2020	30768347	0.065	0.004
16	Salary charges 12 Employees July Auguist 2019	CV-24 & 25-11-2020	30768348	0.480	0.025
17	Salary charges of Mr. Sajjad Ahmed Memon (DD)	CV-33 & 27-11-2020	31625813	0.083	0.004
18	Salary charges of Regular Staff for Sep-2020 (Bps 01 to 11)	CV-36 & 27-11-2020	31625817	4.140	0.126
19	Salary charges paid to Mr. Muhammad Tarique Samejo (AD)	CV-39 & 27-11-2020	31625820	0.160	0.007
20	Salary charges for regular staff for Sep 2020	CV-40 & 27-11-2020	31625821	2.575	0.150
21	Salary charges for Regular staff BPS-16 for Sep 2020	CV-03 & 01-12-2020	31625824	2.824	0.171
22	Salary charges for Regular staff BPS-17 & 18 for Sep 2020	CV-04 & 01-12-2020	31625825	1.848	0.093
23	Salary charges for different pending (month is required)	CV-05 & 02-12-2020	31625826	0.330	0.007
25	Salary charges for the month of October 2020 Regular Staff SDA	CV-39 & 11-12-2020	31625862	5.232	0.240
26	Salary charges for the month of October 2020 Regular Staff SDA	CV-54 & 16-12-2020	31625879	6.860	0.323
27	Salary charges for different months of Maqrch to June 2019 of 02 Employees of SDA staff	CV-61 & 18-12-2020	31625886	0.194	0.008
28	Salary charges of Regular Staff for Nov-2020	CV-65 & 18-12-2020	31625890	11.744	0.544
29	Salary charges of 26 Employees for different months of 2019	CV-72 & 23-12-2020	31625897	4.348	0.217
30	Salary charges of 04 Employees for different months (Aug, Sep,Oct 2019 and Nove 2020)	CV-74 & 23-12-2020	31625899	0.195	0.010
31	Salary charges of Mr. Muhammad Shabir Ahmed, XEN for the month of June 2018, Oct 2019 & June 2019	CV-82 & 29-12-2020	31929087	0.340	0.016
32	Salary charges for the month of Nov 2020	CV-01 & 01-01-2021	31929090	0.461	0.022
33	Salary charges for different months of HDA staff	CV-14 & 01-01-2021	31929104	0.541	0.005
34	Salary charges for different months of Mr. Sajjad Ahmed Memon (DD) July 2018, Nov 2018 and Ddec 2018	CV-15 & 01-01-2021	31929105	0.283	0.016
35	Salary charges for different months of Mr. Allah Ditta (Cooley) April, May & June 2020	CV-16 & 01-01-2021	31929106	0.068	0.002
36	Salary charges inTwo Sheets for different months -not mentioned	CV-17 & 01-01-2021	31929108	2.791	0.148
37	Salary charges for different months (not mentioned)	CV-19 & 01-01-2021	31929110	0.497	0.034
38	Salary charges for different months (not mentioned)	CV-21 & 01-01-2021	31929112	0.444	0.019
40	Salary charges paid to Mr. Sardar Ali Shah (Secretary) SDA for one months	CV-33 & 14-01-2021	31929124	0.098	0.004
41	Salary charges paid to Mr. Abdul Jabbar Burfat, Junior Clerk (July to Oct 2015, Jan to Feb 2016 & July to Oct 2019)	CV-14 & 01-02-2021	31929182	0.223	0.008

42	Salary charges paid to Mr. Haji Essa Shoro, Junior Clerk (July to Oct 2019, March to June 2019)	CV-15 & 03-02-2021	31929183	0.240	0.010
43	Salary charges paid for different months (20 Employees)	CV-16 & 03-02-2021	31929184	0.741	0.046
44	Salary charges of regular staff for the month of January 2021	CV-33 & 04-02-2021	32299790	13.392	0.601
45	Salary charges for the month of Octpober 2020	CV-37 & 04-02-2021	32299794	0.182	0.003
46	Salary charges for the month of March to June 2017, 2019 and July to Oct 2019 of Riaz Hussain (Office Syuperintendent)	CV-47 & 12-02-2021	32299804	0.786	0.043
47	Salary charges for the different months Year 2017, 2018 & 2019	CV-48 & 12-02-2021	32299805	1.517	0.076
48	Salary charges of Suleman Khehro, XEN for 08 months of Year 2014 & 2015	CV-49 & 12-02-2021	32299806	0.485	0.022
49	Salary charges for regular staff SDA for the month of June 2018	CV-55 & 17-02-2021	32299813	6.718	0.447
51	Salary charges for different employess for different months	CV-84 & 25-02-2021	32299842	0.416	0.023
52	salary charges of Mr. Shahjahan Chandio (Sr Clerk Bps-14) of different months	CV-06 & 05-03-2021	32299848	0.256	0.012
53	Salary charges of different employees for months of April to June 2019	CV-09 & 10-03-2021	32299850	0.318	0.018
54	Salary charges of different employees for the month of February 2021	CV-12 & 10-03-2021	32299856	0.178	0.007
55	Salary charges of different employees of Year 2016	CV-21 & 12-03-2021	32299865	0.215	0.002
56	Salary charges of Pending salaries from Year 2014 to 2017 in r/o "Implementation of Hon. High Court, Hyderasbad	CV-01 & 09-4-2021	32299875	11.858	0.404
57	Salary charges of regular staff for the month of March 2021	CV-06 & 15-4-2021	32701320	14.036	0.608
58	Salary charges for different month (21 Employees)	CV-01 & 4-05-2021	32701321	0.808	0.039
59	Salary charges for the mponth of April 2021 (290 Employees)	CV-04 & 6-5-2021	32701324	14.478	0.587
60	Salary charges of Mr. Qurban Ali Mangi (Sub-Engineer) for the month of march 2019 to july 2019	CV-08 & 02-06-2021	32701343	0.188	0.013
62	Salary charges for different months of 2019 (23 Employees)	CV-19 & 16-06-2021	32701357	0.983	0.053
63	Salary charges for the month of May 2021	CV-20 & 17-06-2021	32701358	10.366	0.448
64	Salary charges for the different month of May 2021	CV-21 & 25-06-2021	32701359	3.625	0.173
			Total Rs.	**164.579**	**7.543**

Annex-2 (Para No 2.6.6.3)

Unauthorized procurement of items without the invitation of open tender - Rs.6.269 million

(Rs. in million)

Sr#	Particulars	Payees	Cv & Date	Chq No	Amount
1	Construction of Under Ground Water Tank Size 80' x 40' at Quaid-e-Azam Randers School	M/s Alkies (Pvt.) Ltd.	CV-23 & 28-00-2020	30768287	3.574
2	Paid for supplying and laying of computer lab additional office glass work partition wall stainless steel 12 MM glass wall wood work development of computer table completet for 08b persons and other requirement at DG offce SDA	M/s Nisar Ahmed & Co	CV-15 & 08-07-2020	30454455	0.696
3	Paid for Brand New HP Spectre 13	M/S logical system	CV-28 & 23-07-2020	30454469	0.364
4	Morpho Top (Thumb Digitizer inclusive of 17% GST) (2 Nos.)	Kestral Trading	CV-31 & 23-07-2020	30454472	0.435
5	Paid for (i) supply of office chairs, visitor chairs, sofa steel, office glass top table with side racks (ii)b Roller Blinder, Wall Paper, Venial Flooring at Nadra Verfiication room	M/s Nisar Ahmed & Co	CV-12 & 21-09-2020	30768275	0.373
6	Supply of Furniture @ DG SDA office	M/s Nisar Ahmed & Co	CV-63 & 18-12-2020	31625888	0.827
				Total	**6.2696**

Annex-3 (Para No 2.6.6.4)

Non-achievement of the target of receipts – Rs.819.382 million

(Rs. in million)

Component	Budget Amount 2020-21
(1) HOUSING SCHEME	
i. Gulshan-e-Shahbaz	200.00
HOUSING SCHEME	0
ii. Co-Operative	120.00
iii. Lal Shahbaz (Twin City)	100.00
Total	420.00
(2) JOINT VENTURE/H/ SCHEME	0
i.Gulshan-e-Shahbaz Ext;	3.00
ii. High Way Town	20.00
iii. Mehran Dream City	363.00
iv. Kohistan Valley	100.00
v. Expected New Schemes	250.00
Total	736.00
(3) REVENUE	0
i. Recovery of Water Supply	2.000
ii. Misc.	2.000
iii. NOC's & Revenue	20.00
TOTAL	24.00
Total Budgeted Receipts / Target	**1180.00**
Total receipts during the year 2020-21 as per Bank Statement.	**360.618**
Non-achievement of Target	**819.382**

Chapter-03 Annexes

Annex-1 (Para No.3.5.1)

Non-production of record

(Rs. in million)

Sr.#	Name of Office	Particulars	Year	AIR Para #	Amount
1	Education Works Division Kashmore	agreement, work order and comparative statement	2020-21	01	70.744
2		detail voucher and approval of rate analysis	2020-21	07	5.189
3	Executive Engineer, Electric Education Works Division, Nawabshah	PC-I and payment vouchers pertaining to HESCO	2020-21	06	1.145
4		NITs/Press Clippings of Newspapers and NIT Reference numbers, PC-I of the works	2020-21	10	117.566
5	Executive Engineer, Education Works Electrical Division-II Karachi	Electrical License (Electric inspector) and Registration certificate with PEC)	2020-21	06	0.450
6	Executive Engineer, Education Works Division, Sujawal	Vouchers of August 2020	2020-21	14	0.941
7		Supporting vouchers for refund of security deposit	2020-21	24	30.204
8		Supporting voucher for difference of cost	2020-21	37	4.974
9.	Executive Engineer, Education Works Division, Tando Allahyar	Record of bidding process & Vouchers pertaining to Social Welfare Obligation Funds	2020-21	03	4.283
10		Supporting vouchers for refund of security deposit	2020-21	24	0.485
11	Executive Engineer, Education Works Division, Tando Muhammad Khan	NIT, BOQ, Tech. Sanction, M.B and other record	2020-21	10	15.217
12		20 (Twenty) miscellaneous record	2020-21	17	0
13	Executive Engineer, Education Works Division, Thatta	R.A Bill of M/s GMS Builders & Developers	2020-21	17	2.476
14	Executive Engineer, Education Electrical works Division, Mirpurkhas	R.A bills along with estimates, bidding docs. and survey reports	2020-21	10	4.125
15		Survey reports from education department, Verification from concerned Head masters of work done	2020-21	11	53.121
16	Education Works Division, Kambar @ Shahdadkot	M.B & Indenture Bond	2020-21	07	0.375
		Various record (21 items)	2020-21	23	0
		Thematic audit information/record	2020-21	24	0
17	Education Works Division, Khairpur	deposit register, entries in cash book, copy of running bills and call deposit challans	2021-22	11	21.591
18	Education Works Division, Shikarpur	agreement, work order and comparative statement	2021-22	05	38.203

		Status of previous work done, Reasons of abandoning work & Detail of Security deposit/ call deposit if forfeited	2021-22	10	3.914
19	Education Works Division, Jamshoro	agreement, work order and comparative statement	2021-22	06	12.780
20	Electric Education Works Division, Sukkur	Technical Sanction, Work order, MBs and Contractor files	2020-21	08	2.206
				Total	**389.989**

Annex-2 (Para No. 3.5.30)

Non-deduction of government taxes – Rs. 31.143 million

(Rs. in million)

Sr.#	Name of Office	Particulars	Year	AIR Para #	Amount
1	Executive Engineer, Electric Edu. Works Divn, Nawabshah	Income Tax	2020-21	07	4.668
2	Executive Engineer, Education Works Division, Mithi	SST	2020-21	04	11.528
3	Executive Engineer, Education Works Division, Badin	SST	2020-21	07	14.145
4	Executive Engineer, (Electrical) Education Works Division Larkana	SST	2020-21	01	0.199
5	Education Works Division Sanghar	SST	2021-22	06	0.403
6	Education Works Division – IV (south), Karachi	Income Tax	2021-22	13	0.200
				Total	**31.143**

Chapter-04 Annexes

Annex-1 (Para No.4.5.1)

Non-production of auditable record

(Rs in millions)

Sr.#	Name of office	Year	AIR Para#	Particulars	Amount
1	Executive Engineer, Upper Pinyari Division Hyderabad	2021-22	13	Details of government vehicles and government accomodation	0
2	Executive Engineer, Feeder Division Hyderabad	2021-22	12	Details of call deposits	0.45
3	Executive Engineer, Lower Sindh Mechanical Division Jamshoro	2021-22	3	Details of Mechanical Heavy Machinery	0
4	Project Director, Flood Emergency Reconstruction Project, Hyderabad	2021-22	6	Measurement sheet	2.832
5	Executive Engineer, Rohri, Division, Moro	2021-22	14	Contract agreements and stamp duty	0.103
6	Executive Engineer, Drainage Division Khairpur Nathan Shah Dadu	2021-22	5	Measurement books and bidding documents	3.786
7	Managing Director, Sindh Irrigation & Drainage Authority (SIDA)	2020-21	1	Various record	0
8	Executive Engineer Shahbaz Division Sehwan Sharif, Jamshoro	2020-21	2	PC-I, MB, Estimates, case, tender file and contractor's ledger	74.878
9	Managing Director, Sindh Irrigation & Drainage Authority (SIDA)	2020-21	5	Supporting vouchers of POL	5.810
10	Executive Engineer, Kalri Baghar Division,Thatta	2021-22	4	Vouchers	16.2
11	Executive Engineer, Fuleli Canal Division, Badin-(SIDA) @ Hyderabad	2021-22	3	Various record	296.754
12	Executive Engineer, Rice canal Division, Larkana	2021-22	11	Measurement	14.289
13	Executive Engineer Drainage Division Shikarpur	2020-21	1	Record of Procurement/NIT	182.505
14	Executive Engineer Tubewell Division Ghotki -(SIDA)	2020-21	1	i. Scheduled items ii. Technical sanction iii. Detailed measurement iv. Bills/vouchers of work done v. Agreement vi. Completion certificate and other relevant document.	12.864
15	Executive Engineer Upper Sindh Mechnical Division Sukkur	2020-21	11	i. Security Deposits Register ii. Bid evaluation report iii. Technical sanctions/ Copies of Work orders iv. Measurement books v. BOQ and utilization report vi. contractors ledgers	8.973
16	Executive Engineer Tube well Division Ghotki,	2019-20 & 2020-21	3	Detailed Measurement	76.777
17	Executive Engineer, Begari Division Thul	2020-21	7	Various record	3.759
18	Executive Engineer Store Division Hyderabad	2020-21	1	Various record	0
19	Executive Engineer Store Division Hyderabad	2020-21	5	Stock account	192.856

20	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	13	Detailed Measurement	62.292
21	Executive Engineer, Drainage Division, Khairpur	2020-21	5	i. composite rates of items duly approved by the procurement committee ii. procurement plan iii. detail of works done in respect of each job done iv. log book of work done	9.970
22	Executive Engineer, Drainage Division, Khairpur	2020-21	14	Detailed Measurement	2.355
23	Executive Engineer, Kandhkot Division @ Garhi Hassan Sarki	2020-21	12	i. i) M.B was also not produced ii. No. CNIC# of drivers were mentioned iii. Registration number of Datsun not mentioned iv. Purpose of engaging of Datsun pickup was not mentioned	2.187
24	Executive Engineer, Drainage Division, Khairpur	2020-21	11	i. Reason/purpose of hiring ii. Log book	1.835
25	Executive Engineer, Tube well Division, Mirpurkhas	2020-21	15	Various record	0
26	Executive Engineer, Tube well Division, Mirpurkhas	2020-21	16	Various record	
27	Executive Engineer, Rice Canal Division, Larkana	20219-20 & 2020-21	14,15,17,26, 27,51,28,32, 33,34,35,36 37,38,52,2,2 1,20,23,19,2 5	Various record	373.985
28	Executive Engineer, Drainage Division Larkana	2020-21	6,7,8,14,24, 25,32,33,34, 35,36,384,3 7	Various record	362.836
29	Executive Engineer, Tube well Division, Khairpur	2020-21	4	Various record	36.666
30	XEN, Central Sindh Mechanical Division, Jamshoro	2019-20 & 2020-21	17	Various record	0
31	Executive Engineer, Tube well Division, Khairpur	2019-20 & 2020-21	9	i. Payment bills and vouchers ii. Log book and consumption account	8.199
				Total	**1,753.16**

Annex-2 (Para No.4.5.4)

Non-invitation of open tenders – Rs.1,350.328 million

(Rs in million)

