



**AUDIT REPORT
ON
THE ACCOUNTS OF
GOVERNMENT OF SINDH
AUDIT YEAR 2024-25**

AUDITOR-GENERAL OF PAKISTAN

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

FOR THE CITIZENS OF PAKISTAN

PREFACE

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

This report is based on audit of accounts for financial year 2023-24 of various departments and autonomous bodies of Government of Sindh. However, it also includes audit findings pertaining to the previous years which were reported to PAOs after finalization of Audit Report 2023-24. The Directorate General of Audit Sindh conducted audit for the audit year 2024-25 on a test check basis, with a view to report significant findings to the relevant stakeholders. Main body of the audit report includes significant issues, audit findings and systemic issues. Relatively less serious issues are listed in the Annex-A of audit report. Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officers at the DAC level. In all cases where the PAOs do not initiate appropriate action, audit observations will be brought to the notice of the Public Accounts Committee through the next year's audit report. Sectoral analysis has been added in this report covering strategic review and overall perspective of audit results.

Audit report also contains significant paras from special, performance and forensic audit reports. Thematic and impact audit reports are also incorporated at Chapter-40 & 41 respectively.

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 in future.

Audit findings included in this report have been mostly finalized in the light of management replies received and discussion in the DAC meetings.

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

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

Islamabad
Dated:

Muhammad Ajmal Gondal
Auditor-General of Pakistan

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ABBREVIATIONS & ACRONYMS

AA	AA ranking of Bank
AAP	Accelerated Action Plan
AAR	Annual Audit Report
AC	Air Conditioners / Assistant Commissioner
ADB	Asian Development Bank
ADP	Annual Development Plan
AD Syringe	Auto-Disable Syringe
AG	Accountant General / Advocate General
AGP	Auditor-General of Pakistan
AGPR	Accountant General Pakistan Revenues
AIG	Additional Inspector General
AIGP	Additional Inspector General of Police
AIR	Audit Inspection Report
AIT	Agriculture Income Tax
AKU	Aga Khan University
AMIS	Audit Management Information System
APPM	Accounting Policies and Procedures Manual
APT	Appointment, Promotion & Transfer Rules
AWB	Area Water Board
AQMF	Audit Quality Management Framework
BBSUTSD	Benazir Bhutto Shaheed University of Technology and Skill Development
BCG	Bacille Calmette-Guérin
BER	Bid Evaluation Report
BISP	Benazir Income Support Program
BOQ	Bills of Quantities
BOR	Board of Revenue
BPS	Basic Pay Scale
BRT	Bus Rapid Transit
CDC	Centers for Disease Control and Prevention
CEO	Chief Executive Officer
CGA	Controller General of Accounts
CMCH	Chandka Medical College Hospital
cMYP	Comprehensive Multi-Year Plan
CNG	Compressed Natural Gas

CNIC	Computerize National Identity Card
CoA	Chart of Accounts
COVID	Coronavirus disease
CPC	Central Procurement Committee
CPLC	Citizens Police Liaison Committee
CPO	Central Police Office
CPWA	Central Public Works Account Code
CPWD	Central Public Works Departmental Code
CR	Credit
CRC	Centralized Rate Contract
CSR	Composite schedule rate
CTR	Central Treasury Rules
CVDL	Central Veterinary Diagnostic Laboratory
D.O.B	Date of Birth
D.S.	Deputy Secretary
DAC	Departmental Accounts Committee
DAO	District Account Office/Divisional Accounts Officer
DC	Deputy Commissioner
DCS	Direct Credit System
DDO	Drawing and Disbursing Officer
DDWC	District Departmental Working Committee
DDWP	District Departmental Working Party
DEEP	Development through Enhanced Education Program
DEO	District Education Officer
DEPD	Department of Empowerment of Persons with Disabilities
DFC	District Food Controller
DFID	Department for International Development
DFO	District Forest Officer
DFO (A)	District Forest Officer (Afforestation)
DFO (SF)	District Forest Officer (Social Forestry)
DG	Director General
DGPR	Director General Pakistan Revenues
DHO	District Health Officer
DIGP	Deputy Inspector General of Police
DPC	Departmental Promotion Committee
DPO	District Police Officer

DPs	Draft Paras
DPWO	District Population Welfare Officer
DR	Debit
DRC	Disaster Recovery Center
DROs	Draft Release Orders
DSP	Deputy Superintendent of Police
DSV	District Surveillance Vaccinator
EAD	Economic Affairs Division
ECNEC	Executive Committee of National Economic Council
EMD	Earnest Money Deposit
EOBI	Employees Old-Age Benefit Institution
EOI	Expression of Interest
EPI	Expanded Program on Immunization
FATF	Financial Action Task Force
FAM	Financial Audit Manual
FAO	Food and Agriculture Organization
FAP	Foreign Aided Project
FBR	Federal Board of Revenue
FD	Finance Department
FDI	Federal Directorate of Immunization
FIC	Full Immunization Coverage
FIR	First Information Report
FIS	Financial Information System
FMH	Fund Management House
FR	Fundamental Rules
FRC	Family Registration Certificate
FOs	Farmers Organizations
FTN	Free Tax Number
FTR	Federal Treasury Rule
FY	Financial Year
GAVI	Global Alliance for Vaccines and Immunization
GD	Goods Declaration
GDP	Gross Domestic Product
GFR	General Financial Rules
GL	General Ledger
GoS	Government of Sindh

Govt.	Government
GP Fund	General Provident Fund
GST	General Sales Tax
HANDS	Health and Nutrition Development Society (NGO)
HCEs	Healthcare Establishments
HEC	Higher Education Commission
HEIS	High Efficiency Irrigation System
HESCO	Hyderabad Electric Supply Company
HMC	Health Management Cadre
HRA	House Rent Allowance
HTV	Heavy Transport Vehicle
I.T.	Information Technology
IBA	Institute of Business Administration
IBAN	International Bank Account Number
IBFD	International Bureau of Fiscal Administration
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IGP	Inspector General of Police
IHR	International Health Regulations
IMR	Infant Mortality Ratio
ILR	Ice-lined Refrigerator
IPV	Inactivated Polio Vaccine
JE	Journal Entry
JIMS	Jacobabad Institute of Medical & Health Sciences
JPMC	Jinnah Postgraduate Medical College
JSMU	Jinnah Sindh Medical University
JV	Joint Venture
KDA	Karachi Development Authority
KNIP	Karachi Neighborhood Improvement Project
KVA	Kilo volt ampere
KWSB	Karachi Water & Sewerage Board
L/C	Letter of Credit
LARMIS	Land Administration & Revenue Management Information System
LC	Letter of Credit
LHW	Lady Health Worker Program
LPC	Last Pay Certificate

LPR	Leave Preparatory to Retirement
M&E	Monitoring & Evolution
MIS	Management Information System
MMU	Minister's Monitoring Unit
MNCH	Mother Neonatal and child healthcare program
M&R	Maintenance & Repair
MR	Measles Rubella
M.S	Medical Superintendent
M/S	Messer
MB	Measurement Book
MCH	Maternity Child Health
MD	Managing Director
Mds	Maunds
MEC	Monitoring and Evaluation Cell
MfDAC	Memorandum for Departmental Accounts Committee
MIS	Management Information System
ML	Management letter
MMR	Maternal Mortality Ratio
MoF	Ministry of Finance
MoU	Memorandum of Association
MPA	Member of Provincial Assembly
MP-I	Management Position-I
MSDP	Municipal Services Delivery Program
MUET	Mehran University of Engineering & Technology
NAB	National accountability Bureau
NAC	Non-availability Certificate
NADRA	National Database and Registration Authority
NAM	New Accounting Model
NBP	National Bank of Pakistan
NED	Nadirshaw Edulji Dinshaw
NEDUET	NED University of Engineering & Technology
NESPAK	National Engineering Services Pakistan Pvt. Ltd.
NFC	National Finance Commission
NGOs	Non-Government Organizations
NICH	National Institute of Child Health
NIDs	National Immunization Days

NIT	Notice for Inviting Tender
NMR	Neonatal Mortality Rate
NOC	Non-objection Certificate
NQ	Naib Qasid
NTC	National Telecommunication Corporation
NTN	National Tax Number
NTS	National Testing Service
OB	Opening Balance
OD	Overdraft
OM	Objection Memo
OFWM	On Farm Water Management
OPD	Outpatient Department
P&D	Planning & Development
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission Proforma-I
PCR	Polymerase Chain Reaction
PCV	Pneumococcal Conjugate Vaccine
PD	Project Director
PDMA	Provincial Disaster Management Authority
PDO	Project Development Objective
PDWP	Provincial Development Working Party
PEC	Pakistan Engineering Council / Parent Education Committee
PEI	Poverty Eradication Initiative
PIL	Program implementation letter
PINS	Program for Improved Nutrition in Sindh
PITE	Provincial Institute of Teacher education
PIU	Program Implementation Unit
PMDC	Pakistan Medical & Dental Council
PMIU	Project Management Implementation Unit
PMU	Project Management Unit
POL	Petrol Oil and Lubricant
PPHI	People's Primary Healthcare Initiative
PPO	Pension Payment Order
PPP	Public Private Partnership
PRC	Provincial Reserve Center

PPRS	Private Provision of Schooling
PS	Police Station
PSC	Program Steering Committee
PSDP	Public Sector Development Program
PSO	Pakistan State Oil
PTC	Police Training Center
PWD	Public Works Department
QEC	Quality Enhancement Cell
QUEST	Quaid-e-Awan University of Engineering Science & Technology
RCAs	Rapid Coverage Assessments
RFO	Range Forest Officer
RFP	Request for Proposal
RoB	Rules of Business
Rs	Rupees
SAGP	Sindh Agricultural Growth Project
SGA&C	Services, General Administration & Coordination
SAP/R3	Systems, Applications & Products/ R3
SAS	SEF Assisted School
SASO	Sindh Agricultural Supplies Organization
SBBUVAS	Shaheed Benazir Bhutto University of Veterinary and Animal Sciences
SBEP	Sindh Basic Education Program
SBI	Sindh Board of Investment
SBP	State Bank of Pakistan
SCA	Sindh Coal Authority
SDGs	Sustainable Development Goals
SECP	Securities & Exchange Commission
SEF	Sindh Education Foundation
SEIR-ZM	Sindh Electronic Immunization Registry - Zindagi Mehfooz
SELD	School Education and Literacy Department
SELECT	Sindh Early Learning Enhancement through Class Room Transformation
SEMIS	Sindh Education Management Information System
SEPCO	Sukkur Electric and Power Company
SFA	Sindh Food Authority
SFR	Sindh Financial Rule
SG&RRP	Sindh Growth & Rural Revitalization Program

SHCC	Sindh Health Care Commission
SHO	Station Head Officer
SHRC	Sindh Human Rights Commission
SHS	Solar Home Systems
SIAPEP	Sindh Irrigated Agriculture Productivity Enhancement Project
SISP	Sindh Immunization Support Programme
SITE	Sindh Industrial Trading Estate Ltd
SMBBT	Shaheed Mohtarma Benazir Bhutto Towns
SMC	School Management Committees
SHRI	Sindh Horticulture and Research Institute
SMIB	Sindh Madrassatul Islam Board
SMIU	Sindh Madressatul Islam University
SMTA	Sindh Mass Transit Authority
SNE	Sanctioned New Expenditure
SOP	Standard Operating Procedure
SPP	Special Pay Package
SPPRA	Sindh Public Procurement Regularity Authority
SPSC	Sindh Public Service Commission
SRB	Sindh Revenue Board
SROs	Statutory Regulatory Orders
SRPO	Sindh Rural Partners organization
SRSO	Sindh Rural Support Organization
SSGC	Sui Southern Gas Company
SSCs	Supply & Service Companies
SSEIP	Sindh Secondary Education Improvement Project
SSP	Senior Superintendent of Police
SST	Sindh Sales Tax
STEDA	Sindh Teacher Education Development Authority
STEVTA	Sindh Technical Education & Vocational Training Authority
STRN	Sales Tax Registration Number
SZABUL	Shaheed Zulfiqar Ali Bhutto University of Law
TA/DA	Travelling Allowance/Daily allowance
TCF	The Citizens Foundation
TMA	Taluka Municipal Administration
TOR	Terms of Reference
TPM	Third Party Monitoring

TPV	Third Party Validation
TPVICS	Third-Party Verification Immunization Coverage Survey
TSV	Taluka Surveillance Vaccinator
UC	Union Council
UNGP	United Nations General Assembly
UNDP	United Nations Development Program
UNICEF	United Nations International Children's Emergency Funds
UPS	Uninterrupted Power Supply
USAID	United States Agency for International Development
USD	US Dollar
VAT	Value Added Tax
VGf	Viability Gap Fund
VPD	Vaccine-Preventable Diseases
vLMIS	Vaccine Logistics Management Information System
WAPDA	Water & Power Development Authority
WB	The World Bank
WIP	Work in Progress
WHO	World Health Organization
WPC	Wheat Procurement Centre
XEN	Executive Engineer

EXECUTIVE SUMMARY

The Director General Audit, Sindh carries out audit of accounts of Government of Sindh in accordance with the mandate assigned to Auditor-General of Pakistan under the Constitution as well as in line with the International Standards of Supreme Audit Institutions (ISSAIs). This office has working strength of 137 officers and officials and having 34,250 man-days to conduct Audit of government of Sindh.

This report contains forty-one (41) chapters incorporating results of certification and compliance with authority audit, mainly carried out in Audit Year 2024-25. It is pertinent to mention that this audit report also contains Thematic Audit on the theme: “Assessment & strategies and tools adopted by EPI Directorate Sindh for complete immunization of targeted population” and Impact Audit on topic “Backyard Poultry Farming in Targeted Areas of District Larkano”.

The report calls for attention to a set of issues, including consistent disregard towards prescribed regularity framework, inappropriate use of funds, poor record management, lack of transparency in procurements and mismanagement of receipt. It emphasizes on the need for strengthening of internal controls and initiating effective accountability of the officials responsible for these irregularities.

Audit was carried out on a test check basis in line with the guidelines of Financial Audit Manual (FAM).

a. Scope of Audit

This office is mandated to conduct audit of 10,340 cost centers working under 45 PAOs. Total expenditure of Sindh Government during the financial year 2023-24 was Rs 2,182.375 billion against total receipt of Rs 2,170.165 billion that also include portion of provincial receipt of Rs 361.676 billion for the Financial Year 2023-24.

As per approved audit plan 2024-25, scope of audit was limited to expenditure of Rs 908.277 billion that comprises 520 formations. Against the planned formations, 232 formations have been audited during current financial year having total

expenditure of Rs 333.909 billion. In terms of percentage, Audit coverage for the expenditure is 36.76% against the planned budget.

Scope of audit related to the receipt was limited to Rs 290.241 billion for the current year. Out of which receipt of Rs 54.925 billion have been audited. In terms of percentage, Audit coverage for receipt is 19% of Auditable receipt.

This audit report also includes audit observations resulting from Audit of:

1. Expenditure of Rs 298.891 billion and receipt of Rs 54.925 billion for the financial year 2023-24 pertaining to 232 formations of 43 PAOs.
2. Expenditure of Rs 437.496 billion and receipt of Rs 281.877 billion pertaining to previous financial years.

In addition to this compliance audit report, Director General Audit, Sindh conducted 24 Financial Attest Audits, 1 Performance Audit, 1 Forensic Audit and 2 Special Audits. Reports of these audits are being published separately. Thematic Audit and Impact Audit were also carried out by this office and their findings are part of this report.

b. Recoveries at the instance of audit

As a result of audit, a recovery of Rs 56,531.633 million was pointed out. Recovery effected from January to December 2024 was Rs 785.795 million which was verified by audit.

c. Audit Methodology

This office conducts desk audit which is facilitated by access to live SAP/ECC 6.0 data, intranet, internet facility, and availability of permanent files for robust execution of planned audit.

Desk reviews helped auditors in understanding the systems, procedures, environment of Audited entity before starting field audit activity. This greatly facilitated in the identification of high-risk areas for substantive testing in the field. Accordingly, planning files are prepared covering all areas of activity of Auditee

formations. Exit and DAC meetings were held with concerned officials of auditee formations in order to incorporate their responses in final audit reports. For Thematic Audit both qualitative and quantitative methodologies were adopted whereas for Impact Audit, time series analysis was applied to measure condition-with the initiative and condition-without the initiative.

The approved audit plan, audit inspection reports along with permanent and planning files and code of ethics as per AQMF have been uploaded on AMIS. The AMIS software has been introduced by the DAGP and it has been functional at this office since Audit Year 2022-23.

d. Audit Impact

On current audit paras, Secretary Finance and Secretary Agriculture have directed to conduct 31 inquiries against the persons responsible. Further, PAC directed verification of academic degrees of all employees of public sector universities as narrated below:

- i. The Departmental Accounts Committee (DAC), in its meeting held on 14 October, 2024 to discuss PDPs of the Finance Department, Government of Sindh for the Audit Year 2024-25, directed to conduct 22 inquiries on issues identified by this office.
- ii. The Departmental Accounts Committee (DAC), in its meeting held on 12 November, 2024 to discuss PDPs of the Agriculture Department, Government of Sindh for the Audit Year 2024-25, directed to conduct 09 inquiries regarding various issues identified by this office.
- iii. The Public Accounts Committee (PAC) of the Provincial Assembly of Sindh, in its meeting held on 13 November, 2024 to discuss Audit report of Dow University of Health Sciences, Karachi, for Audit years 2015-16 and 2020-21 issued an order instructing all public sector universities in Sindh to verify the academic degrees of their employees. This measure aims to ensure the authenticity of qualifications held by staff members within these institutions.

e. Comments on Internal Control and Internal Audit department

Internal controls in government departments comprise systems, processes, environment and activities that if implemented shall support the management in achieving the government's policy objectives. The ultimate objective of an internal control system is to ensure integrity of information, compliance with laws, observance of rules, regulations, safeguarding assets and assurance of economical operations.

A general review of the activities and transactions of various formations of Government of Sindh with regard to weaknesses of Internal Control System are depicted below:

- a. Instances of losses to government, recoverable and violation of rules were observed.
- b. Instances of splitting the expenditure to avoid sanction of the higher authority were observed.
- c. Codal requirements with regard to purchase of stores were not properly observed.
- d. Stock entries were not entered in stock registers, and
- e. In some cases, record was not produced to Audit, which hampered audit to fully gauge the weakness / strength of internal control system.
- f. Instances of fraudulent payment were observed during audit.
- g. HR and procurement related irregularities were noticed.

f. Key audit findings of the report

The audit identified significant financial and procedural irregularities, such as the failure to produce records, instances of fraud, embezzlement, and misappropriation, as well as issues in HR management, procurement, and the management of commercial bank accounts. Weaknesses were noted in terms of value for money and service delivery, alongside concerns about wasteful expenditure, failure to deduct taxes, unauthorized DDO payments, and grants disbursed without proper formalities. The Thematic Audit revealed that the failure to achieve immunization targets for children was primarily due to the lack of a provincial policy, staffing shortages, socio-cultural factors, and vaccine hesitancy fueled by misinformation. The

Impact Audit also highlighted the failure in introducing high-yielding poultry breeds, despite incurred expenditures.

The irregularities are detailed as under.

- i. Non-production of records – Rs 97.865 billion.
- ii. Reported cases of fraud, embezzlement and misappropriation – Rs 1.088 billion.
- iii. Irregularities:
 - a. HR/employee related irregularities – Rs 32.122 billion.
 - b. Procurement related irregularities – Rs 55.408 billion.
 - c. Management of accounts with commercial banks – Rs 42.101 billion.
- iv. Value for money and service delivery – Rs 19.406 billion.
- v. Others include:
 - a. Operational Inefficiency-Rs 494.779 billion
 - b. Internal Control Weakness-Rs 65.012 billion
 - c. Record Keeping and Data accuracy-Rs 28.654 billion
 - d. Recovery –Rs 29.631 billion

The nature, frequency and the extent of above-mentioned violations / irregularities suggest that most of the Principal Accounting Officers do not take timely administrative and financial measures required to address the financial management and control issues.

g. Recommendations

To ensure accountability and efficiency, PAOs must take disciplinary action for non-production of records, investigate embezzlement or theft, and recover government dues or overpayments. Strengthen internal controls, establish an independent audit mechanism, and hold regular Departmental Accounts Committee meetings to address irregularities. Audit further recommends adoption of proper inventory management, formulation of monitoring mechanism, transparent recruitment, and procurement in line with SPPRA Rules. Besides, the following recommendations will surely help the PAOs / management if implemented. The management is required to:

- take disciplinary action under E&D Rules against the person(s) for non-production of record

- inquire the matters of embezzlements, losses, theft, and misappropriations
- effect recoveries of government dues, overpayments, and unauthorized payments
- strengthen internal controls to avoid recurrence of irregularities and establishment of an independent internal audit mechanism
- convene Departmental Accounts Committee meetings regularly and implement its decisions.
- ensure proper maintenance of inventory/stock record
- develop a regulatory framework and surveillance mechanism to monitor the achievement of targets
- ensure transparency in recruitment process, and
- observe procurements in accordance with SPPRA Rules

Thematic Audit:

- develop a comprehensive provincial EPI policy and strategy tailored to local infrastructure and needs
- expedite the hiring of vaccinators and essential staff, prioritizing remote and underserved areas
- Use GPS and temperature monitoring on delivery vehicles to ensure safe and timely vaccine distribution
- put efforts in community engagement and empowerment through involvement of local religious leaders, notables and influencers.

Impact Audit:

- ensure regular follow up of the project in order to provide assistance to the beneficiaries
- invest on the research component of the intervention i.e., the introduction of the high yielding breeds
- develop market linkages in order to maximize beneficiaries' profitability
- ensure awareness among beneficiaries regarding government hatcheries.

Chapter - 1

Public Financial Management Review 2023-24

Sectoral Analysis

Sindh is the second largest province of Pakistan in terms of population and GDP. It contributes 23.7% to national GDP and the Sindh's economy is largely influenced by Karachi which is a major financial and industrial hub of Pakistan. Additionally, the fertile land of Sindh also contributes to agricultural economy of Pakistan.

Articles 120-126 of the Constitution of the Islamic Republic of Pakistan, 1973 provides framework for Annual Budget Statement, Demand for Grants, Charged and Voted Expenditure out of Provincial Consolidated Fund, procedure for Annual Budget Statement, Authentication of Schedule of Authorized Expenditure, and procedure for Supplementary Grants for excess expenditure.

As per Annual Budget Statement, the major sources of revenue for the Provincial Government for overall budgetary management are the Federal Fund Transfers from Federal Divisible Pool, Provincial Tax Receipt and Provincial Non-Tax Receipt.

The province's own tax revenue is being collected by Sindh Revenue Board (SRB), Board of Revenue (BoR), Excise and Taxation Department. Non-tax receipt is also being realized by respective Administrative Departments.

Government of the Sindh – A Financial Glimpse

In financial year 2023-24, the Government of Sindh relied on Federal Transfers of taxation receipt which constituted Rs 1,218,992 million which is 56% of total receipt of Rs 2,170,165 million. However, Provincial Government generated an amount of Rs 361,676 million as provincial tax, Rs 171,333 million non-tax revenue and other receipt amounting to Rs 418,164 which is 44% of total receipt. Last year provincial tax receipt was Rs 283,559 million. However, this year, government's effort resulted into increase of Rs 78,117 million as provincial tax receipt, but percentage-

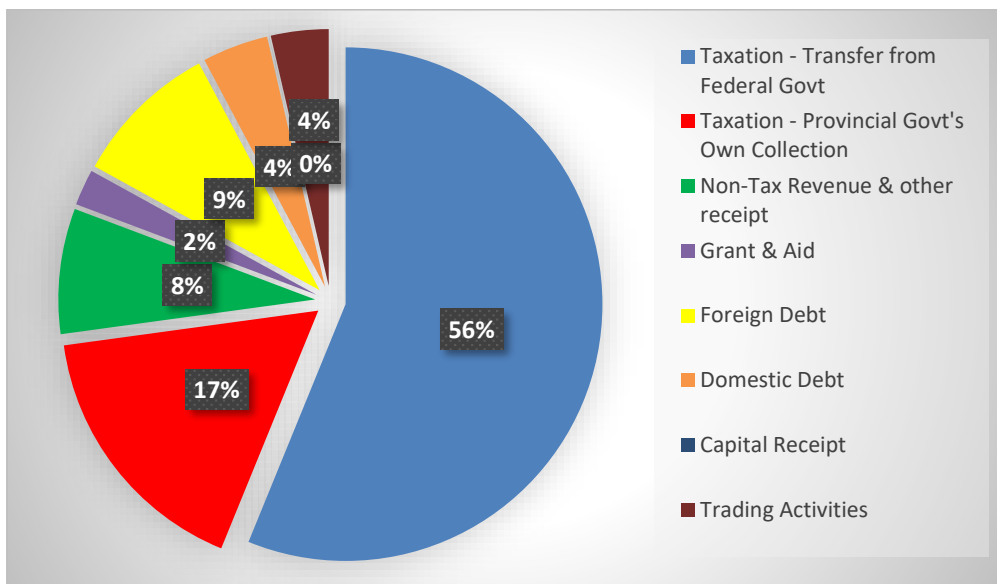
wise contribution of provincial tax receipt remained unchanged. Thus, the government has managed to collect its own tax revenue around 16.67% of overall receipt which was almost same as the previous year.

Receipt/ Expenditure

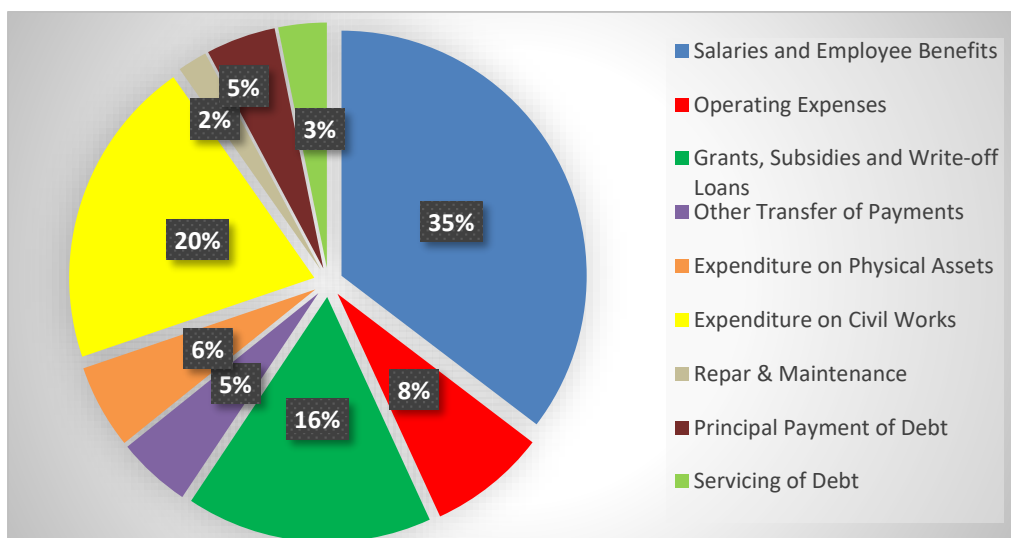
Composition of Receipt	Rs in million	% age
Taxation - Transfer from Federal Government	1,218,992	56.17%
Taxation - Provincial Government's Own Collection	361,676	16.67%
Non-Tax Revenue and Other Receipt	171,333	7.89%
Grants and Aid	49,405	2.28%
Foreign Debt	199,878	9.21%
Domestic Debt	90,140	4.15%
Capital Receipt	86	0.00%
Trading Activities	78,655	3.62%
Total Receipt	2,170,165	100%

Details of Expenditure	Rs in million	% age
Salaries and Employee Benefits	771,724	35.36%
Operating Expenses	169,545	7.77%
Grants, Subsidies and Write-off of Loans	354,346	16.24%
Other Transfer of Payments	105,975	4.86%
Expenditure on Physical Assets	121,302	5.56%
Expenditure on Civil Works	446,749	20.47%
Repair and Maintenance	42,692	1.96%
Principal Payment of Debt	100,483	4.60%
Servicing of Debt	69,559	3.19%
Total Payments	2,182,375	100%