Sr.#	Name of office	Year	AIR Para#	Amount
1	Executive Engineer, Begari Division Jacobabad	2021-22	3	58.861
2	Executive Engineer Irrigation East Division, Khairpur	2021-22	7	97.187
3	Executive Engineer, Kalri Baghar Division, Thatta	2021-22	1	83.107
4	Executive Engineer, Feeder Division Hyderabad	2021-22	9	1.649
5	Executive Engineer, Shahbaz Irrigation Division Sehwan	2021-22	1	2.842
6	Executive Engineer, Dad division Benizarabad	2021-22	6	99.309
7	Executive Engineer, Tube wells Division,No.1 Hala	2021-22	9	79.903
8	Executive Engineer, Small Dams Division Nagarparkar @ Mithi	2021-22	15	16.727
9	Executive Engineer, Tube Well Division Hala-II	2021-22	1	25.613
10	Executive Engineer, Northern Dadu Division, Larkana	2020-21	1	142.401
11	Managing Director, Sindh Irrigation & Drainage Authority (SIDA)	2020-21	16	3.385
12	Executive Engineer Lower Pinyari Division, Sujjawal	2020-21	6	26.836
13	Executive Engineer, Tube well Division, Tando Jam	2021-22	1	5.36
14	Executive Engineer, Rice Canal Division, Larkana	2021-22	9	97.76
15	Executive Engineer, Drainage Division Khairpur Nathan Shah Dadu	2019-20 & 2020-21	2	0.78
16	Executive Engineer Kalri Baghar Division Thatta	2020-21	1	157.545
17	Executive Engineer Research Division Karachi	2020-21	1	2.595
18	Executive Engineer, Drainage Division, Khairpur	2020-21	6	13.102
19	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	1	250
20	Executive Engineer, Rice Canal Division, Larkana	2019-20 & 2020-21	4	2.989
21	Executive Engineer, Rice Canal Division, Larkana	2020-21	18	40.375
22	Executive Engineer, Providing Fresh Water in Arid Zone of Sindh, Hyderabad	2020-21	1	2.343
23	Executive Engineer, Begari Division, Jacobabad	2020-21	6	62.88
24	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	3	26.163
25	Executive Engineer, Drainage Division Larkana	2020-21	1	50.616
			Total	**1,350.328**

Annex-3 (Para No.4.5.5)

Split-up of work to avoid tender - Rs.744.72 million

(Rs in million)

Sr.#	Name of office	Year	AIR Para#	Amount
1	Executive Engineer, Tube well Division, Tando Jam	2021-22	2	5.568
2	Executive Engineer, Tube Well Division Hala-II	2021-22	3	28.606
3	Executive Engineer, Chotiari Reservior Khipro, Sanghar	2021-22	3	79.716
4	Executive Engineer, Hala Division Hala @ Hyderabad	2021-22	2	124.667
5	Executive Engineer, Rohri, Division, Moro	2021-22	3	24.362
6	Executive Engineer, Drainage Division Khairpur Nathan Shah Dadu	2021-22	1	0.95
7	Executive Engineer Lower Pinyari Division, Sujjawal	2020-21	12	2.854
8	Executive Engineer, Research Division, Karachi	2021-22	2	5.453
9	Executive Engineer Drainage Division Shikarpur	2020-21	9	3.23
10	Executive Engineer Kalri Baghar Division Thatta	2020-21	3	70.774
11	Executive Engineer Research Division Karachi	2020-21	3	5.911
12	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	4	26.163
13	Executive Engineer, Tube well Division, Mirpurkhas	2020-21	5	85.789
14	Executive Engineer, Rice Canal Division, Larkana	2020-21	3	267.766
15	Executive Engineer, Tube well Division, Khairpur	2020-21	7	12.407
16	Executive Engineer, Tube well Division, Khairpur	2020-21 &2021-22	15	0.504
			Total	**744.72**

Annex-4 (Para No.4.5.12)

Execution of earthwork/silt clearance through private contractors instead of mechanical division- Rs.535.955 million

(Rs in millions)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Executive Engineer, Upper Pinyari Division Hyderabad	2021-22	2	5.224
2	Executive Engineer, Upper Pinyari Division Hyderabad	2021-22	9	8.646
3	Executive Engineer, Kalri Baghar Division, Thatta	2020-21	9	8.159
4	Executive Engineer, Shahbaz Irrigation Division Sehwan	2021-22	4	18.969
5	Executive Engineer Jamrao Division, Mirpurkhas	2021-22	6	2.841
6	Executive Engineer, Hala Division Hala @ Hyderabad	2021-22	7	89.445
7	Executive Engineer, Sakro, Division, Mirpur Sakro	2021-22	12	52.923
8	Executive Engineer, Naseer, Division, Hyderabad	2021-22	5	56.952
9	Executive Engineer, Kalri Baghar Division, Thatta	2021-22	13	8.219
10	Executive Engineer, Warah Division, Larkana	2019-20 & 2020-21	7	58.472
11	Executive Engineer Sukkur Begari Bund Division Sukkur	2020-21	1	32.111
12	Executive Engineer Ghotki Division Ghotki -(SIDA)	2020-21	4	28.646
13	Executive Engineer Kandhkot Division Kashmore	2020-21	5	5.794
14	Executive Engineer, Kalri Baghar Division, Thatta	2020-21	6	10.992
15	Executive Engineer, Gunni Canal Division, Fazil Rahu, Badin	2015-16 to 2020-21	1	17.443
16	Executive Engineer, Drainage Division, Khairpur	2020-21	16	9.97
17	Executive Engineer, Begari Division Thul	2020-21	2	18.595
18	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	19	5.22
19	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	31	25.102
20	Executive Engineer, Rice Canal Division, Larkana	2020-21	44	22.596
21	Executive Engineer, Rice Canal Division, Larkana	2020-21	46	17.072
22	Executive Engineer, Drainage Division Larkana	2020-21	30	5.045
23	Executive Engineer, Begari Division, Jacobabad	2020-21	5	27.519
			Total	**535.955**

Annex-5 (Para No.4.5.14)

Irregular refund of security deposit-Rs.431.539 million

(Rs in millions)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Executive Engineer Irrigation West Division, Khairpur	2021-22	8	2.559
2	Executive Engineer Irrigation West Division, Khairpur	2021-22	10	19.4
3	Executive Engineer, Shahbaz Irrigation Division Sehwan	2021-22	5	13.321
4	Executive Engineer, Small Dams Division Nagarparkar @ Mithi	2021-22	16	3.922
5	Executive Engineer, Hala Division Hala @ Hyderabad	2021-22	3	11.673
6	Executive Engineer, Rohri, Division, Moro	2021-22	8	71.914
7	Executive Engineer Small Dam Kohistan-I, Dadu	2021-22	10	117.872
8	Project Director, Project Management Office, Sindh Barrage Improvement Project Phase-I, Rehabilitation and Modernization of Guddu Barrage	2021-22	4.3.2	131.083
9	Executive Engineer Southern Dadu Division Dadu (Including Thematic Audit)	2020-21	10	8.633
10	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	2020-21	8	27.665
11	Executive Engineer, Drainage Division, Khairpur	2020-21	18	18.52
12	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	6	2.147
13	Executive Engineer, Rice Canal Division, Larkana	2019-20 & 2020-21	24	7.867
14	Executive Engineer, Drainage Division Larkana	2020-21	16	9.854
15	Executive Engineer, Providing Fresh Water in Arid Zone of Sindh, Hyderabad	2020-21	2	5.274
16	Executive Engineer, Tube well Division, Khairpur	2020-21	10	7.5
			Total	**431.539**

Annex-6 (Para No.4.5.16)

Less deduction of security deposit – Rs.289.148 million

(Rs in millions)

Sr.#	Name of Office	Year	AIR Para#	Amount
1	Executive Engineer, Upper Pinyari Division Hyderabad	2021-22	4	11.535
2	Executive Engineer, Chotiari Reservior Khipro, Sanghar	2021-22	11	126.857
3	Executive Engineer, Drainage Division, Tando Muhammad Khan	2020-21	10	1.324
4	Executive Engineer, Drainage Division, Tando Muhammad Khan	2020-21	4	7.274
5	Executive Engineer, Rice canal Division, Larkana	2021-22	2	10.187
6	Executive Engineer Chotiari Reservoir Khipro Sanghar	2020-21	10	45.921
7	Executive Engineer, Begari Division Thul	2020-21	8	0.371
8	Executive Engineer, Kandhkot Division @ Garhi Hassan Sarki	2020-21	13	1.38
9	Executive Engineer, Mirpur Division @ Mirpur Mathelo	2020-21	11	3.5
10	Executive Engineer, Tube well Division, Mirpurkhas	2020-21	13	12.709
11	Executive Engineer, Rice Canal Division, Larkana	2020-21	49	6.112
12	Executive Engineer, Drainage Division Larkana	2020-21	15	2.895
13	Executive Engineer, Drainage Division Larkana	2020-21	26	10.147
14	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	9	12.525
15	Executive Engineer, Kandhkot Division @ Garhi Hassan Sarki	2020-21		2.432
16	Executive Engineer, Rice Canal Division, Larkana	2020-21	12	19.701
17	Executive Engineer, Drainage Division Larkana	2020-21	22	14.278
			Total	**289.148**

Annex-7 (Para No.4.5.19)

Non-recovery of various taxes at prescribed rates - Rs.212.84 million

(Rs in millions)

Sr.#	Name of Office	Particulars	Year	AIR Para#	Amount
1	Executive Engineer, Mirpur Division, Mirpur Mathelo	SST	2021-22	7	47.921
2	Executive Engineer, Lower Sindh Mechanical Division Jamshoro	SST	2021-22	2	1.013
3	Executive Engineer, Southern Division Dadu	Less IT	2021-22	9	0.426
4	Executive Engineer Jamrao Division, Mirpurkhas	Less IT	2021-22	4	0.647
5	Executive Engineer, Chotiari Reservior Khipro, Sanghar	SST	2021-22	2	8.068
6	Executive Engineer, Chotiari Reservior Khipro, Sanghar	SST	2021-22	12	5.543
7	Executive Engineer, Rohri, Division, Moro	SST	2021-22	9	12.05
8	Executive Engineer Small Dam Kohistan-I, Dadu	SST	2021-22	4	28.432
9	Executive Engineer, Drainage Division, Mirpurkhas	Less IT	2021-22	1	2.839
10	Executive Engineer, Drainage Division, Mirpurkhas	SST	2021-22	2	2.343
11	Executive Engineer, Thar Division Mirpurkhas	Less IT	2021-22	6	0.749
12	Managing Director, Sindh Irrigation & Drainage Authority (SIDA)	SST	2020-21	9	0.402
13	Executive Engineer, Mirpur Division (Irrigation) at Mirpur Mathelo	Less IT	2021-22	2	1.046
14	Executive Engineer, Drainage division Khairpur Nathan shah Dadu	Less IT	2019-20 & 2020-21	3	0.094
15	Executive Engineer, Warah Division, Larkana	SST	2019-20 & 2020-21	2	0.82
16	Executive Engineer, Drainage Division, Tando Muhammad Khan	SST	2020-21	5	1.337
17	Project Director, Project Management Office, Sindh Barrage Improvement Project Phase-I, Rehabilitation and Modernization of Guddu Barrage	Professiona Tax	2021-22	4.2.4	0.2
18	Project Director, Project Management Office, Sindh Barrage Improvement Project Phase-II, Rehabilitation and Modernization of Sukkur Barrages	Less IT	2021-22	4.1.2	0.131

19	Executive Engineer Chotiari Reservoir Khipro Sanghar	SST	2020-21	1	69.512
20	Executive Engineer Nara Project Division Sanghar	SST	2020-21	5	4.151
21	Executive Engineer Southern Dadu Division Dadu (Including Thematic Audit)	SST	2020-21	2	0.900
22	Executive Engineer Feeder Division Hyderabad	SST	2020-21	13	0.726
23	Executive Engineer, Begari Division Thul	Less IT	2020-21	12	4.200
24	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	SST	2020-21	15	12.225
25	Executive Engineer, Mirpur Division @ Mirpur Mathelo	SST	2020-21	8	2.637
26	Executive Engineer, Rice Canal Division, Larkana	SST	2020-21	8	1.529
27	Executive Engineer, Providing Fresh Water in Arid Zone of Sindh, Hyderabad	IT	2020-21	4	2.899
				Total	**212.840**

Annex-8 (Para No.4.5.23)

Misclassification of expenditure – Rs.55.194 million

(Rs in millions)

Sr.#	Name of Office	Particulars	Year	AIR Para#	Amount
1	Managing Director, Sindh Irrigation & Drainage Authority (SIDA)	Purchase of computer & electronic items from repair of machinery	2020-21	10	0.677
2	Project Director, Project Management Office, Sindh Barrage Improvement Project Phase-II, Rehabilitation and Modernization of Sukkur Barrages	Expenditure against salary, POL & repair and maintenance from Capital expenditure	2021-22	4.2.1	50.078
3	Executive Engineer, Central Sindh Mechanical Division, Jamshoro	POL and court was charged from development scheme	2019-20 & 2020-21	7	2.227
4	Executive Engineer, Central Sindh Mechanical Division, Jamshoro	"Revamping work of Rohri Canal RD 810 to 834" from "Mir Muhammad Distry RD 0-30, Southern Dadu Division" and " Nara Distry RD 0-28, Rice Canal Division"	2019-20 & 2020-21	8	2.212
				Total	**55.194**

Annex-9 (Para No.4.5.24)

Unjustified delay in start of work– Rs73.290 million

(Rs. in million)

Sr#	Name of Scheme	Name of Contractor	WO No & Dated	Tender Cost	Stip Date of Start	Actual Date of Start
1	1. Supplying & Fixing 4 Nos: Pumps KSB or Equevalent of 25 Cusecs Capacity with 80 HP Motor (Siemens) Motor control unit for KN Shah Main Drain to Supplement tail areas Nara D.	Mr: Ghulam Hyder Khushk	TC/G-55/2160 dated 06.07.15	38.428	22.06.21	21.06.21
2	Construciton of leading channel along Nara Main Drain to supplement tail areas Nara Distry.	M/S Bakhat Hussain	TC/G-55/569 dated 11.06.15	12.896	12.06.15	01.07.17
3	Construction Retaining Wall along Mir Wah Distry RD 35 to 38, 40 & 41 (Pakcage No: 4)	M/S Abdul Karim Mangal	TC/G-55/1817 dated 24.12.20	21.966	30.12.20	10.03.22
			Total	**73.290**		

Annex-10 (Para No 4.5.31)

Non-recovery of stamp duty - Rs.20.735 million

(Rs in million)

Sr.#	Name of office	Year	AIR Para#	Amount
1	Executive Engineer, Tube wells Division,No.1 Hala	2021-22	10	2.6
2	Executive Engineer, Small Dams Division Nagarparkar @ Mithi	2021-22	13	0.222
3	Executive Engineer Jamrao Division, Mirpurkhas	2021-22	13	3.551
4	Project Director, Flood Emergency Reconstruction Project, Hyderabad	2021-22	9	1.897
5	Executive Engineer, Northern Dadu Division, Larkana	2021-22	12	0.597
6	Executive Engineer Small Dam Kohistan-I, Dadu	2021-22	5	4.456
7	Executive Engineer, Warah Division, Larkana	2019-20 & 2020-21	3	0.318
8	Executive Engineer, Rice canal Division, Larkana	2021-22	7	0.342
9	Executive Engineer, Thar Division Mirpurkhas	2021-22	11	0.492
10	Project Director, Sindh Resilience Project (Irrigation Component), Karachi	2021-22	4.2.4	0.362

11	Project Director, Project Management Office, Sindh Barrage Improvement Project Phase-I, Rehabilitation and Modernization of Guddu Barrage	2021-22	4.2.5	0.75
12	Executive Engineer Chotiari Reservoir Khipro Sanghar	2020-21	1	2.255
13	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	2020-21	10	0.877
14	Executive Engineer, Kandhkot Division @ Garhi Hassan Sarki	2020-21	14	0.170
15	Executive Engineer, Rice Canal Division, Larkana	2020-21	8	0.689
16	Executive Engineer, Drainage Division Larkana	2020-21	23	0.177
17	Executive Engineer, Drainage Division Larkana	2020-21	27	0.355
18	Executive Engineer, Tube well Division, Khairpur	2020-21	13	0.618
19	Executive Engineer Southern Dadu Division Dadu (Including Thematic Audit)	2020-21	4	0.177
			Total	**20.735**

Annex-11 (Para No.4.5.33)

Non-recovery of excess payment over and above the actual amount – Rs.18.228 million

(Rs. in million)