Composition of Receipt



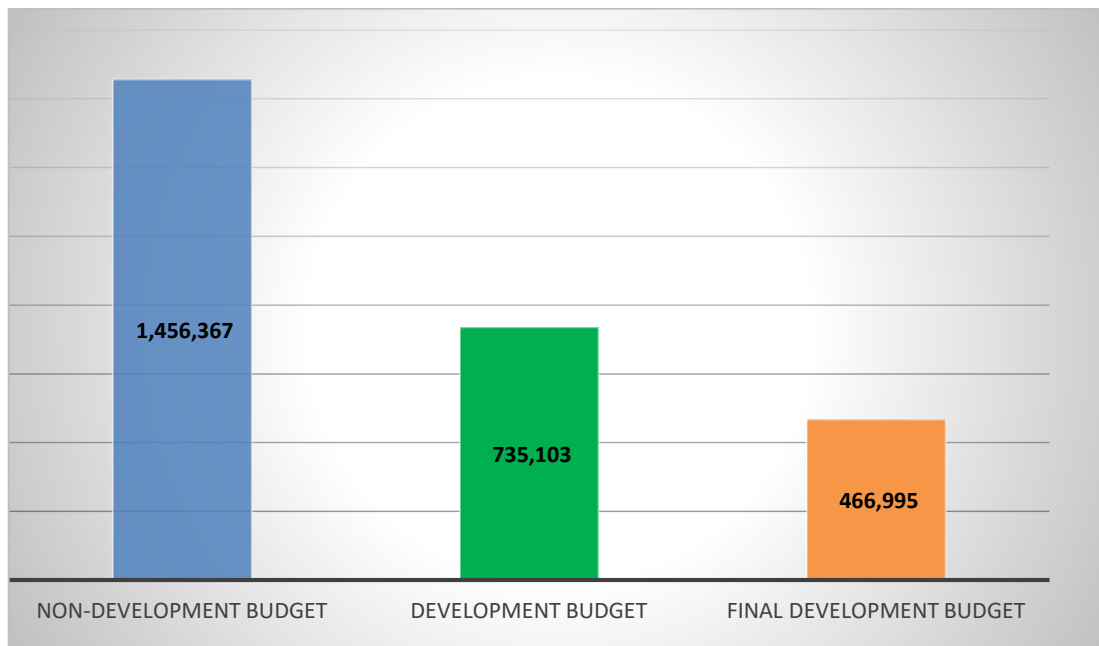
Details of Expenditure



1.1 Budgeting

Allocation of development and non-development budget

The break-up of budget is chiefly divided between Development and Non-development side. The allocation of budget remained tilted towards non-development side because of massive expenditure of salaries and pension payments. The government allocated Rs 1,456,367 million for non-development budget. On the other hand, the government allocated Rs 735,103 million for development budget. However, the government curtailed the development budget to Rs 466,995 million probably, owing to tedious and cumbersome procurement process, litigation against development schemes and political considerations.



Comparison of last years' budget

From the analysis of last three years' budgetary figures, Audit observed increasing trend in original budget and revised estimates in financial years 2021-22 and 2022-23. However, in 2023-24 there has been decrease in revised estimates from the original estimates. In each financial year, the government was unable to utilize the

planned budget. This indicates either the government failed to spend budget efficiently or it lacked pragmatic steps to forecast actual budget. The tabular presentation is given below:

(Rs. in Million)

Particulars	2021-22	2022-23	2023-24
Original Budget	1,628,194	1,890,774	2,602,406
Revised Estimate	1,732,172	1,985,665	2,513,245
Actual Expenditure	1,276,825	1,774,040	2,182,375
Unutilized funds against revised budget	355,346	211,625	330,870

Assessment of Budget and Budgeting Process

In order to deliver essential public services annually, it is necessary to spend budgeted expenditure so as to achieve desired targets. Budgeting involves a thorough analysis of previous year's expenditure and future imminent challenges: of inflation or other economic challenges. Thus, a proper strategy is required to assess the means and ends. In this connection, comparative analysis of budget and actual expenditure for two financial years is as follows:

Original budget to aggregate expenditure

(Rs. in Million)

Particulars	FY2023-24	FY2022-23
Budget (original)	2,602,406	1,890,774
Actual Expenditure	2,182,375	1,774,040
Difference between budget and actual expenditure (%)	16%	6%

The above table provides an assurance of whether the PFM system is delivering effective fiscal discipline and is responsive to changes in macroeconomic situations in accordance with budget intentions. Considering the deviation of 6% in FY 2022-23, the deviation of 16% in FY 2023-24 of actual expenditure from original budget demonstrates that budget preparation was not rational. The deviation of previous year was not taken into account for preparation of budget.

Final budget to actual expenditure

(Rs. in Million)

Particulars	FY2023-24	FY2022-23
Budget (Revised)	2,513,245	1,955,665
Actual Expenditure	2,182,375	1,774,040
Difference between revised budget and actual expenditure	330,870	181,625
Difference in Percentage	-15%	-10%

The above table indicates that the management could not utilize the revised budget resulting into non-utilization of 15% of revised budget. This shows financial mismanagement on the part of the authority.

Original budget compared to revised budget

(Rs. in Million)

Particulars	FY2023-24	FY2022-23
Budget (Original)	2,602,406	1,890,774
Budget (Revised)	2,513,245	1,985,665
Increase/(decrease) in (Revised) Budget	-89,161	94,891
Increase /(decrease) in Percentage	-3%	5%

The original budget estimates were decreased by 3%. This shows that revision in budget was arbitrary and unplanned.

Function-wise budget and expenditure allocations with variances

The percentage variations with base amount original allocation and revised allocation with respect to Function-wise budget allocations and expenditure are tabulated as below:

(Rs. in Million)

Sr. #	Function	Original	Revised	Actual Expenditure	Variance Original Budget/	Variance Revised Budget/	% with base amount original allocation	% with base amount revised allocation
					Exp	Exp		
1	General Public Service	799,652	842,665	711,198	-88,454	-131,467	-11%	-16%
2	Defense Affairs & Services	151	120	110	-41	-10	-27%	-8%
3	Economic Affairs	583,243	523,445	413,746	-169,497	-109,699	-29%	-21%
4	Public Order and Safety Affairs	181,669	177,496	170,950	-10,719	-6,546	-6%	-4%
5	Education Affairs and Services	381,838	356,412	332,266	-49,572	-24,146	-13%	-7%
6	Health Affairs and Services	261,406	232,511	217,009	-44,397	-15,502	-17%	-7%
7	Housing & Community Amenities	51,975	31,938	26,206	-25,769	-5,732	-50%	-18%
8	Recreation, Culture and Religion	27,144	24,547	22,992	-4,152	-1,555	-15%	-6%
9	Social Protection	312,797	322,813	286,947	-25,850	-35,866	-8%	-11%
10	Environment Protection	2,532	1,298	950	-1,582	-348	-62%	-27%
Total		2,602,407	2,513,245	2,182,374	-420,033	-330,871	-16%	-13%
Source: Financial statements of the Government of Sindh for the Financial Year 2023-24 (P #8)								

Function-wise revenue budget variance

The percentage variation with base amount original estimates and revised estimates with respect to Function-wise revenue estimates and actual revenue are tabulated as below:

(Rs. in Million)								
Sr. #	Function	Original	Revised	Actual Revenue	Variance Original Budget/	Variance Revised Budget/	% with base amount original allocation	% with base amount revised allocation
					Act. Revenue	Act. Revenue		
1	Taxation	1,704,531	1,666,035	1,580,668	(123,863)	(85,367)	-7%	-5%
2	Non-Taxation	183,203	221,883	220,738	37,535	(1,145)	20%	-1%
Total Revenue Receipt		1,887,734	1,887,918	1,801,406	(86,328)	(86,512)	-5%	-5%
3	Domestic Debt	174,950	144,950	90,140	(84,810)	(54,810)	-48%	-38%
4	Foreign Debt	260,919	234,376	199,878	(61,041)	(34,498)	-23%	-15%
5	Recovery of Loans & Advances	6,133	6,133	86	(6,047)	(6,047)	-99%	-99%
6	State Trading Activities	208,050	230,118	78,655	(129,395)	(151,463)	-62%	-66%
7	Miscellaneous Recoveries	-	-	-	-	-	-	-
Total Capital Receipt		650,052	615,577	368,759	(281,293)	(246,818)	-43%	-40%
Total Receipt		2,537,786	2,503,495	2,170,165	(367,621)	(333,330)	-14%	-13%

Source: Financial statements of the Government of Sindh for the Financial Year 2023-24 (P #8)

The above function-wise variance analysis depicts that total revenue receipt were less realized by 5% against original estimate and 5% against revised estimate. Similarly, total capital receipt was less realized by 43% against the original estimate and 40% against revised estimate. This significant less realization of capital receipt depicts either an irrational forecasting of target or inefficiency on the part of management to collect the assigned target. Total receipt was less realized by 14% against the original estimate and 13% against revised estimate. Overall performance of the management, in term of collecting receipt, has deteriorated significantly that needs proper attention.

Furthermore, the government of Sindh could only recover 1% on account of recovery of loan and advances resulting into failure of government to achieve target by 99%.

1.2 Receipt

Comparison of forecasted & actual provincial receipt

During FY 2023-24, Provincial Tax Receipt of the Sindh Government was Rs 361,676 million. However, Provincial Forecasted Tax Receipt for same year 2023-24 were Rs 437,900 million. There was a difference of Rs 76,224 million as compared to forecasted receipt. The details are shown in the tables below:

(Rs. in Million)		(Rs. in Million)		
Particulars	2023-24	Particulars	2023-24	2022-23
Forecasted Provincial Tax Receipt	437,900	Actual Total Receipt	2,170,165	1,718,558
Actual Provincial Tax Receipt	361,676	Actual Provincial Tax Receipt	361,676	283,559
Variance	76,224	% covered by Tax	16.6%	16%

Comparison of receipt & expenditure

During FY 2023-24, overall receipt of the Sindh Government increased by Rs 451,607 million from Rs 1,718,557 million to Rs 2,170,165 million as compared to the last financial year and expenditure was increased by Rs 408,335 million from Rs 1,774,040 million to Rs 2,182,375 million in comparison to FY 2022-23. To lessen dependence on federal receipt, the government has to increase tax net and explore more avenues to generate its own revenue in order to cover up expenditure which is mounting high every year. In this connection, the government has to address the issues of tax evasion, documentation of the economy, fudging, inefficiency on the part of tax collecting entities, leakage in taxation, digitization of tax receipt and lastly providing ease in doing business to the public so that business activities may thrive which can result in generation of revenue.

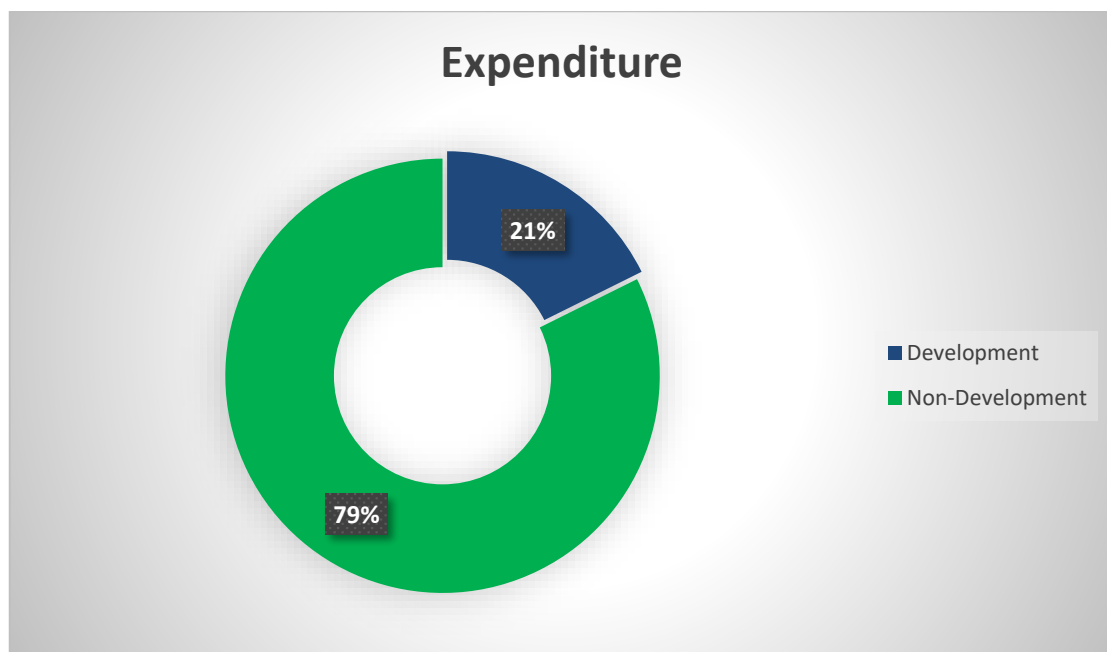
(Rs. in Billion)		
Financial Year	Receipt	Expenditure
2023-24	2170.165	2182.375
2022-23	1,718.557	1,774.040
2021-22	1,396.207	1,376.825

1.3 Expenditure

Development Expenditure

(Rs.in Million)

Nature of Expenditure	Expenditure
Non-Development	1,715,380
Development	466,995
Total	2,182,375



Development expenditure plays pivotal role in prosperity of the province. As, development expenditure brings forth economic activities and create opportunities to the masses and it helps improve infrastructure of the province. In this connection, audit noticed that government's spending on development had been increasing over the last three years in proportion with total expenditure.

(Rs. in Million)

Component	2021-22	2022-23	2023-24
Development Expenditure (Capital)	173,350	299,258	448,053
Development Expenditure (Revenue)	18,619	14,044	18,942
Total Development Expenditure	191,969	313,303	466,995
Total Expenditure	1,376,825	1,774,040	2,182,375
% of Development Expenditure to Total Expenditure	13.94%	17.66%	21.39%

Non-Development Expenditure

Percentage-wise expenditure on non-development side were: 35% on salaries and other employee benefits, 16% on grants, subsidies, and write-off loans, 8% on operating expenses, 5% on repayment of debts and 3% remained on servicing of debts of the total expenditure. Repair and maintenance constituted 2% of the total expenditure etc. In case of continuation of current trend of non-development expenditure, the provincial government is exposed to financial risks that may result in increased spending in the future on non-productive areas like grants and subsidies. This might put the government's finances in trouble, especially when compared with receipt growth that is lower than anticipated. The province's limited resources are strained by the enormous non-development side spending. In this connection, a more pragmatic approach aimed at judicious use of resources and fixation of realistic revenue targets are to be pursued. However, recently, the government approved implementation of Defined Contributory Pension Scheme 2024 in September, 2024 for pension reforms under which the employee and the government will contribute 10 per cent and 12 per cent respectively from 1st July, 2024. This would help reduce burden on exchequer in terms of non-development expenditure. Further, the government may follow austerity measures in order to curtail expenditure on non-development activities. Audit has pointed out major issues and weaknesses of administration of the entities. The management is suggested to strengthen internal controls in order to address the leakages or misuse of public exchequer. Furthermore, a comprehensive Standard Operating Procedure may be devised to utilize the funds efficiently.

1.4 Debt Management

Government of Sindh has created total liability of Rs 1,088.186 billion on account of debt. Out of which Rs 13.73 billion is domestic loan and Rs 1,077.629 billion is external loan. During the financial year 2023-24, the government received Rs 260,919 million and it paid Rs 47,432 million for debt servicing to various donors. The details of loan are given as under.

(Rs. in Million)

Development Partners	Accounts 2021- 22	Balance as at 1st July 2023	Payment during the FY 2023-24	Loan received during the FY 2023-24	Balance as at 30th June 2024
IDA/WB		598,156	26,918	133,955	705,193
ADB		213,129	15,778	53,907	251,258
IFAD		334	50	0	284
IBRD		24,085	92.40	72,350	96,343
OFID		-	-	-	-
Others		11,365		707	12,072
Japanese		14,338	1,858		12,480
Foreign Funded Loan	10,393	861,407	44,696	260,919	1,077,629
CDL		367	218		149
SCARP (CDL)		12,925	2,518		10,407
Domestic Loans	10,515	13,292	2,736		10,556
Grand Total	20,908	874,699	47,432	260,919	1,088,186

(Source: Budget Book Volume-I, 2023-24 Page # 53)

Over the years, continuous growth in debt accumulation was noticed particularly in last two years that might become burden if not managed properly. In this connection, it is recommended to assess debt sustainability and review ability to service debt obligation in future.

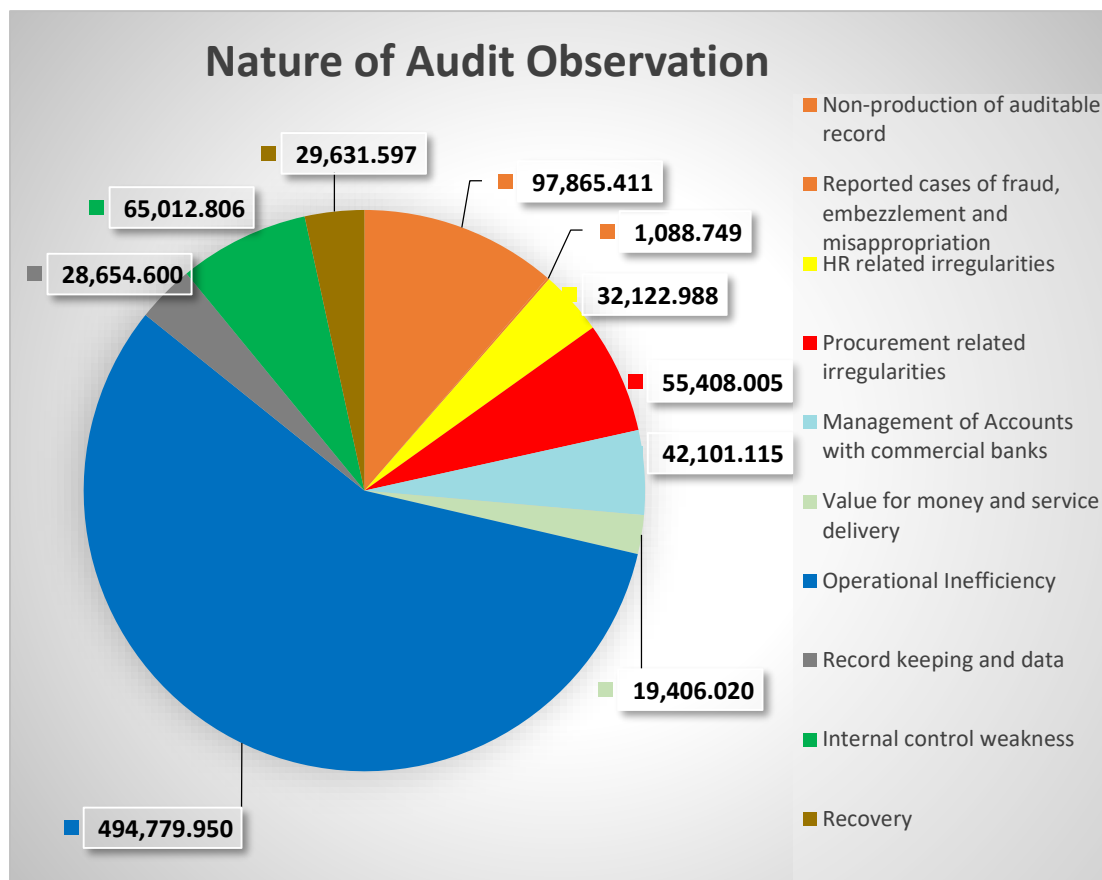
To conclude, it is recommended that government of Sindh may enhance its revenue generation, to introduce reforms in financial management and to ensure transparency and accountability in government departments and take action to decrease debt.

Nature of Observations in AAR 2024-25

From the analysis of draft paras (DPs) issued to the Principal Accounting Officers (PAOs), and after taking feedback from the management; the audit observed instances of either partial or complete departure from necessary compliance processes in certain cases. Systemic issues, reported to the management, were classified as, non-production of auditable records (amounting to Rs 97.865 billion), reported cases of fraud, embezzlement, and misappropriation (totaling Rs 1.088 billion), irregularities related to human resources (HR) (Rs 32.122 billion), procurement-related irregularities (Rs 55.408 billion), irregularities in the management of accounts with commercial banks (Rs 42.101 billion), issues concerning value for money and service delivery (Rs 19.406 billion), operational inefficiency (Rs 494.779 billion), record keeping and data accuracy (Rs 28.654 billion) and internal control weakness related irregularities (Rs 65.012 billion). It is important to highlight that these categories are not mutually exclusive.

(Rs. in Billion)

Sr. #	Nature	Amount	% age
1	Non-production of auditable record	97,865.411	11.3%
2	Reported cases of fraud, embezzlement and misappropriation	1,088.749	0.1%
3	HR related irregularities	32,122.988	3.7%
4	Procurement related irregularities	55,408.005	6.4%
5	Management of accounts with commercial banks related irregularities	42,101.115	4.9%
6	Value for money and service delivery issues	19,406.020	2.2%
7	Others		
A	Operational Inefficiency	494,779.950	57.1%
B	Record keeping and data accuracy	28,654.600	3.3%
C	Internal control weakness	65,012.806	7.5%
D	Recovery	29,631.597	3.4%



The analysis of observations pertaining to Government of Sindh revealed that most of the cases under observation were due to non-compliance with SPPRA rules, improper deduction of government taxes at applicable rates, non-compliance with government rules and instructions while dealing with HR matters and government formations showed resistance to audit in terms of non-provision of auditable record which indicates government's uninspiring commitment towards transparency in public spending. Audit also found issues relating to operational inefficiencies, record keeping and data accuracy issues, weak internal controls, and poor financial management practices within the formations under the Government of Sindh.

Audit recommends efforts be made to increase revenues and widen provincial tax base, prioritize achievement of development goals in line with Sustainable Development Goals (SDGs) and compliance with government rules while spending of

public money and making fresh appointments. Principal Accounting Officers (PAOS) are required to revisit their budgetary requirements on realistic grounds to avoid unnecessary savings. Timely releases of funds coupled with adherence to applicable laws and rules will result in economical cost of development projects besides timely completion.

1.5 Accounting Issues

Accounting of Assets

1.5.1 Unadjusted balance in consolidated bank reconciliation statement – Rs 653.804 million

As per APPM 6.3.4.1 A monthly reconciliation of bank accounts is a necessary part of financial management and is also an effective measure for detecting and deterring fraud and irregularities. 6.3.4.2 Every DAO shall prepare a monthly reconciliation statement for expenditures and receipts, as set out direction in 6.3.5.1 and 6.3.4.3. The respective Accountant General shall prepare a consolidated monthly reconciliation statement for each government bank account, as set out direction in 6.3.5.2.

During the Certification Audit of the Government of Sindh's accounts for the financial year 2023-24, an analysis of the consolidated bank reconciliation provided by the AG revealed an unreported progressive balance of Rs 653.804 million. This amount is described as a transaction awaiting adjustment by the bank. Furthermore, this unadjusted balance has been carried forward for a long time, potentially indicating inaccuracies or inconsistencies in the financial reporting process.

The audit is of the view that this unadjusted balance in the bank reconciliation statement, maintained to arrive at the desired amount, deviates from standard accounting procedures and should be addressed by either adjusting or writing it off.

The matter was reported to management in October, 2024. Management replied that reconciliation is regularly done, as the figures reported by the DAO through Format-A / NBP Passbook (submitted by the DAO) and in the Civil Account are reconciled. Further, the difference of Rs 653,803,802/- up to FY 2023-24 is an outstanding progressive amount since 1994, which is required to be adjusted by the Bank.

DAC was held on 30-10-2024. DAC directed to pursue the matter with the concerned banks for identification of unadjusted balances. Besides, provide the bank reconciliation to Audit for verification.

During verification conducted in November, 2024, the management provided letter which was sent to concerned Bank(s) for reconciliation. No final reconciliation was provided to audit for verification.

Audit recommends provision of monthly reconciliation statement for each government bank account and stresses upon preparation of monthly reconciliation statement in order to detect and deter fraud/embezzlement (if any).

OM#11

1.5.2 Overstatement of Investment in Financial Statement – Rs 86.000 million

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During the Certification Audit of the accounts of the Government of Sindh for the financial year 2023-24, it was observed that the assets figure is overstated by Rs 86.000 million. The opening balance is Rs 283,614,000 million, with an investment of Rs 79,875.000 million during the year, as recorded under the line item "Other Transfer Payment" in the Statement of Cash Receipts and Payments, resulting in a closing balance of Rs 363,489 million. However, the investment carrying amount at the year-end is reported as Rs 363,575 million, leading to the overstatement. The detail is as under:

(Rs in Million)

Investment as at last year closing	Investment during the year	Investment closing balance (1+2)	Investment Balance as pr FS	Amount overstated
283,614	79,875	363,489	363,575	86

The overstatement of the Assets figure could lead to inaccuracies in financial reporting and decision-making. This may result in misallocation of resources, difficulties in assessing the government's financial position, and potential violations of accounting standards.

The matter was reported to the management in October, 2024. Management replied that investment includes following amounts:

		(Rs. in Million)
i.	SC13106 - Current Capital	79,875.000
ii.	SC12109-Development Capital (page # 342 of App. Accounts)	86.000

Audit has not included SC12109-Development Capital while calculating investment. After adding both, the difference is Nil.

DAC meeting was held on 30-10-2024. DAC directed to settle the para after verification of the record.

During verification conducted in November, 2024, relevant record was not produced till the finalization of this report.

The audit recommends corrective measures in instance case besides advises to prepare financial statement that present proper and fair picture in all respects.

OM#13

Accounting of Liabilities

1.5.3 Variation in account balances between AG Sindh and Forest Department –Rs 100.059 million

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During the Certification Audit of the accounts of the Government of Sindh for the financial year 2023-24, a variation of Rs 100.059 million was observed in the economic services receipts balances between the Forest Department's monthly account and the AG Sindh for a couple of months.

The details are given as under;

S. No	Month	Payment	Receipts	Forest A/c	Variation
1	Aug	-	(2,834,536)	-2,833,065	(1,471)
2	Sep	971	(3,412,293)	-3,409,793	(2,500)
3	Oct	-	(104,255,632)	-4,253,632	(100,002,000)
4	Nov	-	4,473,769	-4,473,769	-
5	Dec	22,932	(1,813,652)	-1,760,220	(53,432)
6	Jan	-	(3,974,076)	-3,974,076	-
7	Feb	-	(2,444,682)	-2,444,682	-
8	Mar	-	(366,500)	-366,500	-
9	Apr	-	(2,286,825)	-2,286,825	-
10	May	-	(18,435,792)	-8,435,792	-
11	Jun	74,861	(3,085,466)	-3,085,415	(51)
Total			(147,383,223)	-47,323,769	(100,059,454)

Audit is of the view that existence of variation in the opening and closing balances reflects weak internal controls within the formation.

The matter was reported to management in October, 2024. Management replied that the Forest Department only records receipts in their account under the GL Head C03301 to C03370, which are generated/collected by all the Divisional Forest

Officers in Sindh. The Forest Department had not accounted for the receipt of Rs 100 million in their annual account, whereas the Financial Statement for the Government of Sindh, prepared by the Accountant General Sindh, incorporated all amounts pertaining to the Forest Department (Revenue).

DAC meeting was held on 30-10-2024. DAC directed to obtain details of receipt of Rs 100 million in the GL-head 'C03370-Other receipts (Forest)' from the Finance Department for onward provision to Audit for verification.

During verification conducted in November, 2024 the details of receipt of Rs 100.000 million in the GL-head 'C03370-Other' was received from national disaster risk management fund, Islamabad, and copy was obtained from Finance Department and provided to audit. Reconciliation between AG and Forest department was not provided to Audit till the finalization of this report.

Audit recommends reconciliation of GP fund deductions, strengthening internal controls, and reviewing financial procedures to address discrepancies in GP fund deductions.

OM#01

1.5.4 Excess return on account of Security (PWD) deposit – Rs 1,987.804 million

As pr APPM 5.5.7.4 It is the responsibility of the accounting officer to ensure the classifications made in respect of each receipt are correct. If not already done, the appropriate receipt head must be written on the receipt voucher by the accounting officer. If in doubt, the concerned administrative department should be contacted for clarification on the proper receipt head to be used 5.5.7.6 If necessary for compilation and reporting purposes, other receipt registers may be maintained. For example, a register may be maintained to record DDO-wise and head-wise receipts. All such subsidiary registers must reconcile on a monthly basis to the Subledger.