Statement for non-recovery of excess payment							
S#	**Scheme Name**	**Name of Item**	**Name of Contractor**	**Rate**	**Qty**	**Actual Amount**	**Bill Amount**
1	Makhi-II Dam	Carraige of 100 tons	Mumtaz & Co	407	6,720,148	27.351	32.711
	Excess						**5.36**
2	Walar Nai Dam	Dressing, leveling of earth work	Haji Bashir Soomro	187.6	2,841,004	0.532	5.032
	premium 35.30%					0.188	1.776
	Excess					**0.72**	**6.809**
					Total	**28.071**	**12.17**

Statement for wrong calculation					
S#	**Name of work**	**Name of contractor**	**Actual amount**	**Paid amount**	**Excess amount**
1	Luthi Dam	Haji Bashir Soomro	294.541	300.600	6.058
				Grand Total	**18.228**

Annex-12 (Para No.4.5.34)

Loss due to premium on non-schedule items -Rs16.091 million

(Rs. in million)

	Estimated Cost	Bid by Contractor Awarded	Above	%
Part-II Schedule Items	2.197	2.966	0.769	35
Part-III Schedule Items	28.303	38.209	9.906	35
Cartage	0.278	0.000	0.000	
Total Schedule Items	**30.778**	**41.174**	**10.675**	35
Part-I Non-schedule Items	42.546	50.701	8.155	19
Part-IV Non-schedule Items	53.260	58.649	5.389	10
Part-V Non-schedule Items	23.385	25.932	2.547	11
Total Non-Schedule Items	**119.191**	**135.282**	**16.091**	**14**
Total BoQ	149.969	176.457	26.766	18
2% Contingency + M&E charges	2.999			
Total Estimates	152.968			

Annex-13 (Para No 4.5.35)

Unjustified payment due to overcharging of hired machinery - Rs.13.276 million

(Rs. in million)

CV No /Dt	W.O No Dt	M/S	Item of work	Unit	Qty	Rate	Date of Start	Days as per MB	Days Due	Hours Due	Excess Hours	Excess Amount
3/ 3-5-21	579/ 12-4-21	Banochi Khan	Engaging Tractor on Hire basis with Blade & Trolly	P.Hour	420	2500	12/4/2021	13 to 24-04-21	12	288	132	0.330
6/ 3-2-21	95/ 11-1-21		Engaging Excavator Wheel Type with POL		352	3700	11/1/2021	12 to 19-01-21	8	192	160	0.592
5/ 3-2-21	94/ 11-1-21		Engaging Excavator Wheel Type with POL		352	3700	11/1/2021	12 to 19-01-21	8	192	160	0.592
4/ 3-2-21	96/ 11-1-21		Engaging Excavator Wheel Type with POL		352	3700	11/1/2021	12 to 19-01-21	8	192	160	0.592
4/ 3-2-21	96/ 11-1-21		Engaging Tractor on Hire basis with Blade & Trolly		330	2500	11/1/2021	12 to 19-01-21	8	192	138	0.345
3/ 12-1-21	1944/ 24-12-20		Engaging Excavator Wheel Type with POL		308	3700	12/24/20	25 to 30-12-20	6	144	164	0.607
3/ 12-1-21	1944/ 24-12-20		Engaging Tractor on Hire basis with Blade & Trolly		280	2500	12/24/20	25 to 30-12-20	6	144	136	0.340
2/ 12-1-21	1945/ 24-12-20		Engaging Excavator Wheel Type with POL		280	3700	12/24/20	25 to 30-12-20	6	144	136	0.503
2/ 12-1-21	1945/ 24-12-20		Engaging Tractor on Hire basis with Blade & Trolly		280	2500	12/24/20	25 to 30-12-20	6	144	136	0.340
1/ 12-1-21	1943/ 24-12-20		Engaging Excavator Wheel Type with POL		396	3700	12/24/20	25 to 30-12-20	6	144	252	0.932
4/2/2021	1243/ 10-2-21	Bashir Ahmed	Engaging Hydraulic Excavator Wheel Type	P Hour	603	3000	11/2/2021	2/26/2021	16 Days	384 Hours	219	0.657
4/2/2021	1288/ 18-2-21	Ali Muslim			708		2/18/2021	7/3/2021	17 Days	480 Hours	228	0.684
5/2/2021	424/ 10-2-21	Sadan Ahmed			196		10/2/2021	12/2/2021	3 Days	72 Hours	124	0.372

5/2/2021	273/ 15-2-21	Sadan Ahmed			182		2/15/2021	2/17/2021	3 Days	72 Hours	110	0.330
5/2/2021	258/ 12-2-21	Sadan Ahmed			195		12/2/2021	2/14/2021	3 Days	72 Hours	123	0.369
5/2/2021	310/ 22-2-21	Sadan Ahmed			196		2/22/2021	2/24/2021	3 Days	72 Hours	124	0.372
12/28/2021	1489/ 29-12-20	Ali Muslim			738		12/30/2020	1/14/2021	16 Days	384 Hours	591	1.773
12/28/2021	1491/ 30-12-20	Sakhi Daatar			975		12/31/2020	1/15/2021	16 Days	384 Hours	591	1.773
12/28/2021	165/ 14-1-21	Google Enterprise			668		1/18/2021	2/3/2021	16 Days	384 Hours	591	1.773
											Grand Total	**13.276**

Annex-14(i) (Para No.4.5.36)

Irregular execution of work beyond 15% of the original contract amount Rs.34.308 million

(Rs. in million)

ADP No	Name of Scheme	W.Order No and Date	Name of Contractor	RA No	Tender Cost	Expenditure	Excess	%
1149	Repair of Regulators on Distries Minors and Chang X-Regulators in nasir Division	TC/G-55/1978 dated 18.11.2021	M/S Mohammad Balaj Enterprise	2nd	17.517	22.749	5.232	30
1149	Repair of Regulators on Distries minors and Fazlani & Nindo X-Regulators in nasir Division	TC/G-55/1987 dated 18.11.2021	M/S Salar Enterprise	2nd	16.791	21.811	5.02	30
					Total	**34.308**	**44.56**	

Annex-14(ii) (Para No 4.5.36)

Irregular expenditure beyond PC-I approved cost – Rs783.429 million

(Rs in million)

Sr.#	Name of office	Name of Work	Contractor	Year	AIR Para#	A.A Cost	Tender Cost	Excess	Exess in %
1	Executive Engineer, Drainage Division (LBOD), Benazirabad AIR#06	Conversion of Tubewells & Pumping Stations on Solar energy system of drainage Division Shaheed Benazirabad.	M/s MBC & Sons	2021-22	6	498.23	572.89	74.66	15%
		Boring & Installation of Solar Tubewells (4X) in various Dehs of District Shaheed benazirabad (A) Deh Jamal Keerio (B) Deh 18 Dad Sakrand © Deh Yakhtiyar Khan, Sarkand & (D) Goth Imamuddin keerio, UC Nathani , daur.	M/s Zia Mustafa Mughal			33.874	38.939	5.065	15%
2	Executive Engineer Irrigation West Division, Khairpur	Construction of Stone Pitching along RMC RD 25 TO 191.2 @ Eroded Portion under ADP1152	M/s Kolachi & Co.	2021-22	3	149.229	171.6	22.371	15%
					Total	**681.333**	**783.429**	**102.096**	**15%**

Annex-15 (Para No.4.5.43)

Duplicate execution of work on same RDs -Rs.8.358 million

(Rs in million)

Cv# /Dt	W.o#/ Dt	M/S	Name of work	Item of work	Unit	Qty	Rate	Amount
4/ 3-2-21	96/ 11-1-21	Banochi Khan	Filling Gaps, Cuts, Rain Gharas & Jungle clearance along LBOD Spinal Drain RD 360+00 to 395+00 in Drainage Sub Division Kot Ghulam Mohammad	Engaging Excavator Wheel Type with POL	P Hour	352	3700	1.302
4/ 3-2-21	96/ 11-1-21	Banochi Khan	Filling Gaps, Cuts, Rain Gharas & Jungle clearance along LBOD Spinal Drain RD 360+00 to 395+00 in Drainage Sub Division Kot Ghulam Mohammad	Engaging Tractor on Hire basis with Blade & Trolley	P Hour	330	2500	0.825
3/ 3-5-21	579/ 12-4-21	Banochi Khan	Filling Gaps, Cuts, Rain Gharas & Jungle clearance along LBOD Spinal Drain RD 360+00 to 410+00 in Drainage Sub Division Kot Ghulam Mohammad	Engaging Excavator Wheel Type with POL	P Hour	315	3700	1.165
3/ 3-5-21	579/ 12-4-21	Banochi Khan	Filling Gaps, Cuts, Rain Gharas & Jungle clearance along LBOD Spinal Drain RD 360+00 to 410+00 in Drainage Sub Division Kot Ghulam Mohammad	Engaging Tractor on Hire basis with Blade & Trolly	P Hour	420	2500	1.050
Total								**4.342**

(Rs in million)

CV No /Dt	W.O No Dt	M/S	Name of work	Item of work	Unit	Qty	Rate	Amount
2/4/2021	1211/ 8-2-21	Bashir Ahmed	De-Silting along Sherkhana Branch RD 0+00 to 30+00 of Jati Irrigation Sub Division of lower pinyari Ari Division Sajawal	Engaging Hydraulic Excavator Chain Type	P Hour	444	4500	1.997
02/07/01/2021	1461/ 24-12-20	Sakhi Daatar	De-Silting along Sherkhana Distry from RD 0+000 to 60+000 Jati Irrigation Sub Division of lower pinyari Ari Division Sajawal	Engaging Hydraulic Excavator Wheel Type	P Hour	671	3000	2.013
							Total	**4.006**

Chapter-05 Annexes

Annex-1 (Para No 5.5.1)

5.5.1 Non-production of record

(Rs. in million)

Sr#	Name of Office	Particulars	Year	AIR #	Amount
1	PHE Division, Larkana	Record pertaining to 20 schemes of District & 09 schemes of Provincial	2021-22	01	749.960
		Tender documents	2021-22	17	1.00
		Paving block invoices	2021-22	19	199.010
		TS/Detail estimates and M.Bs	2021-22	21	51.224
		Agreement	2021-22	28	77.554
		Record of allotment of bungalows/quarters of PHE colony occupied by serving /retired officers	2021-22	31	0
		Security/call deposit registers/ledgers	2021-22	39 & 41	110.903
2	PHE Division Sukkur	Invoice, Delivery challan, stock account and satisfactory functioning report regarding installation of solar Energy systems	2021-22	1	415.335
3	PHE Division T.M.Khan	Call deposit challans	2021-22	03	1.039
		Invoices for purchase of solar lights	2021-22	04	0.855
4	PHE Division Thatta	T.S, Contractor file, PC-I, M.B, details of R.A bill andPaid up challan of earnest money	2021-22	01	201.55
5	PHE Division Shikarpur	Land assessment, adjustment account and Form-07 for transfer of land	2021-22	01	40.00
6	PHE Division SBA	land assessment, adjustment account and Form-07 for transfer of land,	2021-22	15	4.672
7	PHE (O.M) Division Kashmore	Lab: report of Quality of water and warranty certificates	2021-22	01	39.452
		supporting documents and stock register	2021-22	02	22.987
8	PHE (O.M) Division Thatta	Technical Sanction was not produced	2021-22	04	29.107
9	PHE (O.M) Division Jamshoro	Tender Documents	2021-22	05	15.984
		Supporting Record	2021-22	08	4.113
10	PHE (O.M) Division Kamber-Shahdadkot	Technical Sanction was not produced	2021-22	03	5.682
11	PHE (O.M) Division Hyderabad	Tender Register, Call Deposit Register	2021-22	08	00
		Security Deposit Register	2021-22	10	2.672
12	PHE (O.M) Division Umerkot	Security Deposit Register	2021-22	01	0
13	PHE Division N/Feroze	Land assessment, adjustment account and Form-07 for transfer of land, acknowledgement receipt of payees (Land Acquisition Officer).	2020-21	07	9.628

14	PHE (O&M) Division Matiari	Bank Statement, Case files of all contractors, Check Measurement Books, Material of Site Account	2020-21	02	00
		Bills along with supporting vouchers, Log books, consumption account, Tour Diary/ Program	2020-21	03	7.497
		M.Bs, Bidding Documents, Contract agreement, Administrative Approval Technical Sanction, PC-I, Rate Analysis duly approved by competent authority along with supporting evidence of market survey	2020-21	05	20.798
15	PHE Division Matiari	Land assessment, adjustment account and Form-07 for transfer of land	2020-21	06	4.00
16	PHE Division Kashmore	Land assessment, adjustment account and Form-07 for transfer of land,	2020-21	01	69.375
		Registration documents of contractors with PEC	2020-21	03	62.021
		Measurement Books and Bidding Documents	2020-21	10	32.443
17	PHE (O&M) Division kashmore	Measurement Books and Bidding Documents	2020-21	03	3.392
18	PHE Division Umerkot	Payment made to M/s Pak Oasis on hand receipts without supporting bills/vouchers. Sr# 22 MfDAC 2020-21	2018-19	5	2.926
	PHE Division Matiari		2018-19	3	6.304
	PHE Division Karachi		2019-20	10	13.887
	PHE Division Thatta		2018-19	3	10.969
19	PHE Division Tando M Khan	NIT, Comparative statements, Work Orders Sr # 14 MfDAC 2019-20	2017-19	25	3.114
20	PHE Division Hyderabad-I	Supporting documents of expenditure incurred on RO Plants (earlier maintained by Sindh Coal Authority Sr # 17 MfDAC 2019-20	2018-19	09	339.198
		Supporting documents of expenditure incurred on 40 RO Plants installed under rain Emergency in 13 Districts. Sr # 17 MfDAC 2019-20			218.156
21	D.G RDD Hyderabad	MBs, Certificates of PEC, SRB and Proof of CD deposited Sr # 19 MfDAC 2019-20	2018-19	05	35.026
22	PHE Division Khairpur-II Ranipur	Tender register, call deposit register of Various schemes PHE# 4 MfDAC 18-19	2017-18	11	49.333
				Total	**2861.166**

Annex-2 (Para No 5.5.3)

Unjustified part-rate payment without execution of actual woks-Rs. 357.242 million

(Rs. in million)

Sr#	Name of Office	Particulars	Non-execution of other related item	AIR Para#	Amount
1	PHE Div. Thatta	pumping machinery and solar system	pump houses and structure/columns for solar panels	08	47.161
		Paving block and kerb stone	Open surface drains, RCC sewer lines and Paving block	09	45.166
		P.E.Pipes for delivery system and pumping machinery	Excavations and Installations	38	18.473
2	PHE Div. Larkana	R.O Plants and Paver blocks	Related items	04	44.289
		Pumping machinery and RO plant	Related items	20	14.469
		RO plants and solar	Without execution	24	11.114
3	PHE Div. Dadu	Pumping machinery	Pump houses	05	79.322
4	PHE Div., Jamshoro	Pumping machinery	Pump houses	07	49.005
5	PHE Div. Karachi	R.O plants,Solar, Machinery and pipes	Construction works and Installations	10	26.568
6	PHE Division, Sanghar	P.E.Pipes, RCC Pipes and pumping machinery	pump house structure and Installations	04	16.935
7	PHE Div Ghotki	UPV pipe of class B	Excavations and Installations	09	4.740
				Total	**357.242**

Annex-3 (Para No 5.5.6)

Splitting up of work to avoid tender– Rs. 269.639 million

(Rs. in million)

Sr#	Name of Office	Year	AIR Para#	Amount
1	PHE (O&M) Division Jamshoro	2021-22	03	203.025
2	PHE (O&M) Division Thatta	2021-22	05	17.231
3	PHE (O&M) Division Malir	2021-22	05	11.287
4	PHE (O&M) Division Kamber Shahdadkot	2021-22	02	7.101
5	PHE (O&M) Division Shaheed Benazirabad	2021-22	03	2.511
6	PHE Karachi	2021-22	03	2.083
7	PHE (O&M) Division TandoAllahyar	2021-22	02	1.979

8	PHE (O&M) Sijawal	2020-21	07	7.361
9	PHE (O&M) Kashmore	2020-21	01	6.369
10	PHE (O&M) Karachi	2020-21	01	5.346
11	PHE (O&M) Ghotki	2020-21	04	2.684
12	PHE (O&M) Matiari	2020-21	01	2.662
			Total	**269.639**

Annex-4 (Para No 5.5.11)

Duplication of works under Provincial, District and Local Government schemes -Rs.71.723 million

(Rs. in million)