During the Certification Audit of the accounts of the Government of Sindh for the financial year 2023-24, it was observed during scrutiny of the GL that excess payments of Rs 1,987.804 million were made to various contractors on account of

security deposits (PWD Deposits) exceeding the amounts deducted from the contractors. Furthermore, a detailed analysis of previous years shows that no deductions were made from various vendors/contractors over the last ten years, who were paid in excess.

The details are as under:

Particular	Total deduction	Total payments	Excess paid
Security (PWD) deposits	(695.913)	2,683.717	1,987.804

Audit is of the view that payments made in excess of deduction pose risk of overpayments Hence, undue favour to contractor cannot be ruled out.

The matter was reported to the management in October, 2024. The management replied that Audit has calculated difference / excess payment of Rs 1,987.804 million on the basis of amount credited/debited during the FY 2023-24 only under the GL G10113-Security Deposit (PWD) instead of considering credit balance of previous years and amount of Call-Deposit received through challan. Moreover, it is a departmental account, therefore, no pre-audit is done at AG Sindh.

The DAC meeting on 30-10-2024 concluded that deductions from one year cannot be matched with current year's payments. The DAC directed the Audit Team to provide a list of vendors to the Accountant General where no deductions were made but payments were recorded under the security deposit head. The AG Sindh's office will then obtain records from PWD Divisions and provide them to the Audit Team for verification after analyzing deductions and receipts.

As per the directives of the DAC, the list of vendors was provided to AG Office. The verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends recovering excess payments, strengthening internal controls and taking disciplinary action if necessary. Further, devising mechanism that deter and detect excess payment besides ensuring transparency of transaction.

OM#14

1.5.5 Variation in Closing Balance of Security Deposit in Book of Accounts – Rs 18,025.469 million

As per Generally accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During the Certification Audit of the Government of Sindh's accounts for 2023-24, a variation of Rs 18,025.469 million was found in the closing balances of Security Deposits (PWD Deposits). The Finance Account shows a closing balance of Rs 18,353.713 million, while Form-78 from Works Divisions shows Rs 36,379.182 million. Similarly, there is a Rs 19,999.803 million difference in the opening balances. The Finance Account reports Rs 14,692.125 million, but the monthly accounts of 168 Works Divisions (out of 380) show Rs 34,691.928 million. With incomplete data from all divisions, the actual variation could be even higher.

The audit believes the variation in security deposits suggests a shortfall in collection by AG Sindh, possibly giving undue favor to contractors. AG Sindh is responsible for ensuring the full amount is collected, as any lapses could lead to fraud or misappropriation.

The matter was reported to the management in October, 2024. The management replied that the refund of security deposits to contractors is made by divisions after verifying the deposit (made through challan or the deductions from the running bills of the contractors) and recording it in the Contractors Ledger, rather than on the basis of balances appearing in Form-78 of a PWD Division. Further, to mitigate any risk associated with this process, the FABS Directorate, CGA has developed a solution to record, reconcile, and report security deposit receipts/payments with their respective vendors/contractors. This solution has already been implemented in AG KPK and will soon be rolled out to all other AG Offices.

DAC meeting was held on 30-10-2024. DAC directed that all efforts must be made to strengthen the internal control. As per the directives of the DAC, verification

was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends implementation of effective internal controls, regular reconciliation and validation of security deposit balances.

OM#86

1.5.6 Non-recording of Security Deposit as per cost centers - Rs 1,030.626 million

As per APPM 5.5.7.4 It is the responsibility of the accounting officer to ensure the classifications made in respect of each receipt are correct. If not already done, the appropriate receipt head must be written on the receipt voucher by the accounting officer. If in doubt, the concerned administrative department should be contacted for clarification on the proper receipt head to be used. 5.5.7.6 If necessary for compilation and reporting purposes, other receipt registers may be maintained. For example, a register may be maintained to record DDO-wise and head-wise receipts. All such subsidiary registers must reconcile on a monthly basis to the Sub-ledger.

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, it was observed that payments of Rs 1,030.626 million were made to various contractors on account of security deposit (PWD Deposits) from various districts without mentioning respective Cost Center. Any discrepancy can not be noticed in the government's financial data, specifically in the GL (SAP system) extract of payments to contractors for security deposits if it is not maintained cost center-wise/scheme-wise/contractor-wise.

Audit is of the view that the oversight, likely due to weak internal controls, resulted in the absence of cost centers for these payments.

The matter was reported to the management in October, 2024. The management replied that the Security Deposit is classified under the GL head G10113-Security Deposit (PWD) i.e Public Account. The payments from Public Account are always made from the “balances” available under the respective GL Head, whereas, payments from a cost center are made against the budgetary allocations for

expenditures. Due to this reason, the recording of receipts / payments under a Public Account GL Head, the field of cost center is not mandatory in the SAP System throughout Pakistan. Further, the FABS Directorate, CGA has developed a solution to record, reconcile and report security deposit receipts / payments with their respective vendors/Contractors. This solution has already been implemented in AG, KPK and soon would be rolled out to all other AG Offices.

On the basis of justification provided by the AG Sindh, the DAC directed AG Sindh to ensure its implementation and inform audit accordingly. As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

The audit recommends immediate implementation of corrective measures, besides strengthening internal controls specially in terms of Security Deposits.

OM#15

Accounting of Receipts

1.5.7 Un-justified retention of tax receipts after closing of financial year – Rs 723.621 million

As per APPM section 5.2.2.1 “All monies received as revenue of the Government, must be banked in the name of the Government without delay and included in the Consolidated Fund of the respective Federal or Provincial Government”. Further as per Para 26 of the GFR Volume-I updated edition 2019 “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account. They should accordingly arrange to obtain from their subordinate’s monthly accounts and returns in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statements of treasury credits furnished by the Accountant General, to see that the amounts reported as collected have been duly credited in the Public Account.”

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, it was observed that balance of Rs 723.621 million representing income tax withheld from suppliers during the financial year, has not been transferred to the federal government, despite being recorded in the appropriate GL account. The government's failure to transfer the withheld income tax to the federal government could result in financial penalties or interest charges.

(Amount in Rupees)

Head	Receipts	Payments	Difference
G12714 - Income tax deducted from suppliers/ contractors	(22,317,314,084)	21,593,692,665	(723,621,419)
Previous balance	-	-	(4,657,512,953)
Total			(5,381,134,372)

Audit is of the view that despite being recorded in the appropriate GL account, this non-compliance with tax regulations occurred.

The matter was reported to the management in October, 2024. The management replied that Audit had also raised similar observation during the last Certification Audit 2022-23. On the basis of that, the working of deductions / payments under this GL Head G12714-(Income Tax from contractors) for the last 12 years have been carried out and is being analyzed by 23 DAOs and more than 380 PWD Divisions. Further, out of Rs 5.381 billion credit balance, Rs 2 billion(approx.) have already been paid in current financial year 2024-25 i.e., actual credit balance of Rs 3.3 billion. It is being ensured that all the liability will be cleared in the current financial year i.e., 2024-25 and will be produced to Audit in the next Certification Audit for verification. The reply of the management is not tenable as it was observed that retention of tax amount has been a practice in various DAOs including AG Sindh since beginning of the financial year 2023-24.

DAC meeting was held on 30-10-2024. DAC directed to share the working made by AG Sindh with Audit and expedite clearance of liability under intimation to Audit. As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends immediate transfer of withheld taxes besides fixing responsibility on the person (s) at fault. Audit further recommends efficient vigilance of the management over late/non-deposition of taxes in due time.

OM#04

1.5.8 Irregular booking of Revenue Deposits – Rs 46.944 million

As per Para 12 of the GFR Volume-I “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipt, it is the duty of the department Controlling officers to see that all the sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account. They should accordingly arrange to obtain from their subordinates monthly account and return in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statement of treasury credits furnished by the Accountant General, to see that the amount reported as collected have been duly credited in the Public Account.

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, it was observed during analysis of GL that revenue deposits of Rs 46.944 million which are collected and paid by Deputy Commissioners have been credited to various individuals from the cost center of TO Shikarpur instead of DC of respective area. The misallocation of revenue deposits could lead to inaccuracies in financial reporting and hinder effective financial management.

Audit is of the view that booking from wrong cost center reflects weak internal/ accounting controls within the formation.

The matter was reported to the management in October, 2024. DAC meeting was held on 30-10-2024. The management replied that the recording of receipts / payments under a Public Account GL Head G11215-Revenue Deposit the field of cost center is not mandatory in the SAP System. The reflection of cost center of DAO's instead of DC of the district in a document in SAP System does not mean that the payments to vendors had been made from DAO's budgetary allocation. Further, the receipt pertained to Land Acquisition Officer/ Assistant /Deputy Commissioner, Shikarpur punched under the relevant head of account G/L G-11215 "revenue deposit in Public Accounts."

DAC meeting was held on 30-10-2024. DAC directed to settle the para subject to verification of the relevant record/challans. As per the directives of the DAC, verification was conducted in November, 2024, but supporting record along with total challans was not produced to audit till the finalization of this report.

Audit recommends regular and proper booking/reconciliation of revenue accounts, besides strengthening of internal controls and ensuring compliance with DAC directives.

OM#09

1.5.9 Improper Booking of Revenue deposits – Rs 71.648 million

As per APPM 5.2.3.1 The Principal Accounting Officers of those entities responsible for administering revenue collections (such as tax authorities) must ensure that all sums due to the Government are promptly realized, banked and credited to the

Consolidated Fund. The Principal Accounting Officers of these entities must also ensure that: public monies credited to the Consolidated Fund as reported by the Accountant General, are reconciled/verified with their own records, at least on a monthly basis · procedures for the generation, control and assessment of bills and demand notices as required under departmental regulations are followed.

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, it was observed during analysis of GL that revenue deposits of Rs 71.648 which are collected and paid by Deputy Commissioners have been credited to various individuals in absence of respective cost centers. A discrepancy in the government's financial data, specifically in the GL (SAP system) extract of payments therefore it will result in misallocation of funds which may lead to inefficient spending, potential misuse of public money.

Audit is of the view that the oversight, likely due to weak internal controls, resulted in the absence of cost centers for these payments.

The matter was reported to the management in October, 2024. Management replied that the recording of receipts / payments under a Public Account GL Head G11215-Revenue Deposit the field of cost center is not mandatory in the SAP System. The reflection of cost center of DAOs instead of DC of the district in a document in SAP System does not mean that the payments to vendors had been made from DAO's budgetary allocation. Further, the receipt pertained to Land Acquisition Officer/ Assistant /Deputy commissioner Shikarpur punched under the relevant head of account G/L G-11215 revenue deposit in Public Accounts.

DAC meeting was held on 30-10-2024. DAC directed to settle the para subject to verification of the relevant record/challans.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends regular and proper booking/reconciliation of revenue accounts, besides strengthening of internal controls and ensuring compliance with DAC directives.

OM#10

1.5.10 Irregular revenue posting to wrong cost centers – Rs 741.325 million

As per Para 12 of the GFR Volume-I “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipt, it is the duty of the department Controlling officers to see that all the sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account. They should accordingly arrange to obtain from their subordinates monthly account and return in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statement of treasury credits furnished by the Accountant General, to see that the amount reported as collected have been duly credited in the Public Account.

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, it was observed during analysis of GL that revenue deposits (receipts) of Rs 741.325 million which are collected and paid by Deputy Commissioners have been debited to the cost centers of various district’s TO offices instead of DC of respective area. This happened due to non-reconciliation with the departments/DDOs.

The misallocation of revenue deposits could lead to inaccuracies in financial reporting and hinder effective financial management. This may also result in difficulties in tracking and monitoring the utilization of public funds.

Audit is of the view that booking of revenue receipts from wrong cost center reflects weak internal/ accounting controls within the formation.

The matter was reported to the management in October, 2024. The management replied that the recording of receipts / payments under a Public Account GL Head G11215-Revenue Deposit the field of cost center is not mandatory in the SAP System. The reflection of cost center of DAOs instead of DC of the district in a

document in SAP System does not mean that the payments to vendors had been made from DAO's budgetary allocation. Further, the receipt pertained to Land Acquisition Officer/ Assistant /Deputy commissioner Shikarpur punched under the relevant head of account G/L G-11215 revenue deposit in Public Accounts.

DAC meeting was held on 30-10-2024. DAC directed to devise a mechanism in collaboration with relevant stakeholders where revenue collection be posted in relevant cost center / head of account and outcome may be shared with audit.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit seeks justification in the matter and recommends devising mechanism in collaboration with relevant stake holders for posting of revenue collection in relevant cost center.

OM#20

1.5.11 Non-deposit / adjustment of receipts into proper head of account – Rs 1,583.719 million

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

During Certification audit of accounts of the Government of Sindh, for the financial year 2023-24, it was observed that various Works Divisions deducted various taxes of Rs 1,583.719 million from the contractors but same amount was not remitted / adjusted into proper head of account. Due to non-deposit / adjustment of taxes into relevant accounts; government sustained loss of revenue. The details are as under;

(Amount in Rupees)

Description	Opening Balance	Credit	Total	Debit	Un-deposited Balance into Government Treasury/Amount
Income Tax	1,410,541,484	1,931,254,614	3,341,796,098	2,225,293,859	1,116,502,239
Professional Tax	945,600	514,500	1,460,100	844,500	615,600
SST	359,676,308	471,004,552	830,680,860	405,468,948	425,211,912
Stamp duty	42,616,887	565,449	43,182,336	1,792,555	41,389,781
Grand Total	1,813,780,279	2,403,339,115	4,217,119,394	2,633,399,862	1,583,719,532

Audit is of the opinion that non-deposit / adjustment of receipts into proper head of account; due to which government sustained loss of revenue

Audit recommended the timely adjustment of taxes into proper head of accounts.

The matter was reported to the management in October, 2024. The management replied that all the payments of works division are processed through SAP system and the deductions of Professional Tax, SST and Stamp Duty are not required to be paid separately as these are automatically credited in the Non-Food AC-I. As far as the payment of the Income Tax is concerned, the deductions made in the month of June, 2024 had been paid in the month of July and August 2024 (i-e FY 2024-25) as mentioned in the reply of Para-4.

DAC recommended the settlement of the para subject to deposit of receipts into Government Treasury.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends DAC directives and timely adjustment of taxes to the appropriate heads of accounts to ensure accuracy and compliance with financial regulations.

OM#87

Accounting of Expenditure

1.5.12 Variation in account balances between AG Sindh and Forest Department – Rs 97.481 million

As per APPM, 4.8.8 Consolidation of GP Fund expenditure 4.8.8.1 The delegated officer in the Account Section of the DAO/AG/AGPR office shall consolidate the expenditures, on a monthly basis, from the entries in the General Ledger and include them in the Monthly Accounts. Also refer to Section 4.4 “Accounting for Expenditures”. 4.8.9 Reporting of GP Fund expenditure 4.8.9.1 GP Fund expenditure shall be reported to the Accountant General as part of the Monthly Accounts prepared by the District Accounts office. And As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, the difference of Rs 97.481 million was noticed on account GP Fund (G-06106) receipts during reconciliation between forest and AG Sindh accounts. The forest monthly account shows total GP Fund deduction / receipts Rs 91.536 million, whereas Rs 189.017 million appears in general ledger account of AG Sindh. The discrepancy indicates a potential issue in the accuracy or completeness of the GP fund deductions. This could lead to financial losses for the government or employees, and may also result in compliance issues. The details are given as under;

Particulars	As per GL	As per Forest Dept.	Variation
G06106- GP Fund (Forest)	189,017,949	91,536,547	97,481,402

Audit is of the view that existence of variation in the opening and closing balances reflects weak internal controls within the formation.

The matter was reported to the management in October, 2024. The management replied that as per the advice of Audit in previous years, amount has been

reconciled with the balances of the Forest Department; and as a result of reconciliation, several transfer entries (T.Es) had been recorded in the Accounts of Government of Sindh to adjust / incorporate / rectify the misclassification or leftover interest on GP Fund (Forest) pertaining to F.Y. 2012-13, 2013-14, 2014-15 and 2015-16.

DAC meeting was held on 30-10-2024. DAC. DAC settled the para subject to provision of approved T.Es and relevant record to audit for verification.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends reconciliation of GP fund deductions, strengthen internal controls, review financial procedures to address the discrepancy in GP fund deductions.

OM#18

1.5.13 Double payment of salary to contractual employee from two different heads–Rs 15.748 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 certification audit on accounts of Government of Sindh for the financial year 2023-24, it was observed on scrutiny of non-salary expenditure claims selected on sample basis that an amount of Rs 15.748 million were paid by various offices under the head “(A03919) Payments to other services rendered. These payments were made to the same individual from multiple cost centers, raising concerns as it is not possible for one person to be appointed or perform duties in multiple offices simultaneously.

Furthermore, some personnel taking remuneration from the Head “(A06102) Others” along with “(A03919) Payment to others service rendered” at the same time.

Audit is of the view that, due to double payment of remuneration government sustained loss.

The matter was reported to the management in October, 2024. The management replied that the payments were made for monthly remuneration paid to contingent staff with the approval of the competent authority. However, the relevant record is available for verification.

DAC meeting was held on 30-10-2024. DAC directed to carry out detail working against the payments pointed out by audit; if any double payment identified, the same be recovered and also directed to share evidence of recovery or correspondence made with the concerned department with audit for verification.

As per the directives of the DAC, verification was conducted in November, 2024, but case to case complete record was not produced to audit till the finalization of this report.

Audit recommends recovery and fixing responsibility upon person(s) at fault besides strengthening internal controls in order to detect and deter double payment.

OM#25

1.5.14 Irregular double payment of Commutation - Rs 11.186 million

As per Section-133 of Sindh Budget Manual, “No government servant should however, without previously obtaining an extra appropriation, incur expenditure in excess of the amounts provided under the heads concerned. When a government servant exceeds the annual appropriation, he runs the risk of being held responsible for the excess”.

During certification audit on accounts of Government of Sindh for the financial year 2023-24, it was observed on scrutiny of pensionary benefits claims selected on a

sample basis, a serious irregularity came to light regarding the disbursement of pensions. It was discovered that pensioners were issued duplicate payments for their commutation in different periods, receiving the amount twice on separate dates. This irregular practice resulted in a financial loss amounting to Rs 11.186 million, raising grave concerns about the integrity and efficacy of the AG's financial management processes.

(Amount in Rupees)

Sr. No.	P. No.	Name	Pervious Year	Amount	FY2023_24	Amount	Total
1	10346869	Mubarak Mallah	25.03.2022	538,082	11.05.2022	538,082	1,076,164
2	10349003	Muhammad Sharif	01.12.2017	983,505	01.12.2019	983,505	1,967,010
3	10354553	Mitthu	01.12.2016	1,376,555	31.05.2019	1,376,555	2,753,110
4	10402947	Raziq Bux	01.12.2016	1,191,093	31.05.2019	1,191,093	2,382,186
5	10349448	Aziz Baloch	10.05.2024	2,148,368	06.06.2024	859,347	3,007,715
Total							11,186,185

Audit is of the view that government sustained loss due to undue double payment of arrears of pension.

The matter was reported to the management in October, 2024. The management replied that pension was stopped for the purpose of recovery and personal appearance of the subscriber. the matter has been reported to AAG (Quality & Assurance).

DAC meeting was held on 30-10-2024. DAC directed that the relevant record may be produced to audit for verification.

As per the directives of the DAC, verification was conducted in November, 2024, but evidence of complete recovery was not produced to audit till the finalization of this report.

Audit recommends inquiry in the matter, recovery of amount involved and fixing responsibility on the persons at fault. Besides strengthening internal controls in order to detect and deter double payment.

OM#28

1.5.15 Unjustified double payment of Leave Encashment - Rs 35.961 million

According to Para (2A) of Civil Servants Leave Rules, 1986, states that encashment of leave preparatory to retirement (LPR) not exceeding three hundred & sixty five shall be effective from the first day of July, 2012 and shall, for the entire period of leave refused or opted for encashment, be applicable to a civil servant retired, or as the case may be, or retiring on or after the 1st day of July 2012, provided that such leave is available at his credit subject to a maximum of three hundred and sixty five days. And Finance Department, Government of Sindh vide letter No.FD(SR-IV)15- 26/2012 dated 03rd October 2012 “the civil servants retiring either on superannuation or after completion of 30 years or proceeded on retirement on voluntary basis after completion of 25 years qualifying service for the pension without availing of LPR, were entitled for encashment subject to maximum of 365 days. (6) Leave pay for the purpose of encashment of LPR shall be computed on the basis of pay and allowances reckonable towards pension as shown in the last pay certificate of a civil servant.

During certification audit on accounts of Government of Sindh for the financial year 2023-24, it was observed, during the scrutiny of a sample of pensionary benefits claims, that pensioners were irregularly issued duplicate payments for their leave encashment, receiving the same amount twice on separate dates. This irregular practice resulted in a significant financial loss amounting to Rs 35.961 million, raising grave concerns about the integrity and efficacy of the AG's financial management processes.

Audit is of the view that undue excess payment on account of leave encashment shows lake of internal control prevailing in the department.

The matter was reported to the management in October, 2024. The management replied that in DAO Hyderabad, due to technical issues the 1st payment could not be processed, hence the amount was punched again. Thought the system shows dual entry, however only single payment was made to the claimant.

Whereas, in DAO Kashmore, it is submitted that the double payment on account of Encashment of LPR amounting to Rs 821,770/= was disbursed mistakenly

made in favour of pensioner, Ex-HST having Personnel No. 10404101 on dated 21.03.20024 and dated 21.06.2024. The recovery Rs 63,0000/= has already been started from pension of above named retired teacher from month of July, 2024 Display payment/Deductions and pension slip for month of October, 2024 are enclosed for perusal.

DAC meeting was held on 30-10-2024. DAC directed that the relevant record may be produced to audit for case-to-case verification.

As per the directives of the DAC, verification was conducted in November, 2024, but record of all cases was not produced to audit till the finalization of this report.

Audit recommends inquiry in the matter, recovery of amount involved and fixing responsibility on the persons at fault. Besides strengthening internal controls in order to detect and deter double payment.

OM#29

1.5.16 Irregular payment of gratuity along-with commutation with same amount – Rs 13.407 million

As per Section-133 of Sindh Budget Manual, “No government servant should however, without previously obtaining an extra appropriation, incur expenditure in excess of the amounts provided under the heads concerned. When a government servant exceeds the annual appropriation, he runs the risk of being held responsible for the excess”.

During certification audit on accounts of Government of Sindh for the financial year 2023-24, it was observed that pensioners had been paid both gratuity and commutation of same amount, resulting in receiving the amount twice on separate dates. This irregular practice resulted in financial loss of Rs 13.407 million, raising grave concerns about the integrity and efficacy of the AG’s financial management processes.

Audit is of the view that government sustained huge monetary loss due to undue double payment of Gratuity along with commutation

The matter was reported to the management in October 2024. The management replied that DAO Khairpur has already made the recovery (copy of challan attached) in two cases.

Further, management submitted that one of the pension case pertains to DAO Hyderabad and the amount of arrear of pay amounting to Rs 6,528/- was wrongly punched into the wage code 5909 (Gratuity family) in the month of October, 2019, which is available in info type 15, reserved for the additional payment. However, after the retirement of employee the commutation was paid in the month of May, 2024. Hence, no dual payments of commutation were made. All record pertaining to the Para is available and can be produced to Audit for verification as and when required. DAC directed management to provide evidence to audit.

DAC meeting was held on 30-10-2024. DAC directed that the relevant record may be produced to audit for verification.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit requires inquiry in the matter, recovery of amount involved and fixing responsibility on the person(s) at fault.

OM#30

1.5.17 Recovery of overpayment of Pay/Pension – Rs 1.539 million

According to Article 84 of Audit code, it is an essential function of 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 not in order.

During certification audit on accounts of Government of Sindh for the financial year 2023-24, it was observed on scrutiny of pensionary benefits claims selected on sample basis that overpayment amounting to Rs 1.539 million was paid to various employees/pensioners but no evidence of recovery of overpayment was found

available on record, neither recovery challan was available nor adjustment was found available on record the same was not recovered till the close of financial year. The details are given as under;

Sr. No.	I.D	Name of Pensioners	Excess payment	Remarks
1	10307214	Tahira Bhatti	648,467	recovery on overpayment of salary was identified but no evidence of recovery was found
2	10442608	Dr. Abdullah Saeed	890,705	Recovery of overpayment of salary were made from arrears of pensions but remaining recovery Rs890,705/- were not made from monthly salary.
Total			1,539,172	

Audit is of the view that government sustained huge monetary loss due to overpayment of pay/pension to various employees/pensioners

The matter was reported to the management in October, 2024. The management replied that the recovery for the employee with Personnel No. 10307214 is being made from her monthly pension at Rs 48,761/- per month from October, 2024 until February 2026. Further, the remaining recovery for the employee with Personnel No. 10442608, amounting to Rs 890,705/- on account of excess salary, is being recovered from his commutation payment.

DAC meeting was held on 30-10-2024. DAC directed that the relevant record may be produced to audit for verification.

As per the directives of the DAC, verification was conducted in November, 2024, but complete record was not produced to audit till the finalization of this report.

Audit recommends inquiry in the matter, recovery of amount involved and fixing responsibility on the persons at fault. Besides strengthening internal controls in order to detect and deter over payment.

OM#33

1.5.18 Double payment of final GP Fund settlement with changed amount to same employee - Rs 21.096 million

Under 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 certification audit of the Government of Sindh for the financial year 2023-24, it was observed that the final payment of the General Provident (GP) Fund had already been settled and payment of Rs 41.980 million was incurred. However, in succeeding years, second time payment of Rs 21.097 million was processed for the same individual, which is a clear violation of financial regulations. Thus, chances of double payment cannot be ruled out. The requisition and reminders were issued, but the relevant record of following cases was not provided to audit for scrutiny.

This indicates a lack of proper verification and oversight in the payment process, leading to an overpayment.

Audit is of the view that the GP Fund was disbursed twice as a final payment for the same individual, indicating a serious lapse in financial controls.

The matter was reported to the management in October, 2024. The management replied that the GP Fund final payments had been made, followed by the disbursement of the Residual Balance of GP Fund to the employees. All relevant documents for subject observation are available on record.

DAC meeting was held on 30-10-2024. DAC directed that the relevant record may be produced to audit for verification.

As per the directives of the DAC, verification was conducted in November, 2024, but complete record of all the cases was not produced to audit till the finalization of this report.

Audit requires compliance with DAC directives. Further, audit recommends that a thorough review and reconciliation of GP Fund payments be conducted to ensure proper verification.

OM#43

Reporting Issues

1.5.19 Unauthorized adjustment of variation in Debit/Credit balances – Rs 8,600.000 million

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During the Certification Audit of the accounts of the Government of Sindh for the financial year 2023-24, it was observed that there was a variation of Rs 8,600.000 million in the monthly accounts of various districts. The audit noticed that in four districts, the monthly accounts were debited by Rs 33,135.000 million, while the accounts were credited with Rs 24,535.000 million. The account shows a variation of Rs 8,600.000 million, and the accounts were not closed by the concerned DAOs. This suggests that adjusting entries may have been made by the Accountant General (AG) office to reconcile the differences, resulting in a balanced ledger. The absence of supporting documentation further raises concerns about the legitimacy of these adjustments.

The details are given as under;

(Amount in Ruppes)				
Month	Profit Center	Credit	Debit	Variation
Jan-2024	AG-MQ	6,613,236,121	8,213,236,121	1,600,000,000
Feb-2024	AG-TM	3,897,078,187	5,647,078,187	1,750,000,000
May-2024	AG-KE	5,469,237,085	8,219,237,085	2,750,000,000
May-2024	AG-JS	8,556,106,890	1,1056,106,890	2,500,000,000
Total		24,535,658,283	33,135,658,283	8,600,000,000

Audit is of the view that the variations and district balances indicate financial irregularities, which needs corrective measures.

The matter was reported to the management in October, 2024. Management replied that payments were made by SBP at Karachi however, the bookings against repayments of loans were made in the relevant cost centers as per budgetary allocation by the Finance Department.