S.#	Name of Scheme	Agency	Contractor Name	A.A Cost	Exp 2021-22
1	Construction of Paver Block and CC Drains in Various Location of UC-16 To 20 Larkana City ADP #2258	Provincial ADP	Iqbal Shaikh	200.00	50.00
	Laying of Paver Block at UC, 16, 17, 18, 19 and 20 of Larkana City ADP#1588	Provincial ADP Local Government	Iqbal Shaikh	58.696	8.663
2	Construction of Paver Blocks, CC blocks and CC drains in UC Garhi Khuda Bux Bhutto, Saidudero, Izat Ji Wandh and Behman ADP#224	District Government	Aijaz Siyal		0
	Constt: of Paver Block & CC drans in various Ucs of Taluka Ratodero (SDG # 6) ADP#2283	Provincial ADP	(12 Works) AA cost 145		0
	CC drains and paver blocks in UC Garhi Khuda Bux Bhutto		Syed Deedar Ali shah	12.008	1.25
	CC drains and paver blocks Saidudero		MKB const.	14.346	1.33
	CC drains and paver blocksIzat Ji Wandh		Saeed Jatoi	13.055	1.827
	CC drains and paver blocks Behman		MKB const.	10.458	1.66
3	Constt: of Drains and Paver Block in various streets of ward I, II, III, V & VII of Naudero Taluka Ratodero (SDG # 6) ADP#2262		M/s Yar muhammad Mahar		15.656
	Construction of Paver Block and CC drains in various Wards of city Naudero ADP#229		Aftab Ahmed Abbassi		5.00
				Total	**85.386**

Annex-5 (Para No 5.5.17)

Excess payment on account of pavers and Kerb stones–Rs.16.177 million

(Rs. in million)

Item	delivery challans#	Date	Qty	As per bill	Excess qty	Rate	Amount
Paving blocks	13900	16-04-22	6835.32	210800	78344.25	185	14.494
	13901	16-04-22	6835.32				
	13902	16-04-22	6835.32				
	13903	16-04-22	6835.32				
	13905	16-04-22	5992.05				
	13906	16-04-22	843.27				
	13907	16-04-22	6835.32				
	13908	16-04-22	6835.32				
	14113	17-04-22	6835.32				
	14115	17-04-22	6835.32				
	14119	17-04-22	6835.32				
	14120	17-04-22	6835.32				
	14122	17-04-22	6835.32				
	15001	18-04-22	6835.32				
	15002	18-04-22	6835.32				
			95694.48				
	14552	02-06-22	2152.75				
	14553	02-06-22	4176.25				
	14554	02-06-22	5316.36				
	15170	19-07-22	7000				
	15171	19-07-22	7000				
	15209	21-07-22	5569.52				
	15210	21-07-22	5546.39				
			36761.27				
			132455.75				
Kerb stone	458	18-04-22	1200	4800	2400	290	0.696
	459	18-04-22	1200				
			2400				
						Total	**15.190**
						Premium	**0.987**
						Total Excess	**16.177**

Annex-6 (Para No 5.5.22)

Excess payment on paver blocks and carriage–Rs.8.847 million

(Rs. in million)

Item	Qty as per estimate				Qty as per execution	Qty Due as item CCplain	Excess qty	Excess Amount
	L	W	D	Total				
CC plain	4,993	7	0.33	11,534				
	3,000	11	0.33	10,890				
				22,424	27,656	27,656	0	
Paver	4,993	7		34,951				
	3,000	11		33,000				
				67,951	106,118	83,806	22,312	4.239
							Premium 18.75%	0.795
AIR#26							**Total**	**5.034**
CC Plain	12,000	10	0.33	39,600	33,778			
Providing and Fixing Paving blocks	12,000	10		120,000	120,000	102,357	33,778	**3.298**
Rate							190	
Carriage	12,000	10	4.5	540,000	540,000	460,609	79,391	**0.137**
Rate							1.73	
							Premium 11%	0.378
AIR#27							**Total**	**3.813**
							Grand Total	**8.847**

Annex-7 (Para No 5.5.26)

Irregular payment by allowing excess quantities in base course and Carpet - Rs. 4.108 million

(Rs. in million)

Name of work: Construction OF Road From Syed Akbar Shah Colony To Bridge Ali Bahar Wah Tal: Thari Mirwah Distt: Khairpur. w/o 150 2020-21 M/s Imtiaz Hussain Shaikh, 8th RA, Chq#4612501dt6/24/2022 Rs1,077,318/-						
item of work	**Qty as per Estimates**	**Execution Qty**	**Qty Due**	**Excess**	**Rate**	**Total**
Sub base course	39,202	34,628	(4,574)			
Base Course	19,601	27,388	17,194	10,194	7,819	0.797
Single Coat of Surface Dressing	78,404	89,013	68,777	20,237	1,620	0.328
Premixed Carpet	78,404	89,013	68,777	20,237	6,414	1.298
Total						2.423
Premium Above 8.33%						0.202
Diff: cost of Bitumen on Excess quantity		0.731		11.112	65800	0.731
					Total	**3.355**
Name of work: Constt: of road NHW-Village kamal Baber, Sekhat,Matiari, w/o#6421/12/20 M/S MOON, FOUDATION, chq#4612043 dt06/23/2022 amount 9968487						
Item of work	Estimate	Bill	Due	Excess	Rate	
Sub-base Course	28,764	28,441	24,656	3,785	7698.58	0.291
Base Course	14,382	**12,328**	12,328	-		
Surface-dressing	57,528	58,004	49,312	8,692	1606.82	0.140
Carpet	57,528	36,684	49,312	(12,628)		
Sub-total						0.431
Premium Above 44.20%						0.191
Diff: cost of Bitumen on Excess quantity				1.164	54200	0.063
Diff: cost of Stone on excess quantity			17.955	3,785		0.068
					Total	**0.753**
					Grand Total	**4.108**

Annex-8 (Para No 5.5.27)

Excess payment on earthwork due to non-adjustment of deductibles–Rs. 3.956 million

01.a	Construction of road from village Gaheno Khan Khoso to cheel pul and from 36mile to village Qaiser khan Gujrani, Tangwani, Kasmore, M/S BB Enterprise W/O#194, 1st RA Cheque4533838dt 06/06/22 Rs1584000				
Particulars	As per estimates	%	As per Execution/MB	Rate	Amount
Earth work	608,506		531,759.7		4,618,174
deductions	265,815.4	43.68	0		
Deductions due		43.68	232,290	8.68143	2,016,610
Premium 10.9% above					219,810
Total Excess					**2,236,420**
01.b	Construction of road from village Noor Hassan Bajkani to Jagan khan Jafrani, Tangwani, Kashmore. M/S BB Enterprise W/O#193 2nd RA Cheque4533838dt 06/06/22 Rs1750000, Bill RS2297944				
	As per estimates		As per Execution/MB		
Earth work	359073		329868		2,073,021
Berms	42728	11.9%	0		
Deductions due		11.9%	39254	8.68143	340781
Premium 10.85% above					36975
Total Excess					**377,756**
02	Construction of road from village New Lalyoon to Magsi village, Shikarpur, W/O#201, 2nd RA Cheque4550720dt 16/06/22 Rs1584000& Cheque4612611dt 24/06/22 Rs1503500				
Particulars	As per estimates	%	As per Execution/MB	Rate	Amount
Earth work	347,233.5		326700		2,836,223
deductions	147043,2	42.35%	0		
Deductions due		42.35%	138,348	8.68143	1,201,055
Premium 11.70% above					140,523
Total Excess					**1,341,578**
Grand Total					**3,955,754**

Annex-9 (Para No 5.5.30)

Non/less recovery of stamp duty – Rs. 3.469 million

Sr#	Name of Office	Description	AIR Para#	Amount
01	PHE Division Larkana	2021-22	26	0.470
02	PHE Division, Jamshoro	2021-22	12	0.420
03	PHE Division T.M.Khan	2021-22	08	0.392
04	PHE (O&M) Division Kamber-Shahdadkot	2021-22	07	0.320
05	PHE Division N/Feroze	2021-22	02	0.119
06	PHE Division Thatta	2021-22	31	0.028
07	PHE Division Ghotki	2021-22	03	0.028
08	PHE (O&M) Division Kashmore	2021-22	08	0.074
09	PHE (O&M) Division Sukkur	2021-22	04	0.054
10	PHE (O&M) Division TandoAllahyar	2021-22	05	0.051
11	PHE Division Kashmore	2020-21	05	0.496
12	PHE (O&M) Division Kashmore	2020-21	02	0.304
13	PHE (O&M) Sijawal	2020-21	08	0.289
14	PHE Division Sijawal	2020-21	07	0.187
15	PHE Division N/Feroze	2020-21	06	0.156
16	PHE Division Shaheed Benazirabad PHE #10 MfDAC 2019-20	2018-19	10	0.081
			Total	**3.469**

Annex-10 (Para No 5.5.35)

Irregular inclusion of additional profit in estimates – Rs. 4.301 million

	Qty	Rate	Estimated Rate	Part rate	Profit 10%
Constt: of storm water drain and Providing and Fixing solar system for drainage scheme VER, Thatta (Work No. 05). M/S Modern Technology and Traders, W/O#3008 dt 17/09/21					
Solar panel 44760 watts for 40 BHP motor	1 job	7,040,748	7,040,748	6,400,680	640,068
Solar panel 27975 watts for 25 BHP motor	1 job	4,421,085	4,421,085	4,019,168	401,917
Constt: of disposal work for drainage scheme Garho Thatta. M/S Madani Eng: Constt:, W/O#3007 dt 17/09/21					
Solar panel 11190 watts for 10 BHP motor	2	1,773,052	3546104	3,223,731	322,373
Constt: of water supply scheme Pir PathoTal: Ghorabari Thatta. M/S Madani Eng: Constt:, W/O#3044 dt 27/09/21					
Solar panel 44707 watts for 40 BHP motor	2	7,065,400	14,130,800	12,846,182	1,284,618
Constt: of water supply scheme Baghan Thatta. M/S Madani Eng: Constt:, W/O#3014 dt 17/09/21					
Solar panel 27975 watts for 10 BHP motor	1	4,428,312	4,428,312	4025738	402,574
Constt: of disposal work i/c external drain, oxidation pond for Urban Drainage Scheme Keti Bandar Thatta. M/S W.J Enterprises, W/O#3011 dt 17/09/21					
Solar panel 8580 watts for 7.5 BHP motor	1	1,355,863	1,355,863	1,232,603	123,260
Solar panel 11200 watts for 10 BHP motor	1	1,773,052	1,773,052	1,611,865	161,187
S/I solar system for R/W/S/S from Khenjhar Gujjo canal to ……. Chenesar Jokhio Thatta. M/S A.Sattar Solangi, W/O#2597 dt 16/06/21					
Solar panel 67500 watts for 30 BHP motor	1	10,617,750	10,617,750	9652500	965,250
		Total	**47,313,714**	**43,012,467**	**4,301,247**

Chapter-06 Annexes

Annex-1 (Para No. 6.5.1)

Non-production of record

(Rs. in million)

Sr. #	Name of Office	Particular of record not produced	Year	AIR Para#	Amount
1	Executive Engineer District Buildings Division, Naushero Feroze	Detailed estimates & Bid Evaluation Reports, Technical Sanctions & Registers	2021-22	01	309.484
		Progress report of physical targets not produced of the scheme Physical Planning & Housing		06	658.158
2	Executive Engineer District Buildings Division, Tando Allahyar	Progress report of physical targets not produced of the scheme Physical Planning & Housing		07	52.254
3	Executive Engineer Buildings Division, Sujawal	Measurement Books of 09 works		07	13.822
4	Executive Engineer District Highways Division, Mirpurkhas	Final R.A Bills were not produced of SD Refunded & Completion Certificate of work done		11	14.845
5	Executive Engineer Provincial Buildings Division, Shaheed Benazirabad	Status of previous work executed in the TS, reasons of work abandoned, detail of SD /CD not available, proof of black listing the contractor due to abandoning of work		04	33.984
		Payment of non-schedule item as per 14th R.A. Bill without detail in the bill and MB evidence		08	1.057
6	Executive Engineer District Buildings Division, Shaheed Benazirabad	Technical bids, PEC Registration Certificates of the Contractors, financial turnover & CNICs of contractors & details of machinery/equipment, qualifications of staff etc.		03	25.786
7	Executive Engineer District Highways Division, Hyderabad	Bills/Vouchers, Bidding documents, contractors file, Technical Sanctions, MBs, Establishment, Land record, utilization report of payment to other departments, reconciliation statements		01	-
		Completion & utilization report of payment made to HESCO Hyderabad		05	22.667

8	Executive Engineer Provincial Highways Division, Shaheed Benazirabad	Geometric design details, Survey Map, Detailed Structures of Culvert & bridges, Rate Analysis & Material Statement		07	271.531
		PC-IV of 03 Schemes		10	1,070.762
9	Executive Engineer Provincial Buildings Division, Thatta	Invoices of manufacturers of paving blocks		09	7.772
		Escalation chart of difference of material paid to contractors		11	18.983
		Lab test report of fabrication of mild steel		12	8.817
10	Executive Engineer Provincial Highways Division, Mithi	Measurement of works; history/baseline report, reason of earthwork executed beyond 30%		05	464.182
		Invoices of purchases of bitumen		13	74.867
		Technical sanction of estimate		17	2,466.606
12	Executive Engineer, Provincial Buildings Division, Hyderabad	Partial record of rent of room collected on account of circuit house at Hyderabad was produced without reconciliation of revenue credited into Government Treasury; Record of revenue of rooms rent of Circuit Houses at Dadu, Jamshoro, Tando Allahyar & Matiari was also not produced		16	47.299
12	Executive Engineer District Highways Division, Kashmore @ Kandhkot	Payment of difference of cost of materials without supporting vouchers		10	8.206
		Non-production of record of Measurement Book, Monthly Cash Account, NIT & Contract files, Monthly Progress Report & Personal Files of establishment side; findings of inquiry recommended by the management upon non-production of record pursued by Audit		33	330.400
13	Executive Engineer District Buildings Division, Matiari	Invoices of manufacturer of purchase of paving blocks		10	4.579
14	Executive Engineer District Highways Division, Larkana	Invoices of manufacturer of purchase of paving blocks		12	30.187
15	Executive Engineer, Provincial Highways Sukkur	Escalation chart of difference of cost of cement & steel		02	0.110
		Measurement Book not produced		13	15.828