DAC meeting was held on 30-10-2024, where it was decided that the AG Sindh will provide release copies of sanction orders for the repayment of loans to audit that can ascertain that the expenditure was booked in the relevant cost centers. Additionally, the AG Sindh is required to provide details of the cost centers or profit centers where loan repayments from other districts have been booked for Audit review.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit requires an investigation into why these variations were adjusted in the AG office instead of the concerned DAOs. Besides, audit recommends strengthen internal controls to address the discrepancies and prevent future irregularities.

OM#06

1.5.20 Variation in expenditure by department – Rs 25,493.00 million

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During the Certification Audit of the accounts of the Government of Sindh for the financial year 2023-24, it was observed that a discrepancy/variation of Rs 25,493.000 million was found between the statement of comparison of budget and actual expenditure by department and the GL summary of departments. The discrepancy indicates a potential issue in the accuracy or completeness of financial reporting. The details are given as under;

(Rs. in Million)

Sr.#	Name of Department	Exp as per FS	As per GL summary	Difference
1	Agriculture, Supply & Prices	38,962	38,958	4
2	Chief Minister	3,040	28,280	-25,240
3	Culture, Tourism & Antiquities	10,127	10,273	-146
4	Health Department	226,227	226,338	-111
Total		278,356	303,849	-25,493

Audit is of the view that variation in department expenditure could lead to errors in financial decision-making, misallocation of resources, or difficulties in assessing the government's financial performance.

The matter was reported to the management in October, 2024. The management replied that the calculation of the department-wise expenditure included in Financial Statement has been rechecked and the same was found accurate. The difference of 4 million is due to the incorrect linkage of department in SAP. The difference of Rs 25,240 million is related to expenditure of Universities and Boards Department mentioned as a separate Department in the Appropriation Accounts (page # 630 & 631 of App. Accounts). The difference of Rs 146 million pertains to Social Welfare Department mentioned at page # 590 of App. Accounts. The figure mentioned by Audit is incorrect. The expenditure of Health department mentioned in Financial Statement is Rs 226,337 million.

Further, the financial statement presented are prepared on the basis of recording of expenditure against each cost center under GL heads, not on the basis of departmental coding in SAP system.

DAC meeting was held on 30-10-2024. DAC directed AG Sindh to approach the Finance Department for the correction of departmental codes in the master data of cost centers for future reference.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends compliance of DAC directives and advises to approach Finance Department for the correction of departmental codes in the master data of cost centers besides reconciling the actual expenditures of these departments with the general ledger summary to ensure accuracy and identify any missing or misclassified transactions.

OM#07

1.5.21 Excess expenditure over receipts – Rs 12,210.000 million

According to Note 24.1 of Financial Statements, “The public account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of Government, unless provided under an Act of Provincial Assembly or rules made by the Governor. The balances in the public account are carried forward at year end and to be used for the specific purpose for which they are established”.

During the Certification Audit of the accounts of the Government of Sindh for the financial year 2023-24, it was observed that the total receipts, (Statement of Cash Receipts and Payments) was Rs 2,170,165.000 million, while the total payments were Rs 2,182,375.000 million. An expenditure of Rs 12,210.000 million was incurred over and above of the receipts during the financial year. The expenditure of Rs 12,210.000 million may be affected from public fund account.

(Rs. in Million)		
Total Receipts	Total Payments	Excess over Receipt
2,170,165.000	2,182,375.000	12,210.000

Audit is of the view that the over expenditure from consolidated fund is tantamount to financial indiscipline within the government's budgeting and spending practices. It is crucial for the government to align its expenses with its revenue, ensuring that expenditures do not consistently exceed receipts.

The matter was reported to the management in October, 2024. The management replied that the opening cash balance of Government of Sindh (Ac-I & Ac-II) in FY 2023-24 was Rs 100 billion approximately, while during the Financial Year, consolidated fund receipts were Rs 2.17 trillion; thus total cash stood at Rs 2.27 Trillion. However, the expenditure was incurred within this limit i.e., Rs 2.182 Trillion. Moreover, Government of Sindh has invested around Rs 363 billion (as already mentioned in Financial Statement) which is more than the difference amount pointed out by audit.

DAC meeting was held on 30-10-2024. DAC directed to settle the para subject to verification of facts as mentioned in the reply.

As per the directives of the DAC, verification was conducted in November, 2024, management produced reply of last year; however; the reply/ record pertaining to Audit year was not provided till finalization of this report.

Audit seeks justification of excess expenditure over receipts and recommends incurring expenditure within receipts limit and strictly avoid expenditure from public account for other purposes.

OM#12

1.5.22 Splitting up of sanction orders to avoid tender – Rs 76,171.000 million

As per clause (12) SPPRA circulated vide NO. SORI(SGA&CD)2-30/2010 dated 8th March, 2010. Limitation on Splitting or Regrouping of Proposed Procurement (1) Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11 above, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, it was observed while analyzing GL that expenditure of Rs 76,171.000 million was incurred on various heads of account by splitting up of sanction orders to avoid invitation of tenders. The amount was kept below the quotation level but the overall expenditure per day was over and above the tendering limits. Thus, the government was deprived of the opportunity to obtain the most economic and competitive rates from the market by not conducting tenders.

Audit is of the view that due to split up of expenditure; the chances of favoritism could not be ruled out.

The matter was reported to the management in October, 2024. The management replied that all the procurement are made in the light of SPPRA – Rules 2019 through alternative procurement method Rule 16–1 a(i) on Quotation's basis, and all the procurement are made by the Department on need basis. However, no violation has been made of SPPRA – Rules. Furthermore, respective DDOs send their

bills with sanction orders. All the bills are processed on the basis of sanction orders. Sanctions orders may be verified. For any further query the same may be verified through the regulatory audit of the concerned DDOs.

DAC meeting was held on 30-10-2024. DAC directed the management to investigate the matter and justify the split payment (if any).

Audit recommends inquiry in the matter and compliance of procurement rules.

(OM#05)

1.5.23 Irregular payment made to DDOs instead of actual payees – Rs 1,558.052 million

Rule-28 (2) of Central Treasury Rules Volume-I, “A Government officer supplied with funds for expenditure shall also be responsible for seeing that payments are made to persons entitled to receive them”.

During Certification Audit on the accounts of Government of Sindh for the financial year 2023-24, it was observed that payment amounting to Rs 1,558.052 million was made to various DDOs instead of concerned payees. The payment to DDO instead of concerned persons creates doubt over transparency of transactions as no proof of such onward payments to the recipients was shown to audit.

The irregular issuance of cheques of contingency in favor of DDOs is a serious financial irregularity on the part of the AG office which may create chances of misuse of funds.

The matter was reported to the management in October, 2024. Management replied that in District Mirpurkhas, two cost centers show DDO payments, which should be made in a lump sum to the DDO. In the CAA-I Section, payments from Deputy Commissioners KQ0018 and KQ0020 were made on abstract bills for General Election – 2024 expenditure. The Chief Secretary, Sindh constituted a Benevolent/Welfare Fund Board to manage and disburse the funds of Sindh Police. The report also mentions a new Gl Head G06221, which separates deductions from salaries of Sindh Police employees from those of Sindh Govt. The report also mentions

a payment of Rs 375.280 million to the Honorable Court of Anti-Encroachment in District Hyderabad, and a payment of Rs 2.461 million to the DDO instead of vendors. Compliance will be strictly followed as per audit directions.

DAC meeting was held on 30-10-2024. DAC directed that the relevant record and sanctions orders may be produced to audit for verification.

As per the directives of the DAC, verification was conducted in November, 2024, but no record was produced to audit till the finalization of this report.

Audit recommends inquiry to determine frequency of irregular issuance of cheques of contingency in favor of DDOs and strictly avoid payment through DDO to ensure transparency and misuse of funds.

(OM#22)

1.5.24 Non-reconciliation of receipt – Rs 172,896.951 million

As per Para 26 of the GFR Volume-I “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipt, it is the duty of the department Controlling officers to see that all the sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account. They should accordingly arrange to obtain from their subordinates monthly account and return in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statement of treasury credits furnished by the Accountant General, to see that the amount reported as collected have been duly credited in the Public Account.

During audit of various offices of Government of Sindh, it was observed that receipt of Rs 172,896.951 million was realized but the same was not reconciled from the Account Offices. Details are given at **Annex-1** of Chapter-1.

The matter was reported to the management during December 2023 to December 2024, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends regular reconciliation of expenditure to detect any over payment and compliance of DAC directives.

1.5.25 Misclassification of expenditure – Rs 1,266.232 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 the audit of various offices of the Government of Sindh, it was observed that an expenditure of Rs 1,266.232 million was incurred due to misclassification. This was done to avoid the process of re-appropriation through the Finance Department. Details are given at **Annex-2** of Chapter-1.

The matter was reported to the management during December 2023 to December 2024, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter and taking remedial measures for future prevention.

1.5.26 Excess expenditure incurred over & above the budget allocation – Rs 135.591 million

According to Section-133 of Sindh Budget Manual, “No government servant should, however, without previously obtaining an extra appropriation, incur expenditure in excess of the amounts provided under the heads concerned. When a government servant exceeds the annual appropriation, he runs the risk of being held responsible for the excess”.

During audit of various offices of Government of Sindh, it was observed that an excess expenditure of Rs 135.591 million was incurred over and above the budget allocation. Details are given at **Annex-3** of Chapter-1.

The matter was reported to the management during December 2023 to December 2024, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks justification of excess expenditure over receipts and recommends incurring expenditure within allocation.

1.5.27 Savings not surrendered in time – Rs 7,591.259 million

As per Rule-128 of Sindh Budget Manual, the Drawing and Disbursing Officer is personally responsible for surrendering the savings to the Government before the close of the financial year.

During the audit of various offices of the Government of Sindh, for the financial year 2021-22 to 2023-24, it was observed that funds amounting to Rs 7,591.259 million remained unutilized until the close of the financial year, and the same were not surrendered to the government in a timely manner. The savings could have been used for other useful purposes or functions of the government if they had been surrendered on time. Details are given at **Annex-4** of Chapter-1.

The matter was reported to the management during December, 2023 to December, 2024, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO (Health Department) till finalization of this report. However, other departments convened DAC meetings and DAC directed surrendering of savings in time besides production of record to audit for verification.

Audit recommends compliance of DAC directives besides surrendering of savings in time to be used for other government purposes.

Chapter - 2

Agriculture, Supply and Prices Department

2.1 Introduction

The Department of Agriculture, Supply and Prices was created mainly to provide agricultural services to growers/farmers and to transfer the latest technology to the farming community, introduction of high-yield varieties of crops, timely supply of seeds, fertilizers, and pesticides, imparting training and boosting-up the agricultural production and productivity in the province.

The department is also responsible for modernization of agriculture research, advancement of mechanized agriculture, strong market information system, improved agriculture extension service and water management.

Some functions of the department are performed by Bureau of Supply & Prices such as:

- To collect, analyse and disseminate information regarding production, trading movement and prices of Essential Commodities including farm produce, livestock, fisheries, poultry, and manufactured items used by the common man.
- To conduct production and market cost studies of essential commodities with a view to ascertain their economic price level and to recommend corrective measures to keep the prices at reasonable level.
- To identify bottlenecks in the supply, movement, and storage of Essential Commodities and to adopt remedial measures for their availability to consumers at reasonable prices.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	25	13	12,327.776	87.102
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	1	1	1,179.271	-

2.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)							
Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
40,142.026	52.392	23,315.148	(14,555.085)	(5,225.727)	43,728.754	38,958.096	(4,770.657)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 4,770.657 million were observed which were not surrendered in time.

(Rs. in Million)			
Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
1,825.000	846.535	238.089	(608.446)

Revenue estimates were reduced upto 54% in revised estimate. Actual receipt was 28% of revised estimate.

2.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 16,257.613 million. This included Rs 1.120 million in fraud, embezzlement, and misappropriation, Rs 755.523 million related to procurement irregularities, Rs 6,576.053 million related to the management of accounts with commercial banks and Rs 8,930.949 million attributed to operational inefficiencies. Additionally, Rs 426.394 million was identified as recoverable. Summary of Audit observations classified by nature is as under:

(Rs. in Million)		
Sr. No.	Classification	Amount
1	Reported cases of fraud, embezzlement, and misappropriation	1.120
2	Irregularities	
A	<i>Procurement related irregularities</i>	755.523
B	<i>Management of Accounts with Commercial Banks</i>	6,576.053
3	Others	
A	Operational Inefficiency	8,930.949

2.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 9.88%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	14	9	0	9	-
2	1998-99	11	7	0	7	-
3	1999-2000	31	2	0	2	-
4	2001-02	11	6	0	6	-
5	2004-05	19	9	2	7	22.2
6	2005-06	16	13	1	12	7.7
7	2006-07	9	3	0	3	-
8	2007-08	4	4	0	4	-
9	2008-09	5	5	0	5	-
10	2009-10	8	1	0	1	-
11	2010-11	7	4	1	3	25
12	2014-15	0	0	0	0	-
13	2016-17	17	12	5	12	29.41
14	2017-18	20	12	8	12	40
Total		172	87	17	83	9.88

2.5 AUDIT PARAS

2.5.1 Inadequate Performance of Directorate in Preventing of adulteration in Pesticide and Fertilizer

According to Section 16 of the Sindh Fertilizer (Control) Act, 1994,

- (1) If an Inspector has reasons to believe that an offence punishable under this Act or the rules made thereunder has been, is being or is about to be committed at any time or place, he may enter upon and search such place and seize any fertilizer or fertilizer material, article or thing to which the offence relates, are found therein.
- (2) Any fertilizer or fertilizer material article or thing seized under sub-section (1) shall be disposed of in accordance with the decision of the court before which the offender is prosecuted for a contravention of any of the provisions of this Act or the rules.

During audit of office of the Director Plant Protection, Hyderabad for the financial year 2022-23, it was observed that the management performance was inadequate to prevent adulteration in Pesticide and Fertilizer, because only 30% outlets/storages of fertilizer and 38% of pesticides was planned for inspection during the years 2022 and 2023. Further, the inspectors declared 252 samples of fertilizer and pesticides sub-standard in both years. Accordingly, cases have been registered and the matter is currently under litigation in various courts. The status of closure or otherwise of preceding outlets were not provided to audit besides pertinent records, including evidence of the seizure of the fertilizer and pesticides, along with details regarding location, quantity, and the individuals, holding custody of these seized items, were not provided to the audit.

Audit is of the view that the Directorate's efforts to prevent pesticide and fertilizer adulteration were found inadequate, as evidenced by the low inspection rates of fertilizer and pesticide outlets/storages.