16	Executive Engineer, District Buildings Division, Hyderabad	Technical sanction of estimates		01	7.996
17	Executive Engineer Provincial Buildings Division-II, Karachi	Measurement Book		11	25.153
18	Executive Engineer Provincial Highways Division, Khairpur	Tender record, case files, estimates, technical sanctions, Administrative Approval of Schemes, MBs, Payment Vouchers, Procurement Committees notification, details of SD/CD etc. with details of Pay& Allowances/establishment record of Financial Year 2020-21 & July 2021 to February 2022 not produced		22	2,565.090
19	Executive Engineer District Highways Division, Mithi	03 construction works were executed without License from Pakistan Engineering Council		06	49.975
20	Executive Engineer District Highways Division, Jacobabad	PC-I and estimates of 10 schemes		01	188.206
21	Executive Engineer Buildings Division, Khairpur	Purchases of items without specifications in the estimates, company invoices of vehicles & delivery challans		02	7.500
22	Executive Engineer District Highways Division, Naushero Feroze	Execution of sub-base course without compaction test report		03	72.196
		Earthwork executed without compaction report		06	97.508
23	Executive Engineer, Buildings Division Dadu	Details of previous work “Additional & Remaining work @ Gym Khana Dadu (Earth filling & walking track) of expenditure of Rs5.250 million besides “Remaing work” with expenditure of Rs20.362 million within a same year at same location	2021-22	10	25.612
24	Executive Engineer Highways Division, Khairpur	Financial Assistance, Medical Charges, Other Highways/road. Security Deposit Register, leave record of employees, Contractor Ledger/Register, Soil compaction test of Earth work	2020-21	01, 17, 15, 19,18	199.864
25	Executive Engineer Buildings Division, Khairpur	POL charges, Printing & Publications, Stationery. Security Deposit Register,	2020-21	01,12,14 ,09	145.729

		leave record of employees, soil testing reports of 4 schemes			
26	Executive Engineer District Buildings Division, Shaheed Benazirabad	Minutes of procurement committee & tender approval, Comparative Statement of Bids, BOQ, BER, Bidding Data, Security Deposit Received. Project Completion Report of "Rehabilitation/reconstruction of Masjid @ DC Secretariat Nawabshah".	2020-21	12,04	41.844
27	Executive Engineer Highways Division, Tando Muhammad Khan	1. Reconciliation of expenditure of cost centers duly verified by DAO. 2. Reconciliation of income tax deducted. 3. Detail of income tax (balance) contractor wise. 4. Guidelines for utilization of bonus fund into the socio improvement of district. Letters of DC forwarded to XEN Highways Division, T. M. Khan pertains to the schemes from bonus fund.	2020-21	01	-
28	Executive Engineer Highways Division, Matriari	1. Reconciliation of expenditure of cost centers (MY 6973, 5001 & 5008) duly verified by DAO 2. NIT files August 2020 3. Measurement Books (MBs) related to Para No.03, 07 & 08	2020-21	01	-
29	Executive Engineer Provincial Buildings Division, Shaheed Benazirabad	Indenture Bond in P.W Form.31; Execution of R.C.C work without test report of "Deformed and Plain Carbon-Steel Bars for Concrete Reinforcement Test" Lab test report, Compaction Test Report, Register of Security Deposit, M&R works executed without Technical Sanction, MBs etc., Contractor's Ledger	2020-21	01,02,09 ,13, 18,22,24	238.960
30	Executive Engineer Provincial Highways Division, Larkana	Prepared base course on reduced rate without rate composition report & compaction report	2020-21	05	5.888
31	Executive Engineer, Highways Division, Thatta	Invoices of vendors of execution of paving blocks, execution of works at	2020-21	05,11, 12	62.549

		reduced rates without adjustment, completion reports- PC-IV			
32	Executive Engineer, Building Division-III Karachi	Payment to KWSB & SSGC without adjustment of bills/vouchers	2020-21	10	3.517
33	Executive Engineer, Building Division, Umerkot	Payment made without measurement of work on M.B	2020-21	2	1.447
34	Executive Engineer, Buildings Division, Kashmore @ Kandhkot	Amount credited under Part-V "Other Miscellaneous" without supporting record Streetlights' expenditure without rate analysis of non-schedule items, drawings, tender record, paid part rate without work completion report	2020-21	5,2	37.749
35	Executive Engineer, Buildings Division, Matriari	Record of original work & balance work; execution of works without laboratory /test reports	2020-21	2,5	28.490
36	Executive Engineer, District Buildings Division, Tando Muhammad Khan	Record of contractor's ledger and works register; security deposit Register; lead chart was not produced	2020-21	11,12,13	55.696
37	Executive Engineer, District Buildings Division, Mirpurkhas	Record of M&R works including NITs, BOQs, TS, MBs and work completion reports not produced	2020-21	10	2.245
38	Executive Engineer, Highways Division, Larkana	Record of tender of consultancy services not produced; adjustment of part rate/reduced rate besides evidence of rectification; contractor-wise details of security deposit not produced; tender register	2020-21	7,9,11,13	57.526
39	Executive Engineer, Highways Division, Benazirabad	Work order, tender documents, PC-I, TS, Schedule B, MBs not produced; work done without recording in MB; extra items executed without separate work order/sanction	2020-21	1,4,7	23.546
40	Executive Engineer, Highways Division, Sujawal	Claim/NOC of payment not drawn during 2017-18; Physical Monitoring of sites; call deposits, sale of forms of NIT, Tender Register; Technical Sanctions of work; lab testing report of items of Fabrication of Mild Steel, RCC in Slab bridge in construction of bridges; supporting vouchers of	2020-21	1,2,3,10, 11,19 22,24,26	529.730

		bitumen; compaction test report; security deposit register			
41	Executive Engineer, District Buildings Division, Jacobabad	Measurement book; registration of contractors with PEC, FBR & SRB not produced	2020-21	8,3	184.477
42	Executive Engineer, District Buildings Division, Ghotki @ Mirpur Mathelo	No record of financial review, administrative approval, justification of abandoned work, MBs; Registers; Security Deposit details; Service Books of staff	2020-21	4,7,9,11	38.144
43	Executive Engineer, Buildings Division, Thatta	Payment vouchers of contingencies; partial record was produced without establishment/staff files, contractors' files, PCs of schemes, registers etc. (48 points)	2020-21	7,11	7.191
44	Executive Engineer, Building Division-II, Karachi	Indenture Bond in P.W Form.31 was not produced neither consumption account of materials of advance; Security Deposit Register	2020-21	3,10	135.555
45	Executive Engineer, Building Division, Sujawal	Non-production of PC-I	2020-21	3	68.628
46	Executive Engineer, District Building Division, Sukkur	Payroll, contingency vouchers, record of New 46 Nos. ADP Schemes (ADP#123 to 168), Contractors Case files & litigation files of land, record of Petroleum Social Development Funds, Cash Book, releases of budget, Personal files & Service Books, Transfers & Postings files, NIT Files and Registers, Contractors' Ledger, SD Register, Working Strength of staff, appointments of staff record, Monitoring Reports of P&D Department of Schemes, Tax deposit details	2020-21	1	560.914
		05 schemes' PC-IV not produced		15	40.024
47	Comptroller, Sindh House Islamabad/Murree	Record of payment of services rendered, Transport, Others, Service Books and personal files of officials, Room rent, vehicle hire and telephone charges, Register of reservation, room rent charges, vehicle hire, deposit slips of revenue etc.	2020-21	1	8.910

48	Executive Engineer, Buildings Division Dadu	Part payment of solar system without completion of job as measurement were not produced	2020-21	1	10.414
		Expenditure incurred on fabrication of Mild steel, RCC in roof slab without lab test report		9	24.397
49	Executive Engineer, Buildings Division, Tando Allah Yar	02 Contracts awarded for remaining work without production of status of previous work, reasons of abandoning work, details of SD, Call deposit	2020-21	6	4.021
		07 Works awarded without obtaining PEC registration certificate from contractors		7	19.131
		PC-I,II,III & IV, Technical Sanctions, Pay & Allowances record, working strength, personal files, list of fixed & current assets, tender documents, DR book, Report of Defalcation or Lossess		15	-
50	Executive Engineer, Provincial Building Division, Sukkur	Status of previous work, reasons of abandonment of work etc	2020-21	7	27.262
		Tender file, estimates, requisition, rate analysis, procurement plan, inspection report of items installed etc		15	3.653
51	Executive Engineer, Machinery Maintenance Division, Umerkot	Record of Tender process	2020-21	3	391.000
		Compaction test report of preparing sub-base course	2020-21	7	149.622
		Laboratory test report of bitumen works		8	58.378
		Rate analysis report		10	149.622
		Compaction report of earthwork		12	7.096
52	Executive Engineer, Provincial Building Division, Thatta	PEC Registration of 05 contractors	2020-21	28	784.529
		Retention money/SD was refunded after 6th R.A. Bill on 12-06-2017 without record		26	9.009
		Four schedule items were executed without provision in technical sanction; record of bid security not available		20	1.633
				Total	**13,109.812**

Annex-2 (Para No. 6.5.2)

Unauthorized execution of works beyond jurisdiction – Rs.825.687 million

(Rs. in million)

Sr. #	Name of Formation	AIR Para#	Financial Year	Amount
1	Executive Engineer Buildings Division, Tando Allahyar	02	2021-22	3.718
2	Executive Engineer District Highways Division, Mirpurkhas	13		187.445
3	Executive Engineer District Buildings Division, Dadu	06		0.750
4	Executive Engineer Building Division, Jacobabad	02		41.796
5	Executive Engineer District Building Division, Hyderabad	10		175.193
6	Executive Engineer Provincial Highways Division, Shaheed Benazirabad	08		8.865
7	Executive Engineer Provincial Buildings Division, Thatta	14		7.772
8	Executive Engineer Provincial Highways Division, Larkana	06		4.075
		05		12.897
9	Executive Engineer District Buildings Division, Matiari	03		0.904
10	Executive Engineer District Highways Division, Badin	09		69.242
11	Executive Engineer District Highways Division, Jacobabad	11		75.312
12	Executive Engineer Buildings Division, Khairpur	02	2020-21	136.459
13	Executive Engineer, Building Division, Naushahro Feroze	08		34.111
14	Executive Engineer, Building Division, Kamber	11		14.760
15	Executive Engineer, Highways Division, Sujawal	9		19.194
16	Executive Engineer, District Buildings Division, Jacobabad	1		2.300
17	Executive Engineer, District Buildings Division, Ghotki @ Mirpur Mathelo	3		12.532
18	Executive Engineer, District Building Division, Sukkur	5		18.362
			Total	**825.687**

Annex-3 (Para No. 6.5.7)

Excess payment due to arithmetic error –Rs.11.193 million

(Rs. in million)

Sr. #	Name of Office	Scheme	AIR#	Year	Amount as per calculation/bill/ due	Amount Paid	Difference Amount
1	Executive Engineer, District Highways Division, Kashmore @ Kandhkot	Construction of 04 roads at various locations	15	2021 -22	10.776	13.029	2.253
2	Executive Engineer, District Buildings Division, Khairpur	Construction of Municipal committee Hall at kingri (ADP-1619)	08		0.998	2.621	1.623
3	Executive Engineer, Highways Division, Khairpur.	Construction of road by pass Kumb city district Khairpur.	02	2020 -21	71.766	75.289	3.522
4	Executive Engineer, Provincial Buildings Division, Shaheed Benazirabad.	Construction of Divisional ware house in Sindh at Shaheed Benazirabad.	11		11.142	14.274	3.132
5	Executive Engineer Building Division Naushehro Feroze.	Construction of Shaheed Benazir Park at Taluka Moro, Construction of Paver block/CC Topping at Ward 10 to 13	10		7.623	8.286	0.663
						Total	**11.193**

Annex-4 (Para No. 6.5.8)

Irregular execution of work in deviation of estimate–Rs. 1,159.128 million

(Rs. in million)

Sr. #	Name of Office	Expenditure of Work	Names of items/components	Year	AIR Para#	Amount
1	Executive Engineer, Provincial Highways Division, Hyderabad	3,584.806	Dualization of Hyderabad to Tando Muhammad Khan 0/0-6/7 & 6/7-13/4, Construction of Tando Jam by pass road along Hyd-Mirpurkhas road-items at AIR	2021-22	04	1,149.574
2	Executive Engineer, Provincial Highways Division, Nausheroferoze @ Khairpur	141.100	Kilometer post, village board, Caution board, cost of 3 span RCC slab Culvert		10	1.448
3	Executive Engineer, Provincial Highways Division, Dadu	157.900	3 Span Culverts		05	0.718
4	Executive Engineer Highways Division Khairpur	75.289	Construction of road by pass kumb city district khairpur.	2020-21	04	6.861
5	Executive Engineer Highways Division Thatta	5.00	3ft culvert		13	0.527
					Total	**1,159.128**

Annex-5 (Para No. 6.5.9)

Un-justified execution of extra items of works– Rs. 119.144 million

(Rs. in million)

Sr.#	Name of Office	Items	Year	AIR Para#	Amount
1	Executive Engineer, Provincial Highways Division, Larkana	Providing & fixing precast edging block 3750 PSI industrial made size 6" thick 12" long and 12" high	2021-22	07	0.882
2	Executive Engineer Provincial Coastal Highways Division, Hyderabad	Pavement marking in reflective thermos plastic paint for lines etc.		13	18.374
3	Executive Engineer, Provincial Buildings Division, Shaheed Benazirabad	Preparing surface rock wall, 1st class sesham wood, S/F Aluminium channel for door, Mild Steel etc		13	2.991

4	Executive Engineer, District Buildings Division, Shaheed Benazirabad	C/wall, Walkway & Park & 16 other items of Part-A		12	0.646
5	Executive Engineer, Provincial Buildings Division-III, Karachi	P/F cement paving block flooring having size of 197x197x60 mm		09	8.694
6	Executive Engineer, Highways Division, Khairpur	Bridge work, retaining wall, loops, road work, Asphalt Concrete, stone pitching, solar lights, sign boards	2020-21	5	16.317
7	Executive Engineer, Building Division, Qamber	P/F UPVC Pipe 4" dia		4	0.138
8	Executive Engineer, District Building Division-I, Karachi	Excavation in foundation, cutting hard rock, cement concrete brick, RCC work		6	1.111
9	Executive Engineer, Building Division-II, Karachi	Fabrication of cold twisted deformed steel bars, reinforcement for cement concrete work		4	63.294
10	Executive Engineer, Provincial Building Division, Sukkur	Earth for Slush or Daldal, laying white Marble, S/F Aluminum Window		12	6.697
				Total	**119.144**

Annex-6 (Para No. 6.5.10)

Irregular refund of security deposit – Rs.232.203 million

Sr. #	Name of Office	AIR Para#	Year	Description	Amount
1	Executive Engineer District Highways Division, Hyderabad	09	2021-22	Refunded security deposit during execution of work	18.928
2	Executive Engineer District Highways Division, Kashmore @ Kandhkot	01		Refunded security deposit during execution of work	32.082
3	Executive Engineer Provincial Highways Division, Badin	07		Refunded security deposit during execution of work	14.353
4	Executive Engineer Highways Division, Khairpur	12		Refunded security deposit during execution of work	1.797
5	Executive Engineer District Buildings Division, Khairpur	10		Refunded security deposit during execution of work	1.423

6	Executive Engineer Highways Division, Khairpur	12,7	2020-21	Refunded security deposit during execution of work	58.842
7	Executive Engineer, Provincial Buildings Division, Shaheed Benazirabad	19		Refunded security deposit during execution of work	10.901
8	Executive Engineer, Highways Division, Thatta	3,6		Refunded security deposit during execution of work, without completion of defect liability period, PC-IV	0.490
9	Executive Engineer, Building Division-III Karachi	6,8		Refunded security deposit without completion of work upto 35th RA	64.641
10	Executive Engineer, Buildings Division, Sanghar	6,8		Refunded security deposit before completion of work	2.950
11	Executive Engineer, Highways Division, Kambar @ Shahdadkot	3		Refunded security deposit before completion of work	5.698
12	Executive Engineer, District Buildings Division, Tando Muhammad Khan	9		Refunded security deposit before defect liability period	0.404
13	Executive Engineer, District Buildings Division, Mirpurkhas	7		Refunded security deposit before defect liability period	1.796
14	Executive Engineer, Buildings Division, Shikarpur	4		Refunded S.D before completion of work	1.375
15	Executive Engineer, Buildings Division Dadu	3		Refunded S.D without completion of work	3.511
16	Executive Engineer, Buildings Division, Tando Allah Yar	5		Refunded S.D without completion of work	2.187
17	Executive Engineer, Provincial Buildings Division Sukkur	27		Refunded S.D without completion of work	10.825
				Total	**232.203**

Annex-7 (Para No. 6.5.13)

Irregular refund of lapsed deposit – Rs.73.727 million

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Year	Description	Amount
1	Executive Engineer, District Buildings Division, Shaheed Benazirabad	11	2021-22	Security deposit was refunded after lapse of 3 years from the work completion i.e. during 06/2008 to 06/2014	2.174
2	Executive Engineer, District Buildings Division, Sukkur	04		Security Deposits was refunded after lapse of 3 years from the work completion i.e. during 06/2011 to 06/2018	1.379
3	Executive Engineer, District Highways Division, Mirpurkhas	03		Security Deposits was refunded after lapse of 3 years from the work completion i.e. during 05/2015 to 06/2018	1.504
4	Executive Engineer, District Highways Division, Thatta	08		Security Deposits was refunded after lapse of 3 years from the work completion i.e. during 2015 & 2018	1.434
5	Executive Engineer, Provincial Buildings Division, Shaheed Benazirabad	17		Security Deposits was refunded after lapse of 3 years from the work completion i.e. during 2018 & 2019	0.179
6	Executive Engineer, Highways Division, Khairpur	11		Security deposit was refunded after lapse of 3 years from the work completion i.e. during 06/2012 to 06/2018	4.519
7	Executive Engineer, Highways Division, Tando Muhammad Khan	10	2020-21	Security deposit was refunded after lapse of 3 years from the work completion i.e. on 12-06-2017	0.088
8	Executive Engineer, Highways Division, Matriari	6		Security deposit was refunded to contractors against the schemes completed in 2016-17 i.e. after 3 years.	1.753
9	Executive Engineer, Provincial Highways Division, Larkana	9		Refund of security deposit after 3 years as work was completed during 11-11-2011	7.038
10	Executive Engineer, Building Division-II, Karachi	02		Security deposit was refunded to contractors against 05 schemes completed during period from 2013 to 2017.	52.834
11	Executive Engineer, District Building Division, Sukkur	23		Security deposit was refunded to contractors against 04 schemes completed in 2013 to 2017.	0.581
12	Executive Engineer, Buildings Division, Tando Allah Yar	8		Security deposit was refunded to contractors against 03 schemes completed in 2016-2017.	0.244
				Total	**73.727**

Annex-8 (Para No. 6.5.16)

Splitting of work to avoid tender – Rs.4,506.857 million

(Rs. in million)

Sr. #	Name of Office	AIR Para#	Year	Description	Amount
1	Executive Engineer Provincial Buildings Division, Shaheed Benazirabad	05	2021-22	13 works	36.944
2	Executive Engineer Provincial Buildings Division-I, Karachi	08		05 works	7.517
3	Executive Engineer Provincial Highways Division, Hyderabad	07		Dualization of road Hyderabad to Tando Muhammad Khan Mile 0/0-6/7, 13/4-19/6, 6/7-13/4	3,625
4	Executive Engineer, Provincial Highways Division, Mithi	12		12 schemes	703.249
5	Executive Engineer, Highways Division, Tando Muhammad Khan	02		02 works	74.015
6	Executive Engineer District Buildings Division, Shaheed Benazirabad	3	2020-21	04 M&R works Work order were issued on a single date 24-03-2021	1.378
7	Executive Engineer, Buildings Division, Mithi	9		Installation of solar system & supply of furniture & fixtures	14.440
8	Executive Engineer, Buildings Division, Shikarpur	1		Rehabilitation of Shahi Bagh C/Wall, remaining work, Drainage work & Construction of XEN/SE Offices.	1.645
9	Executive Engineer, District Buildings Division, Tando Muhammad Khan	5,6		Construction of Community Hall at village Nabi Bux Leghari (Civil Work & E.I Work) & Eid Gah in village Janhan Soomro & 06 works	1.500
10	Executive Engineer, Highways Division, Thatta	4		02 works	16.494
11	Executive Engineer, Highways Division, Sujawal	13		02 works	7.316
12	Executive Engineer, District Buildings Division Sukkur	7		06 M&R works	3.278
13	Executive Engineer, Provincial Buildings Division Sukkur	11		06 works	9.634
14		13		03 works	4.447
				Total	**4,506.857**

Annex-9 (Para No. 6.5.17)

Execution of work by declaring schedule items as non-schedule – Rs.201.432 million

(Rs. in million)

Sr. #	Name of Office	AIR Para#	Year	items	As per Schedule Rate	Paid	Excess paid
1	Executive Engineer Provincial Buildings Division-I, Karachi	04	2021-22	Providing and fixing texture of painting of required colour with pressure gun; Providing & fixing water proofing of roof treatment with chemical Zahabia;	3,418,000	9,044,000	5.626
		07		Termite Proofing treatment	-	-	0.537
2	Executive Engineer Provincial Buildings Division, Shaheed Benazirabad	09		Steel rate-119,000 Qty 109.488 Bricks rate-150.673 Qty 12115	13,020,359 1,825,401	18,049,000 (Rs164,848) 2,997,000 (247.37)	6.200
3	Executive Engineer Provincial Buildings Division-II, Karachi	09		Providing and fixing iron steel grill using solid square bars of size 1/2" x 1/2" placed at 4" I/c and frame centre to centre in approved desighn and pattern i/c frame of flat iron patti of 3/4" x 1/8" fixed with screws or pins and painting with pant of required cot after first coat of red oxide.	1,698,000	3,062,000	1.364
4	Executive Engineer Provincial Buildings Division, Hyderabad	13		Fabrication of tor bar steel	96,000 P.Ton	305,000 P.Ton	0.295
5	Executive Engineer District Buildings Division, Shaheed Benazirabad	07		U-PVC Doors 5mm tinted glass	-	-	5.018

6	Executive Engineer, District Building Division-III, Karachi	5	2020-21	RCC & Steel			130.981
7	Executive Engineer, Provincial Building Division, Sukkur	1		RCC, Steel & Shuttering			28.827
8	Executive Engineer, District Highways Division, Thatta	11	2021-22	Preparing Sub-base course, Base course	3341/71 to 5252.41	6633.49 to 8665.80	7.458
9	Executive Engineer, Provincial Highways Division, Sukkur	05	2021-22	Paving blocks natural colour 60mm	199.77	223.97	1.497
10	Executive Engineer, Highways Division, Tando Allahyar	02	2021-22	Various items	4,360	04 items' rates	6.305
11	Executive Engineer, Provincial Highway Division, Larkana	4	2020-21	Boulders 9" and above, dumping of stone metal	1095.00	3161.33	6.864
12	Resident Engineer, Special Project Sindh House, Islamabad	2	2020-21	Aluminum channels framing for hinged doors of Deluxe model (Bronze) P/F Cement paving blocks	1,449.69 199.77	1,648.00 220.00	0.176 0.284
						Total	**201.432**

Annex-10 (Para No. 6.5.18)

Less deduction of security deposit – Rs.207.228 million

(Rs. in million)

Sr. #	Name of Office	AIR Para#	Year	Description	Amount paid	Security deposit less deducted
1	Executive Engineer, District Highway Division, Tando Allahyar	04	2021-22	Security Deposit less deducted from contractors' bills	31.556	0.524
2	Executive Engineer, District Building Division, Tando Allahyar	03			24.843	0.248
3	Executive Engineer, District Building Division, Shaheed Benazirabad	10			179.977	8.999
4	Executive Engineer, Provincial Buildings Division, Hyderabad	15			191.261	5.738
5	Executive Engineer, Highways Division, Shikarpur	08			302.173	15.213
		06			719.088	35.954
6	Executive Engineer District Highways Division, Badin	07			152.929	3.190
7	Executive Engineer District Highways Division, Mithi	04			52.712	3.689
8	Executive Engineer, Provincial Highway Division, Larkana	8	2020-21		61.268	1.838
9	Executive Engineer, Buildings Division, Sanghar	4			15.748	0.472
		2			33.478	1.673
10	Executive Engineer, Buildings Division, Kashmore @ Kandhkot	8			51.329	2.566
		6			184.044	9.202
11	Executive Engineer, Highways Division, Umerkot	9			23.077	0.462
12	Executive Engineer, Buildings Division, Mithi	7			148.485	5.627
13	Executive Engineer, Buildings Division, Matriari	10			27.973	1.985
14	Executive Engineer, Highways Division, Sujawal	30			22.558	1.165
15	Executive Engineer, Buildings Division, Thatta	06			4.159	0.207

16	Executive Engineer, Buildings Division, Dadu	8			24.292	0.485
17	Executive Engineer, Buildings Division, Tando Allah Yar	10			10.459	0.418
18	Executive Engineer, Machinery Maintenance Division, Umerkot	5	2021-22 2020-21		24.292	1.612
19	Executive Engineer, Provincial Buildings Division, Mirpurkhas	06	2021-22	Establishment of public school & Darul Sakoon at Prem Nagar Islamkot	939.614	46.981
20	Executive Engineer, District Highway Division, Thatta	04		ADP work	294.283	14.714
21	Executive Engineer, District Buildings Division, Mirpurkhas	5		Various works	83.577	4.179
22	Executive Engineer, Highways Division, Larkana	1		Construction of roads of Larkana City PSDP 1292	765.501	38.275
23	Executive Engineer, Buildings Division, Tando Allah Yar	2		09 works	36.260	1.812
				Total	**4,404.936**	**207.228**

Annex-11 (Para No. 6.5.20)

Non-recovery of Stamp Duty from contractors – Rs.36.165 million

Sr. #	Name of Office	AIR Para#	Year	Agreement Amount	Stamp Duty Amount
1	Executive Engineer District Building Division, Naushero Feroze	04	2021-22	67.487	0.236
2	Executive Engineer District Building Division, Tando Allahyar	06		8.357	0.029
3	Executive Engineer District Highways Division, Shaheed Benazirabad	08		384.349	1.345
4	Executive Engineer District Highways Division, Thatta	03		544.096	1.939
5	Executive Engineer Provincial Building Division, Shaheed Benazirabad	16		173.112	0.547
6	Executive Engineer District Highways Division, Hyderabad	06		270.000	0.945
7	Executive Engineer Provincial Building Division-I, Karachi	01		11.415	0.040
8	Executive Engineer Provincial Highways Division, Hyderabad	11		696.801	2.438
9	Executive Engineer, Provincial Highways Division, Mithi	14		646.809	2.264
10	Executive Engineer Provincial Highways Division, Nausheroferoze @ Khairpur	08		141.100	0.494
11	Executive Engineer Highways Division, Tando Muhammad Khan	08		89.637	0.314
12	Executive Engineer District Highways Division, Kashmore @ Kandhkot	02		332.390	1.163
13	Executive Engineer District Buildings Division, Matiari	05		84.185	0.294
14	Executive Engineer District Highways Division, Larkana	06		936.779	3.278
15	Executive Engineer, Highways Division, Shikarpur	05		861.746	3.016
16	Executive Engineer Provincial Building III Division, Karachi	04		167.744	0.058
17	Executive Engineer Provincial Highways Division, Sukkur	11		380.280	1.330
18	Executive Engineer, District Highways Division, Badin	03		831.500	2.900
19	Executive Engineer, Provincial Highways Division, Badin	05		384.529	1.346
20	Executive Engineer, Provincial Highways Division, Khairpur	03		1,126.943	3.944

21	Executive Engineer District Highways Division, Mithi	02		45.976	0.161
22	Executive Engineer District Highways Division, Jacobabad	06		217.557	0.761
23	Executive Engineer Highways Division, Ghotki	09		340.147	1.052
24	Executive Engineer Highways Division, Khairpur	09		194.829	0.682
25	Executive Engineer District Buildings Division, Khairpur	09		71.626	0.251
26	Executive Engineer Provincial Highways Division, Larkana	13		299.005	1.046
27	XEN Building Division-III, Karachi	3		199.713	0.699
28	Executive Engineer Building Division Naushehro Feroze	4		12.000	0.042
29	Executive Engineer, Building Division, Kamber	3		109.413	0.382
30	Executive Engineer, Buildings Division, Sanghar	3		52.393	0.183
31	Executive Engineer, Buildings Division, Matriari	9		29.165	0.101
32	Executive Engineer, District Buildings Division, Mirpurkhas	9		83.575	0.292
33	Executive Engineer, District Buildings Division, Jacobabad	2	2020-21	156.683	0.275
34	Executive Engineer, Electrical / Energy – I, Karachi	10		54.041	0.071
35	Executive Engineer, Building Division-II, Karachi	01		61.173	0.214
36	Executive Engineer, Building Division, Sujawal	2		378.000	0.339
37	Executive Engineer, District Buildings Division Sukkur	9		113.687	0.398
38	Executive Engineer, Buildings Division, Tando Allah Yar	3		40.385	0.141
39	Executive Engineer, Provincial Building Division, Sukkur	22		247.982	0.868
40	Executive Engineer Provincial Buildings Division, Thatta	3		8.212	0.287
			Total	**10,854.821**	**36.165**

Annex-12 (Para No. 6.5.21)

Non-deduction of Sindh Sales Tax – Rs.160.893 million

(Rs. in million)

Sr. #	Name of Office	AIR Para#	Year	Expenditure	Sindh Sales Tax
1	Executive Engineer, District Highways Division, Tando Allahyar	07	2021-22	3.378	0.168
2	Executive Engineer, District Buildings Division, Hyderabad	02		10.042	0.502
3	Executive Engineer, Provincial Highways Division, Mithi	11		1,611.166	80.558
4	Executive Engineer, Provincial Highways Division, Nausheroferoze @ Khairpur	02		586.859	29.343
5	Executive Engineer, District Buildings Division, Matiari	12		116.177	5.808
6	Executive Engineer, Highways Division, Shikarpur	13		13.118	0.656
7	Executive Engineer, Provincial Buildings Division-III, Karachi	10		40.892	5.316
8	Executive Engineer, Provincial Highways Division, Khairpur	02		467.041	23.352
9	Executive Engineer, Highways Division, Thatta	9	2020-21	3.908	0.195
10	Executive Engineer, Highways Division, Kambar @ Shahdadkot	10		60.207	2.079
11	Executive Engineer, Buildings Division, Mithi	3		64.010	3.200
12	Executive Engineer, Highways Division, Larkana	6		10.538	0.527
13	Executive Engineer, Highways Division, Sujawal	12		77.179	3.858
14	Executive Engineer, District Buildings Division, Jacobabad	7		1.625	0.081
15	Executive Engineer, Building Division-II, Karachi	5		4.625	0.158
16	Executive Engineer, District Buildings Division Sukkur	8		2.378	0.100
17	Resident Engineer, Special Project Sindh House, Islamabad	1		26.508	3.446
18	Executive Engineer, Provincial Buildings Division Thatta	15		30.924	1.546
			Total	**3,130.575**	**160.893**

Annex-13 (Para No. 6.5.22)

Irregular execution of work over & above the estimated cost – Rs.454.141 million

(Rs. in million)

Sr. #	Name of Office	AIR Para#	Year	Cost of work	Expenditure	Excess	%
1	Executive Engineer, District Buildings Division, Dadu	05	2021-22	16.845	20.000	3.155	18.73
2	Executive Engineer, District Buildings Division, Hyderabad	05		37.060	62.300	25.239	68
3	Executive Engineer, Provincial Highway Division, Hyderabad	01		1,269.106	1,339.855	70.749	6
4	Executive Engineer, Provincial Highway Division, Mithi	03		2,204.430	2,466.610	262.179	12
5	Executive Engineer Provincial Coastal Highways Division, Hyderabad	10		67.772	73.810	6.038	8.91
6	Executive Engineer District Highways Division, Kashmore @ Kandhkot	18		11.663	12.629	0.966	8.28
7	Executive Engineer, Provincial Highway Division, Badin	01		332.612	384.740	52.128	15.67
8	Executive Engineer, Highways Division, Thatta	10	2020-21	77.363	86.941	9.578	12
9	Executive Engineer, Building Division, Umerkot	1		14.309	15.058	0.749	5.23
10	Executive Engineer, District Building Division, Mirpurkhas	3		15.000	20.089	5.09	34
11	Executive Engineer, District Building Division, Sukkur	3		27.750	34.321	6.571	24
12	Executive Engineer, Provincial Building Division, Thatta	30		140.612	151.821	11.209	8
		18		9.498	9.980	0.490	5.2
					Total	**454.141**	

Annex-14 (Para No. 6.5.26)

Excess payment on account of rate of differential cost of material – Rs.1.549 million
Part-i Rs0.134 million
Part-ii Rs.1.415 million

(Rs. in million)

R.A Bill No. & Dated	Name of Work & Contractor	Escalation charges due on item	Qty.	Unit	Rate calculated	Differential cost rate	Premium rate	Due differential cost	Excess rate allowed	Excess payment
05th Dated 17-06-2022 3rd Dated 16-06-2022	Improvement/ rehabilitation/ construction of various internal roads of U.C 68th mile **(M/s. Naseem Ahmed Shah)** Widening/reconditioning/construction of road from N.H.W Sarkari Khooh to connect Aumb Junejo via Bachal pur Muhammad Ismail Bhand road mile 0/0-10/0 **(Ms. Nazir & Brothers)**	Differential Cost of bitumen (80/100 Grade)	34.09 23.34	Tons	65,216	65,216	N/A	62,876	2,340	0.134
05th Dated 16-06-2022	Improvement/ rehabilitation/ construction of various internal roads/ streets of Daur City **(M/s. Naseem Ahmed Shah)**	Difference on cost of cement	9,119	Per Bag	310	145	71.01%	247.96	62.04	0.566
03rd Dated 16-06-2022	Improvement/ rehabilitation of various roads/streets of various Goths **M/s. Preety Construciton Co.)**	Difference on cost of cement	5,690	Per Bag	310	145	10.88%	160.78	149.22	0.849
Total										**1.549**

Annex-15 (Para No. 6.5.29)

Irregular payment of liability without approval of Finance Department – Rs.1.656 million

(Rs. in million)

S#	Name of work	Contractor	R.A	W.O No.	W.O Date	Work Done
1	M&R to Judges Flat & Bungalows Hydeabad (Day to day complain)	Miraj & Co.	2nd	TC/G-55/1337	03.06.2020	0.986
2	M&R to New Wahdat Colony Hyderabad (Drainage system, repair of pressure pipeline)	Ali Zunaif Govt. cont.	1st	TC/G-55/3113	11.12.2020	0.500
3	M&R to Quarter Nos: C-208, old wahdat colony, Hyderabad	New Zaman & Co.	1st	TC/G-55/3455	12.06.2019	0.170
					Total	**1.656**

Annex-16 (Para No. 6.5.30)

Irregular execution of work beyond 15% permissible limit – Rs.1,211.637 million

(Rs. in million)

Sr.#	Name of Office	AIR Para #	Year	Details	Original cost of work	Enhanced cost of work	Difference spent	% increase
1	Executive Engineer, District Highways Division, Mirpurkhas	09	2021-22	17 works	114.515	285.421	170.906	149
2	Executive Engineer, District Building Division, Dadu	08		Construction of Gymkhana @ K.N Shah (ADP00025)	19.753	26.814	7.061	35.75
3	Executive Engineer, Provincial Building Division, Shaheed Benazirabad	02		Construction of Divisional Warehouse at SBA	47.971	63.715	15.745	33
		06		Construction of Divisional warehouse at SBA CV#03 14th RA, chq 4538359 dt 06-06-22	47.971	64.916	16.945	35

				W/O# 404 19-07-19				
4	Executive Engineer, Provincial Highway Division, Hyderabad	02		Dualization of Hyderabad to Tando Muhammad Khan road Mile 0/0-6/7	968.375	1339.855	371.480	38
5	Executive Engineer, Provincial Building Division, Hyderabad	04		07 schemes	113.292	157.447	44.155	39
6	Executive Engineer, District Building Division, Shaheed Benazirabad	02		Construction of Thalassemia Center Nawabshah	18.069	35.520	17.451	96
7	Executive Engineer, Highways Division, Thatta	01		Various works	286.664	673.593	386.929	135
8	Executive Engineer, Provincial Building Division-II, Karachi	03		M&R to Sindh Secretariat Building No.VI (Old State Bank, Karachi) Renovation work of different offices Work executed beyond one year of M&R	3.200	18.200	15.00	468.75
9	Executive Engineer, District Building Division, Mirpurkhas	04	2020-21	06 works	33.000	79.175	46.175	140
10	Executive Engineer, Provincial Building Division, Thatta	09		Construction of internal roads & path M/s Hotchand Bhuromal	62.001	114.241	52.240	84.25
11	Executive Engineer, District Building Division, Shaheed Benazirabad	05		Construction of Quarters @ DC House	9.981	17.545	7.564	76

				Shaheed Benazirabad				
12	Executive Engineer, District Highways Division, Tando Allahyar	08		Construction of link road from Suleman Palhi to Gul Muhammad Palhi	6.400	15.933	9.533	149
13	Executive Engineer Provincial Building Division, Sukkur	04		Rehabilitation of record room & dispensary i/c Car parking @High Court Sukkur	38.687	89.140	50.453	130
					1,769.879	**2,981.515**	**1,211.637**	

Annex-17 (Para No. 6.5.31)

Non-deposit of original Call Deposit/Bid Security– Rs.22.050 million

(Rs. in million)

Sr.#	Name of Formation	AIR#	Schemes	Contractor	CDR# & Date	CDR Amount
1	Executive Engineer, District Highways Division, Hyderabad	04	03 Schemes	03 contractors	LD2 112600083 6-May-21 421554 7-May-21 LD 2112700039 7-May-21	20.300
2	Executive Engineer, District Buildings Division, Sukkur	02	04 schemes	04 contractors	Askari Bank, Sarafa Bazar Br. CD# 00492499/ 09.05.22 JS Bank, Society Br. Sukkur CD# 01321335 / 09.05.22 Bank Islami Branch CD # 00207473/ 10.05.22 Sindh Bank Branch 00157805/ 09.05.22	1.750
					Total	**22.050**

Annex-18 (Para No. 6.5.32)

Excess payment of Secured Advance against rate of steel– Rs.67.500 million

(Amount in million)

R.A Bill No. & Dated	Name of Work & Contractor	Name of Item	Qty in Tons	Rate allowed	Amount paid	Rate per Ton	Due Part Rate (75%)	Due amount	Excess payment
2nd R.A Bill Dated 24-06-2022	Construction of residential complex for Grade 17 & 19 Officers at GOR-I, Bath Island, Karachi (Grey Structure) **(M/s Iqbal Malik & Co.)**	Providing fabrication & laying hard grade ribbed deformed (main yiled pont 60,000 Psi) steel reinforcement bars including the cost of strengthening, cutting, bending, binding, wastage and such overlaps as are not showin in drawings, placing in position on cement concerete 1:2:4, precast spacer blocks or m.s chairs, tying with binding wires etc. in all kind of RCC work	1,000	Full rate Rs. 300,000 Part Rate Rs. 225,000	225,000,000	210,000	157,500	157,500,000	67.500
				Total	**225.000**		**0.157**		**67.500**

Annex-19 (Para No. 6.5.38)

Excess payment due to unjustified execution of co-related items of road– Rs.1.606 million

(Rs. in million)

Name of scheme	Component of work	Item of work	Qty. as per estimate %sft	Rate	Qty. as per bill %Sft	Excess execution of co-related items	Excess execution of items%Sft
Construction of remaing portion of Toung to Balpuri Thano Ahmed Khan Road mile 12/4-18/1 (ADP 3037)	Part A Road Work	Providin 1st coat of surface dressing on new	367,100	1,618.92	342,505	-	-
		Providing 1" thick carpet consolidated premixed	367,100	4,444.59	378,642	36,137	1.606

Annex-20 (Para No. 6.5.39)

Unjustified payment of M&R works to avoid lapse of budget–Rs.54.305 million

(Rs. in million)

Sr.#	Name of Office	AIR Para#	Works executed	M/S	Vr#	W/o#	MB	Tender cost	Exp
1	Executive Engineer, District Building Division, Shaheed Benazirabad	01	Installation of solar lights on N/shah-Q/Ahmed Flyover	A.S Electric Store	68 14-06-22	296,1/6/22	08-06-22	14.175	14.175
			M&R of RHC Punhal khan chandio	M.Zeeshan Malak	47 08-06-22	263,19-05-22	08-06-22	25.786	26.116
			M&R of RHC Punhal khan chandio (E.I)	A.S Electric Store	37 30-05-22	264, 19-05-22	27-05-22	2.783	2.906
2	Executive Engineer, District Highways Division, Khairpur	04	M&R of road /Paver from Dare Batool imam bargah to kingri Naka	Kashif Mumtaz	H-9 1/3/22 1st RA	104 18/2/22	06-04-2022	6.195	6.186
			M&R of road from Kholra to Haji M.Bachal Soomro	RM associates	H-14 12/4/22 2nd RA	148 22/3/22	06-04-2022	4.978	4.922
								Total	**54.305**

Annex-21 (Para No. 6.5.40)

Un-authorized approval of District ADP schemes beyond financial powers -Rs.929.914 million

(Rs. in million)

Sr.#	Project Id	Name Of Scheme	Expenditure In Million	Approved Cost	When Approved No.& Date
1	BI17P00006	Improvement of road from Kapri Mori @ point Pir Sakhi Shah Rehamatullah to village Jan Mohammad Korai mile 0/0-2/6+220 Revised	7	35.7	No.DC/DEV/BDN/DDC/ 375 Dt; 10.08.2017
2	BI17P00074	Improvement of road from Qazia Wah to Khoski By Pass road mile 0/2-0/4.	21.107	27.154	No.DC/PD/BDN/ 720 Dt; 07.02.2018
3	BI17P00077	Improvement of various roads in Taluka Badin (i)Improvement of road from Badin Seerani road to Abdul Hameed Junejo mile 0/0-1/0.(ii) Improvement of road from Qazia Wah to Khoski By Pass road mile 1/0-1/2+220ft (Revised)	33.218	39.243	No.DC/PD/BDN/ 720 Dt; 07.02.2018
4	BI17P00078	Construction of various roads in Taluka Badin. (i)Construction of road from Behdami Rupa Mari road to village Haji Khan Chandio mile 0/0-0/7 +330 ft: (ii)Construction of road to village Ismail Jamali Mile 0/0-1/2. (Revised)	18.8002	29.1252	No.DC/PD/BDN/ 720 Dt; 07.02.2018
5	BI17P00079	Construction of road from Iqbal Sarejo to Umer Mallah Bakar Mori mile 0/0-1/2.	12.087	39.986	No.DC/PD/BDN/ 720 Dt; 07.02.2018
6	BI17P00080	Improvement of road from Badin Khoski road to connect Badin Kadhan road via Zain Public School mile 0/0-1/1.	18.216	37.34	No.DC/PD/BDN/ 720 Dt; 07.02.2018

7	BI17P00081	Construction of road from Mari Wasayo Oil Field to Chak No.04 mile 2/1-3/3.	11.687	39.95	No.DC/PD/BDN/ 720 Dt; 07.02.2018
8	BI17P00082	Construction of Various roads in Taluka S.F.Rahu (i)Construction of road from Golarchi Ahmed Rajo road at mile 13/0 to village Malik Lal Muhammad mile 1/3-2/0 (ii) Construction of road from Allah Dino Jalalani to village Raees Umer Jalalani mile 0/0-0/2. (iii) Construction road chak No: 22 to chak No: 24 mile 2/4+220- 3/0 (iv) Construction of roadd from Mataro Kario road to village Nawab Nizmanai mile 0/0=0/2 (Revised)	18.528	26.576	No.DC/PD/BDN/ 720 Dt; 07.02.2018
9	BI17P00089	Improvement of road from Bhitai Pump Tando Ghulam Ali to Saban Dasti mile 4/1-5/4 (Phase-IV).	9.657	40	No.DC/PD/BDN/ 720 Dt; 07.02.2018
10	BI17P00093	Rehabilitation of road with paver from Badin Kadhan Ali Bunder road to connect Kadhan Behdmi road via Civil Hospital & Meghwar Muhallah i/c approches	23	40	No.DC/PD/BDN/ 720 Dt; 07.02.2018
11	BI17P00094	Construction of road from Wali Muhammad Jamali road to Village Mean Mallah Mile 1/1-2/3.	15.2	39.908	No.DC/PD/BDN/ 720 Dt; 07.02.2018
12	BI17P00097	Construction of road from Peeru Gharo road to village Darhoon Bheel mile 0/0-1/2	14.2	39.726	No.DC/PD/BDN/ 720 Dt; 07.02.2018
13	**BI17P00098**	Construction of road from Ahmed Rajo Seerani road at mile 12/0 (Ghulam Mallah to Yar Muhmmad Mallah mile 0/0-1/3+2.20 Kms	14.2	39.951	No.DC/PD/BDN/ 720 Dt; 07.02.2018
14	BI19P00005	Construction / Improvement of Internal roads Badin City instead of Construction of road from Lunwari Nindo road to villge Saleh Nohario mile 0/0-0/5=1.0 Km.	10.402	39.811	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.

15	BI19P00006	Raising/ Improvement of road from Allah Wala Chowk Court Road at point Dua Motors to Ali Town mile 0/0-0/1+380'=0.31 Km.	10.9894	39.912	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
16	BI19P00009	Construction of roads in Taluka Matli (2019-20) (2Nos) (i)Road from Hamid Halepoto Talho Farm road to village Ali Muhammad Halepoto mile 0/0-0/4 +330 ft= 0.90 Km (Ist Phase) (ii)Road from Naseer Khan Mandwani Haji Khan Unarr road to village Bildo Bagrani Mile 0/0-0/5=1.0 Km.	4.255	40	No.DC/DEV /BDN/DDC/73 dt:03.02.2020.
17	BI19P00015	Construction of road from Olya Ismail Shah Bukhari to connect village Haji Mir Muhammad Nohario via village Natho Bheel Dur Muhhamd Mandhro and Muhamamd Uris Patel mile 0/0-1/2=2.0Kms(Phase-I).	4.273	39.898	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
18	BI19P00016	Improvement of road from Jhole Regulator to Chak No.54 mile 0/0-1/7.	3.899	39.843	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
19	BI19P00017	Construction of road from village Sher Muhamamd Nohario to village Abdual Razzak Nohari mile 0/0-1/2 =2.0 Kms.	4.084	39.766	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
20	BI19P00018	Improvement of road along Inspection Path Jam Wah to Moulvi Ali Muhammad Mahri via Muhammad Mossa Mallah mile 0/0-1/7=3.00 Kms.	4.087	39.93	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
21	BI19P00019	Improvement of road from Golarchi -Chak No:10 Oil field road to chak No:34 mile 0/6-2/5=3.00 Kms.	4.131	29.531	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
22	BI19P00020	Construction of road from Rajo Khanani Kesro Kholi road to Jumoon Ragh mile 0/0-0/5=1.00 Km.	2.398	39.075	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
23	BI21P00009	Construction of road from Ansari Sugar Mills Mevo Phalkara road to village Nehal Phalkaro Mile 0/0-1/1+400'=1.92Kms	11.07	22.14	02.03.2022

24	BI21P00011	Construction of road from Matli Phalkara Garho Banglo road to village Muhammad Usman Mazari Via Gohram Mazari Mile 0/0-1/1=1.80Kms.	12.6725	25.345	02.03.2022
25	BI21P00038	Comnstruction of road from Kario Machhri road to Village Bachal Samoon Mile 0/0-1/1=1.80Kms	10.002	20.004	02.03.2022
26	**BI19P00023**	Improvement of Khoski Artillary Chak road mile 0/5-1/1+220 ft:=0.867 Km.	1.43	40	No.DC/DEV/BDN/DDC/73 dt : 03.02.2020.
			Total	**929.9142**	

Annex-22 (Para No. 6.5.41)

Irregular payment on execution of various items of work – Rs.39.304 million

Serial#01

(Rs. in million)

Items	Qty as per Est	Qty as per Bill	Rate	Amount
steel	313.26	183.7	22.066	184317.3
RCC	7017 (Column,Beams&lantel=3833 roof beams &slabs=3184)	3466		
Pacca Brick in G,F	3514	3497		
Plaster 1:6	14102 (Inside 8289&outside5813)	8353		
Plaster 1:4	14102 (Inside 8289&outside5813)	8353	21.9752	183558.8
S/F Alm-chanel for doors or Alcop made 5mm glass Balgiumi/c Handle &locks	1471	1729	1507.56	2606571
S/F Alm-chanel for windows or Alcop made 5mm glass Balgiumi/c Handle &locks	429	615	1647.69	1013329
Marble	3845	4072	307	1250104
Secured Advance		5tons	80000	
Excess payment				**5.238**

Serial#02

(Rs. in million)

Area	Item	Quantity as per estimate	Quantity executed	%	Total expenditure
Foundation	RCC	8319	2962	35.61	7.710
Foundation	Steel	352.812	319.2	90.47	
Foundation	Brick	3820	655	17.15	
GF	RCC	7718	8018	103.89	15.407
GF	Steel	504.401	505.821	100.28	
GF	Brick	6538	7458	114.07	
GF	Verona Marble	2662	588	22.09	
GF	Porcelain tiles	1157	1253	108.30	
	Total tile/marble	**3819**	**1841**	48.21	
FF	RCC	5680	5683	100.05	10.948
FF	Steel	371.607	327.606	88.16	
FF	Brick	4180	5246	125.50	
FF	Verona Marble	2069	2012	97.25	
FF	Porcelain tiles	583	647	110.98	
	Total tile/marble	**2652**	**2659**		
				Total	**34.066**

Annex-23 (Para No. 6.5.42)

Irregular expenditure due to misclassification from M&R head – Rs.144.226 million

Serial#01

(Rs. in million)

W.O No. & Date	Name of Work	Name of contractor	W.O Amount	Bill No. & Date	Document No.	Document Date	Cheque No.	Date	Gross Amount
	ADP Cost Center: KQ-5143				**M&R Cost Center: KQ-0539**				
4445 Dated 20-05-2022	Establishment of Drug Rehabilitation Center @ (A) 100 Bedded Hospital, New Karachi (B) Rehabilitation Center, Zubiri Colony, Asifabad, Karachi (C) Sports and Youth Affairs Development Department Center at Dilbodh Goth at Malir, Karachi (D) K.M.C Leprosy Hospital at Manghopir, Karachi	M/s. Pir Hasnain Enterprises	88,361,558	1st Dated 31/05/2022	5100193725	15/06/2022	4583041	24/06/2022	27.927
				2nd Dated Nil	5100193717	15/06/2022	4582986	24/06/2022	34.543
				3rd Dated 12/06/2022	5100193715	15/06/2022	4582992	24/06/2022	25.131
		Total	**88.361**						**87.601**

Serial#02

(Rs. in million)

Sr#	w/o# Date	Bill#	Name of work	Cost Center	Expenditure
1	1445 10-11-20	H-18 08-02-21	Rehabilitation of main court building i/c IT room, Library &Protocol Office @High Court Sukkur	SY0460	27.006
2	1447 10-11-20	H-21 17-05-21	Rehabilitation of record room & dispensary i/c Car parking @High Court Sukkur	SY0460	28.858
				Total	**55.864**

Annex-24 (Para No. 6.5.44)

Irregular approval of technical sanction over and above the Administrative Approval –Rs.61.199 million

(Rs. in million)

Sr.#	ADP#	Name of Work	AA Cost	Technical sanction	Excess over A.A	% age
1	2836	Widening / Reconditioning of road from Kharirah to Zafarabad Road (12.00 Km)	196.363	216.566	20.203	10.29
2	2827	Rehabilitation of road from Mehran N/Highway to Deparija Nawab Ali Shah Bhanbhan via Khariri Road (14.00 Km)	134.813	152.938	18.125	13.44
3	2829	Reconditioning of road from Sutiyaro to Kharirah & Pir Bux Jalalani U.C Kharirah Road (17.00 Km).	69.092	78.053	8.961	12.97
5	2846	Reconditioning of the road from Bab-e-Ahmed Shah Gate, National Highway Ranipur to Sobhodero City Road (11.26 Km).	97.728	111.639	13.911	14.23
		Total	**497.996**	**559.196**	**61.199**	

Annex-25 (Para No. 6.5.46)

Un-justified execution of Construction of Road –Rs.63.386 million

Serial#i

(Rs. in million)

ADP	Bill#	W/o	SDOC	Part-A	Current year expenditure	Upto date expenditure	T.S Cost
Construction of road from Sabal Arbani to Qadir Bux Sanghar & over bridge Dingro wah mile 0/0-1/2+330ft M/S Assad Enterprise							
102	H-10 5/1/2022 18th RA	494 25/2/2014	26/2/2015	Road work	7.00	10.004	19.98
reconditioning of road from walloo Mahar to Ghurio Mahar via Pir khan Moh'd mile 2/0-4/0 M/S IA National							
90	H-39 16/2/2022 15th RA	519 26/2/2014	26/2/2015	Road work	3.00	9.550	19.874
Constt: of road from Dahar Wah to Haji Farid Malik via Nihal Wah mile 0/0-1/5+330 ft, M/s Kamran Ali Soomro							
220	H-67 16-6-22 13th RA	323 25-3-2013	2-3-2014	Road work	14.546	19.923	19.958

Serial#ii

(Rs. in million)

ADP	Bill#	Name of work	M/S	SDOC	Amount	Cost
296	H-63 17/11/21 17th RA	Construction of Road from Qazi wah to Sachal Malhan 0/0-0/6	M.Shafeeque Soomro w/o1319 dt 8/4/2014	7/4/2015	9,274,696 Exp on Road 8.939M	9.35
226	H-95 17-6-22 10th RA	Constt: of road from Langho Kareem Bux Mirani to village M. hayat Mirani & Yar Muhammad Mirani mile 0/0-1/2	Pathan Ali Mahar W/o 1033 dt 14-6-16	13/06/17	15.073 Exp on Road 14.535	14.559
					Total	**23.909**

Annex-26 (Para No. 6.5.47)

Irregular execution of work due to abnormal variations than estimate – Rs.8.513 million

Serial#ii

(Rs. in million)

Name of Item	Floor	Qty as per Estimate	Qty as per bill	Qty Excess	Rate	Amount	Excess
G.I Frames/Chokhats (Doors)	First	83	351	268	228.9	61,345	61,345
G.I Frames/Chokhats (Windows)	First	26	295	269	240.5	64,695	64,695
G.I Frames/Chokhats (Doors)	Second	83	351	268	228.9	61,345	61,345
S/F Aluminum channel for doors	Second		383		1300	497,900	497,900
1st class deodar wood wrought	Ground	45	0				0
S/F Aluminum Window	Ground		660		1508.69	995,735	927,844
1st class deodar wood wrought	First	24					0
S/F Aluminum Window	First	0	660		1508.69	995,735	959,527
1st class deodar wood wrought	3rd Floor	104					0
S/F Aluminum Doors	3rd Floor		307		1450	445,150	294,350
1st class deodar wood wrought	3rd Floor	18					0
S/F Aluminum Window	3rd Floor		627		1508.69	945,949	968,579
						Total	**3.836**

Annex-27 (Para No. 6.5.48)

Defective execution of work in violation of design/T.S –Rs.25.133 million

Serial#i

(Rs. in million)

Part	As per BOQ	As per Execution	Excess	Above/below
Road	17,865,877	18,695,919	830,042	5%
Culvert 05 Nos	620,469	1,186,541	566,072	91%
10'Bridge	1,077,166	0	(1,077,166)	(100)%
Total	**19.563**	**19.882**		

Serial#ii

W/o # / Date	CV#/ Date	Name of Item	Qty as per Estimate	Qty as per bill	Percentage	Quantity of steel due	Excess qty of steel
199/ 07.05.18 Aziz Builders	03 10.0 6.22	RCC	5,243	3837	73%		
		Steel	234.062	248.621	106%	171.295	77.326cwt =3.866tons
						Rate	5001.7
						Amount	**386,761**
		Diff cost of steel @Rs 104000					**402,064**
	Brick work		4784	2453	51%		
	CC Plain		549	1387	253%		
	Paver		1665	1881			

Annex-28 (Para No. 6.5.51)

Excess Expenditure without obtaining revised administrative approval – Rs.37.062 million

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Year	Details	Cost of work	Upto date Expenditure (6/2021)	Excess	%
1	Executive Engineer District Highways Division, Tando Allahyar	02	2020-21	Construction of approach bridge road Dhaloo Mori Mile 0/0-0/2+330 M/s Naveed & Co Work order# EE/H/TC/G-55/155, dated 30-01-2018	8.200	16.027	7.827	95
2	Executive Engineer, District Buildings Division, Tando Muhammad Khan	14	2020-21	Construction of District Govt. Complex Phase-II, B&R Colony T.M Khan (F/Floor)	17.905	21.024	3.119	17.42

3	Executive Engineer, District Building Division Mirpurkhas	1	2020-21	4 works	28.000	47.475	19.476	70
4	Executive Engineer, District Highways Division, Tando Allahyar	1,5	2020-21	Construction of link road No details of Geometric design of curves, Survey Map duly approved, details of structures and L-Section & X-Section	7.800	14.440	6.640	85
					61.905	**98.966**	**37.062**	**67**

Annex-29 (Para No. 6.5.52)

Award of works to contractors without PEC Registration – Rs.19.361 million

(Rs. in million)

Sr. #	Name of Works	Work Order No.	Dated	Name of Contractor	Amount
1	Rehabilitation / renovation of rural health center at Shahpur	TC/G-55/17	2-1-2018	Gul Muahmmad Dahri	2.643
2	Construction of office building for UC Haji daim khan Damrah	TC/G-55/560	16-8-2019	Muhammad Yaqoob	4.929
3	Rehabilitation/ renovation of Dargah Valli Muhammad Shah Village Karam Ali Umrani	TC/G-55/190	9-6-2020	Gee Three	4.771
4	Rehabilitation/ renovation of existing children park	TC/G-55/188	9-6-2020	Arshad Ali Malik	2.029
5	Rehabilitation/ renovation of City public park (Old rani bagh)	TC/G-55/332	22-4-2019	Hassan Mehmood	4.989
				Total	**19.361**

Annex-30 (Para No. 6.5.53)

Non-completion of work as per PWD Specification - Rs.60.060 million
Serial#01

(Rs. in million)

Name of work	Name of contractor	R.A#	Item	Rate as CSR	Rate Allowed	Amount
Constt. Of Entrance Gate at DC Office	M/s Bahram Khan	10th & Final	Steel	5001.7	4825	285315
			Hala Tiles	47651.56	35738	932437
			CC1:4:8	9416.25	3327.5	32141
			Steel Grated Door	728.72	545	133525
			Paver Block	199.77	199	952360
			Paver Block	199.77	149.82	952380
Constt. of tough tiles at Village Ghulam Sarwar	M/s M. Bux	12th & Final	Paver Block	199.77	184	5232444
Constt. of tough tiles at Village Mahi Khan	M/s M. Bux	10th & Final	Paver Block	199.77	192	5648064
Constt. of tough tiles at Village Mahi Khan	M/s M. Bux	7th & Final	Paver Block	199.77	176	1424296
Beautification of Kandhkot City	M/s Bahram Khan	10th & Final	CC1:5:10	8694.95	3327.5	9583
			Pacca Brick Work	11948.36	13000	142267
			P/F Tile Glazed	30509.73	30750	2159744
			RCC	337	335	43385
			P/F Iron Steel	180.75	175	268625
					Total	**18.216**

Chapter-07 Annexes

Annex-1

(Rs. in million)

S.#	ADP No.	Name of Scheme	District	Approved Cost	When Approved	When Started	Expenditure upto 30.06.2022
1	3321	Improvement / Construction of Ghulamullah to Garho road i/c Bridge over Creek and Construction of link upto National Highway on west of Garho Town mile 0/0-18/0=29.98 Kms	Thatta	570.717	05-06-2020 **R**	16-06-2008.	260.429
2	3808	Construction of road from New Chore to Mendhrejopar mile 0/0-28/4 (45.88 Km)	Umerkot	340.316 UR 1000.905	38972	13-06-2007.	340.278
3	3811	Construction of Road from Islamkot to Thar Coalfield Blocks VIII, IX, X upto Nagarparkar Road (70 Kms)	Thar @ Mithi	6211.401	43196	-	2923.172
4	3821	Construction and Reconditioning of road from National Highway (N-5) Dhabeji Creeks Side at mile 31/0 (50.0 Kms) to connect Port Qasim Dual Carriageway Dhabeji Special Economic Zone (CPEC) (8.00 Kms)	Thatta	1841.433 UR 3471.087	44028	-	750.178
				11253.205			**4274.057**

Annex-2 (Para No. 7.9.2.3.3)

Non-allocation/Release of funds against ongoing schemes

(Rs. in million)

Sr.#.	ADP No.	Name of Schemes	Name of District	Approved Cost	When Approved (A.A)	When Started	Expenditure upto 30-6-2022	A.D.P Allocation 2022-23
1	3322	Improvement of road from Jamshoro road National Highway Bye Pass road via J.J.V.L Gas Company road mile 0/0-6/0 (9.66 Kms)	Hyderabad	220.567 UR 419.569	04-10-2012	10-04-2012	105.775	0.001
2	3323	Improvement of road from Seerani to Ahmed Rajo mile 0/0-15/4 (24.95 Kms)	Badin	360.582 UR 413.961	27-03-2014	-	323.918	0.001
3	3345	Reconditioning of link road from Moro Bandhi road to village Qamaruddin Chandio to Morcho road mile 0/0-4/4+258' (7.28 kms)	Naushahro Feroze	66.273	27-01-2020	-	64.640	0.001
4	3807	Construction of road from Tebhre Bhambhro to Saeedao via Dodhar Samoon Road Mile 0/0-53/0 (85.33 Kms)	Sanghar	898.000 UR 1976.751	14-10-2006	14-06-2007	888.023	0.001
5	3808	Construction of road from New Chore to	Umerkot	340.316 UR 1000.905	12-09-2006	13-06-2007.	340.278	0.001

		Mendhrejopar mile 0/0-28/4 (45.88 Km)						
6	4144	Construction of overhead bridge including approaches on Railway Crossing @ 5/3 of TandoAdam Circular road.	Sanghar	207.490 UR 710.482	24-07-2012	25-07-2012.	131.250	0.001
7	4145	Construction of Overhead Bridge on Railway line between Kotri City and the Industrial Area kotri. District Jamshoro	Hyderabad	1274.449 UR 1779.258	06-04-2015	-	1324.040	0.001
			Total	**6367.199**			**3177.924**	

Annex-3 (Para No. 7.9.2.3.4)

Irregular payment to contractor against triple surface treatment

(Rs in million)

CV.NO/ dt	Name of Contractor	Name of Work	Name of item	Qty	Rate	Amount
19/May-22	M/S Babar Muneer	Const. of link Tayab dars road to village haji noor Hassan dars0/0-3/1 & Const /rec. of link road from jamal shah road to village gurhar 0/0-3/1	Base Course	86201 % Cft	11412/ 10000	0
			Tripple Surface treatment	114840 % Sft	4303/4000	4.594
33/May-22	M/S B.M Const	Rec/Const. of road from khipro Khahi road to Khipro Ghulam Nabi Shah 0/0-3/2	Base Course	24024 % Cft	11605/ 10000	0
			Tripple Surface Treatments	66000 % Sft	4328/3650	2.409
34/May-22	M/S Vijay & Sons	Rec/of road from khipro to Khahi via village ismail chanhio road mile 0/0-8/2	Base Course	55440 % cft	11605/ 10000	0
			Tripple Surface treatment	158400	4324/4000	6.336
05/June-22	M/S Permanand & CO	Rec/road from khipro khahi etc 0/0-3/1 & Recond/ Const. of link road from Nangna road to miandad	Base Course	10330 % Cft	11219/ 9000	0
			Tripple Surface treatment	56760 % Sft	4300/3550	2.015
30/June-22	M/S Sindh Enterprises	Rec/ of road from Khahi to Doulatabad road mile 0/0-3/6	Base course	27951 %cft	11894/ 10000	0
			Tripple Surface treatment	79860 % Sft	4346/3500	2.795
					Total	**18.148**

Annex-4 (Para No. 7.9.2.3.5)

Non-completion of Schemes – Rs. 14001.283 million

(Rs. in million)

S#	Name of Schemes	Name of Taluka	Appr: Cost
1	Construction of road from link road Deh 296 Mori to village Ch: Ghulam Rasool Babo Rauf UC Lal ShahTaluka Kot Ghulam Muhammad Mile:- 0/0-1/0+330 (1.70 Kms)	KGM	16.367
2	Construction of Road at Village Mumtaz Ali Mari Taluka Hussain Bux Mari & other Villages Mile :-3.60	HBM	40
3	Construction of Road at Village Pir Ghulam Rasool Shah Jillani Taluka Hussain Bux Mari & other Villages Legth 3.80 Kms	HBM	40
4	Construction of Road at Village Shah Murad Khoso Taluka Hussain Bux Mari & others Villages Legth: 3.80 Kms	HBM	40
5	Construction of Road from Kak Bunglow Gul Mohammad Rind To Village Haji Lakha Dino Bughio UC Kak Mile:- 0/0-1/7 (3.00 KMS)	Shujabad	27.5
6	Construction of Road at Village Gulzar Ahmed Choudhary Deh: 245 UC Jhillori Taluka Shujaabad Mile 0/0-1/2	Shujabad	15
7	Construction of road from Village Haji Ahmed Khan Bhurgari Deh 350 to Village of Bhagar Deh 346 Mile :- 0/0-2/4 (4.00 Kms)	KGM	40
8	Construction of road from Old Dambalo Vill: Muhammad Ismail via Vill: Ch:Shah Muhammad Vill:Liaqat & Dargah Saleh Shah to Vill: Ch: Ismail Gill Deh:152 Mile :- 0/0-1/2 (2.00 Kms)	Digri	19.8
9	Construction of road from Digri By Pass Digri to Vill: Serwan Kolhi Deh 177 Mile 0/0-0/2	Digri	3
10	Construction of CC Road Various Villages of Taluka Shujabad,Digri,Sindhri, Hussain Bux Mari Phase-I Length 23420 Rft/	Shujabad	30
11	Construction of Culverts Various Villages of Taluka Shujabad Digri, Sindhri,Hussain Bux Mari 43 Nos Culverts	HBM	5
12	Construction of road from at Village Soomar Tangri Deh 359 Taluka Jhuddo Mile:- 0/0-1/4+330' (2.50 Kms)	Jhudo	25
13	Constuction of road from link road Deh 296 Mori to village Ch: Ghulam Rasool Babo Rauf UC Lal ShahTaluka Kot Ghulam Muhammad Mile:- 0/0-1/0+330 (1.70 Kms)	KGM	16.367
14	Construction of Road Daulat Leghari Road to Village Umer Bhghio Mile:- (0/0-1/3+330)	Shujabad	22
15	Improvement / Construction of Ghulamullah to Garho road i/c Bridge over Creek and Construction of link upto National Highway on west of Garho Town mile 0/0-18/0=29.98 Kms	Thatta	570.717
16	Construction of Sindh Coastal Highway Sakro / Gaghar Phatak - Keti Bandar - Shah Ghorabari/ Bunder - Ali Bunder (Ghaghar Phatak - Keti Bunder Phase-1) of 90.0 Kms	Thatta	2407.949
18	Construction of road from New Chore to Mendhrejopar mile 0/0-28/4 (45.88 Km)	Umerkot	1000.095
19	Construction of Road from Islamkot to Thar Coalfield Blocks VIII, IX, X upto Nagarparkar Road (70 Kms)	Thar @ Mithi	6211.401
20	Construction and Reconditioning of road from National Highway (N-5) Dhabeji Creeks Side at mile 31/0 (50.0 Kms) to connect Port Qasim Dual Carriageway Dhabeji Special Economic Zone (CPEC) (8.00 Kms)	Thatta	3471.087
		Total	**14001.283**