The matter was pointed out to the management in April, 2024. DAC meeting was held on 12-11-2024. The management stated that the officers / officials are making efforts to prevent pesticide and fertilizer adulteration, besides, many samples were collected and checked from laboratory which were found as sub-standard and as per

pesticide rules, action have taken against the dealers / accused. The DAC directed to pursue the case and submit record of samples etc to audit for verification. However, the progress and relevant record was not produced to audit for verification till finalization of this report.

Audit recommends strengthening enforcement mechanisms to prevent pesticide and fertilizer adulteration. Responsibility should be fixed for inadequate inspections and failure to take timely action against sub-standard products. The department must ensure comprehensive monitoring of all outlets, maintain proper records of seized items, and expedite legal proceedings to deter future violations. Measures should be taken to enhance transparency and effectiveness in regulatory compliance.

(DP#57/AIR#01)

2.5.2 Failure to control price during shortage of fertilizers and sale in black market

Agriculture extension is a service which assists farm people, through educational procedures, in improving farming methods and techniques, increasing production efficiency and income, bettering their standard of living and lifting social and living standards. read with 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 office of the Additional Director, Agriculture Extension, Dadu for the financial years 2017-18 to 2022-23, it was observed that there was reported shortage of the agricultural products in Rabi season i.e., Urea, DAP and other fertilizers. In response, the management did not carry out action against the responsible dealers as there was no evidence of imposing fine. No efforts were taken to counter statedly artificial shortage. Further, the management could not provide the requisite list of the dealers of fertilizers, factual position of stock and supply/demand analysis to audit.

Audit is of view that the department failed to manage the price control within the jurisdiction due to which growers were left at mercy of the black-market dealers.

The matter was pointed out to the management in May, 2024. DAC meeting was held on 12-11-2024. The management stated that the amount was incurred on different items purchased, as and when required. The record / documents are available, the DAC discussed the para and stated that the reply is not satisfactory and needs to be revised with specific justification. However, the revised reply was not submitted till finalization of this report.

Audit recommends an immediate investigation into the failure of management in controlling the artificial shortage and black-market sale of urea and fertilizers. Responsibility should be fixed for negligence, and strict action should be taken against dealers involved in hoarding and overpricing. Measures should be implemented to enhance monitoring, ensure fair distribution, and prevent future manipulation of agricultural inputs, safeguarding farmers' interests.

(DP#56/AIR#07)

2.5.3 Non-disbursement of funds – Rs 8,777.928 million

As per para-12 of G.F.R Volume-I, “A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. In order to maintain a proper control he should arrange to be kept informed not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it. He must be in a position to assume before Government and the Public Accounts Committee if necessary.

During audit of office of the Project Director, Sindh Water & Agriculture Transformation Project (SWAT), Hyderabad for the financial year 2023-24, it was observed that the management failed to utilize the funds of Rs 8,777.928 million on account of disbursement to the farmers for wheat subsidy due to which the intended purpose/targets were not achieved. The funds were retained unused in bank till close of the financial year.

(Rs. in Million)		
Particulars	Amount in PKR	Amount in USD
Opening Balance as per Cash Book (World Bank Loan)	2,256.832	7,955
Receipt during the period	6,576.103	23.261
Total Receipts	8,832.935	31.216
Payments cheques issued during the period as per cash book	55.007	0.194
Closing Balance as per June 30 th , 2024 as per cash book	8,777.928	31.022

Audit is of the view that non-utilization represents a significant inefficiency and may indicate underlying issues such as inadequate planning, resource management, or implementation challenges to ensure optimal use of resources and targeted goals.

The matter was reported to the management in October, 2024. The management replied that due to late receipt of permission the funds could not be transferred to the project accounts besides disbursement plan has been submitted to Project Steering Committee for approval. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends an inquiry into the non-disbursement of funds and fixing responsibility for failure to achieve project objectives. Immediate measures should be taken to ensure timely utilization of allocated funds for their intended purpose. Additionally, a mechanism should be established to prevent delays in future disbursements and enhance financial planning to maximize public benefit.

(DP#102/AIR#15)

2.5.4 Excess payment on procurement of kitchen garden kits – Rs 85.010 million

According to SPP Rules, 2010, 2(1)(x)(i)(ii), “most advantageous bid means a bid or proposal for goods, works or services that after meeting the eligibility or qualification criteria, is found substantially responsive to the terms and conditions as set out in the bidding or request for proposals documents; and evaluated as the highest ranked bid or proposal on the basis of cost or quality or qualification or any combination thereof, as specified in the bidding documents or request for proposal documents which shall be in conformity with the selection techniques to be issued by the Authority”.

During audit of office of the Director General, On Farm Water Management Sindh, Hyderabad for the financial year 2023-24, it was observed that an excess payment of Rs 85.010 million was made to various contractors / general order suppliers against approved rate for procurement of kitchen garden kits.

(Rs. in Million)

Sr. #	District	Approved bid rate	Rate allowed	Excess rate	Excess Rate %	Qty	Amount
1	Kambar, Dadu, TM Khan, Mithi	0.100	0.110	0.010	10.00	2,641	26.410
2	Jamshoro, Kashmore, Shaheed Benazirabad, Jacobabad	0.098	0.110	0.012	12.24	1,250	15.000
3	Larkana, Sujawal, N. Feroze	0.099	0.110	0.011	11.11	1,000	11.000
4	Shikarpur, Mirpurkhas	0.099	0.110	0.011	11.11	750	8.250
5	Ghotki	0.096	0.110	0.014	14.58	350	4.900
6	Khairpur	0.098	0.110	0.012	12.24	350	4.200
7	Badin	0.099	0.110	0.011	11.11	400	4.400
8	Sanghar	0.100	0.110	0.010	10.00	400	4.000
9	Matiali	0.099	0.110	0.011	11.11	350	3.850
10	Karachi	0.098	0.110	0.012	12.24	250	3.000
Total						7,741	85.010

Audit is of the view that undue financial favor was extended to the contractors by paying excess rates against approved rates after finalization of tender.

The matter was reported to the management in October 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends recovery of excess amount besides inquiry into the matter for fixing responsibility on the person at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 2.5.15 having financial impact of Rs 148.691 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#76/AIR#17)

2.5.5 Irregular procurement of seeds without evidence of sowing and yield – Rs 63.165 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 Agriculture Supply & Price Department, Government of Sindh for the financial years 2021-22 to 2023-24, it was observed that an expenditure of Rs 63.165 million was incurred on the procurement of seeds. However, selection of cultivation areas, sowing activities, and yield reports for each crop were not provided.

(Rs. in Million)				
Sr.#	Name of Offices	Financial Year	AIR Para #	Amount
1	Programme Coordinator, Accelerated Action Plan (AAP), for reduction of Stunting & Malnutrition (Agriculture Sector) Karachi	2023-24	7	55.771
2	Additional Director Agriculture Extension, Umerkot	2021-22 & 2022-23	02	3.673
3	Directorate of Agriculture Farms & Major Crops Development Sindh	2022-23	05	3.721
Total				63.165

Audit is of the view that due to the non-availability of yield reports regarding the sowing of procured seeds, it is unclear whether the intended objectives were achieved.

The matter was reported to the management in October, 2024. DAC meeting was held on 12th November, 2024 for office at Sr. # 2 & 3. The management stated that the seeds were purchased for demonstration plots at farmers field for experiment. The DAC directed to conduct enquiry by DG Ext. and furnish his findings / report along with fixation of responsibility. However, the required record and status of enquiry was not produced to audit for verification till finalization of this report. Despite written requests, DAC meeting for remaining office was not convened by PAO till finalization of this report.

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

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 2.5.18 having financial impact of Rs 22.199 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#11&84)

2.5.6 Procurement of machinery on higher rate – Rs 45.147 million

As per modified PC-I (2021-22) “Provision of subsidy assistance on agriculture implements” under para-07 Capital cost estimates were included as per prevailing market prices.

During audit of office of the Director General, Agriculture Engineering Sindh, Hyderabad for the financial year 2023-24, it was observed that an excess payment of Rs 45.147 million was made to vendors for the procurement of agricultural implements under the scheme “Provision of Subsidy Assistance on Agriculture Implements.” The excess payment resulted from purchasing various agricultural equipment at rates higher than those specified in the PC-I. Furthermore, the PC-I was not revised to justify the increased rates.

(Rs. in Million)

Vendor Name	G/L Descp	Qty	50% Govt share	50% Rate as per PC-I	Amount Paid	Excess/Diff per unit	Excess Amount
Modern Farming, cheque # 5491602 dt 14.06.2024	Auto loader 200 cc	110	0.294	0.175	32.340	0.119	13.090
Bin Mansha Agro, cheque 5491832 dt 20.06.2024	Wheat Thresher	19	0.695	0.325	13.205	0.370	7.030
	Peddy Thresher	18	0.973	0.600	17.514	0.373	6.714
	Rotavator 54	6	0.265	0.125	1.590	0.140	0.840
	Cultivator	3	0.135	0.075	0.405	0.060	0.180
Indus Agro, cheque 5491831 dt 20.06.2024	Cultivator	1	0.135	0.075	0.135	0.060	0.060
	Disc Harrow	1	0.422	0.225	0.422	0.197	0.197
	Wheat Thresher	2	0.695	0.325	1.390	0.370	0.740
	Border Disc	3	0.140	0.065	0.420	0.075	0.225
	Peddy Thresher	10	0.973	0.600	9.730	0.373	3.730
	Thresher Multipurpose	8	0.880	0.400	7.040	0.480	3.840
Smart Agro cheque 5491830 dt 20.06.2024	Rotavator 54	6	0.265	0.125	1.590	0.140	0.840
	Ridger	4	0.112	0.065	0.448	0.047	0.188
	Cultivator	6	0.135	0.075	0.810	0.060	0.360
	Disc Harrow	11	0.422	0.225	4.642	0.197	2.167
	Wheat Thresher	5	0.695	0.325	3.475	0.370	1.850
	Border Disc	1	0.140	0.065	0.140	0.075	0.075
	Chisel Plough 3 times	1	0.145	0.065	0.145	0.080	0.080
	Chisel Plough 5 times	3	0.164	0.075	0.492	0.089	0.267

(Rs. in Million)

Vendor Name	G/L Descp	Qty	50% Govt share	50% Rate as per PC-I	Amount Paid	Excess/Diff per unit	Excess Amount
	Peddy Thresher	4	0.973	0.600	3.892	0.373	1.492
	Scraper manual	1	0.235	0.140	0.235	0.095	0.095
	Zero tillage	1	0.234	0.110	0.234	0.124	0.124
	Reaper/Wheat reaper	5	0.193	0.000	0.963	0.193	0.963
Total							45.147

Audit is of the view that the government sustained a financial loss because the procurement was made on rates higher than those provided in the PC-I. Further PC-I was not revised which is tantamount to negligence.

The matter was reported to the management in October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

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

(DP#85/AIR#9)

2.5.7 Non-vacation of 514 acres encroached land

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 office of the Directorate of Agriculture Farms & Major Crops Development Sindh, Hyderabad for the financial year 2022-23, it was observed that encroachment was reported on agricultural land totaling 514 acres: 369 acres on Adaptive Research Farm (ARF) Pangrio District Badin, 119 acres on Government Seed Farm Kumb District Tando Muhammad Khan and 26 acres on FESC Raharki District Ghotki. Despite lapse of considerable time, the department could not get the land vacated.

Due to negligence of management to protect the agricultural land from illegal occupants, there was a possibility of loss of government land.

The matter was reported to the management in October, 2024. DAC meeting was held on 12th November, 2024. The management stated that illegal encroachment was made on govt. land and the matter was challenged in concerned Honorable Court and is under trial. The DAC directed that an explanation be sought from the DG Extension regarding his failure to take action against those involved in the encroachment. However, the progress and relevant record was not produced to audit for verification till finalization of this report.

Audit recommends immediate action for the vacation of encroached government land and fixing responsibility for negligence. Legal measures should be pursued against encroachers, and a robust monitoring mechanism must be established to prevent future encroachments and safeguard public assets.

(DP#49/AIR#19)

2.5.8 Less/non-deduction of taxes – Rs 271.594 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 gross amount”.

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011, “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.” As per Second Schedule of the Sindh Sales Tax on Services Act, 2011, sales tax on services @ 13% is to be charged on individual/ AOP.

During audit of various offices of Agriculture, Supply & Prices Department, Government of Sindh for the financial years 2021 to 2023-24, it was observed that an

amount of Rs 4,954.312 million was paid to various vendors. However, various taxes amounting to Rs 271.594 million were less deducted from vendors at applicable rates on account of income tax, Sindh sales tax on services and general sales tax. The details are given at **Annex-1 of Chapter-2**.

Audit is of the view that the non-deduction of taxes is a significant irregularity and loss to government.

The matter was reported to the management during February to November 2024. The DAC meetings were held on 9th & 23rd October and 12th November, 2024. The management stated that the taxes are being deducted through SAP system as per policy. The DAC directed the management to get documents verified from audit. However, no record was produced to audit till finalization of this report.

Audit recommends immediate recovery of tax amount and fixing responsibility for non-compliance with tax laws. Measures should be taken to ensure strict adherence to tax regulations, with enhanced oversight mechanisms to prevent revenue loss in the future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23, 2021-22 and 2020-21 vide para number 2.5.11, 2.5.26 and 2.5.6 respectively having financial impact of Rs 788.061 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#32&72)

2.5.9 Non-realization of stamp duty - Rs 17.126 million

According to Rule 159 (a) of S.F.R. Vol-I, in the case of work or supply costing not less than Rs.100/- a contract should be made on written agreement, duly stamped and registered, so on that it can be maintained in the Court of Law in the event of dispute. Read with Section-2 of Stamp Act, “it is the duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of agreement @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost.”

During audit of following offices of Agriculture, Supply & Prices Department Government of Sindh, for the Financial Year 2023-24, it was observed that stamp duty @ 0.35% amounting to Rs 17.126 million was not realized on account of various purchases and services. The details are given as under:

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	DG, Agriculture Engineering Sindh, Hyderabad	2023-24	05	Procurement and various services	16.933
2	Addl Director, Agriculture Engineering Workshop Sukkur	2023-24	03	Non-execution of agreement and non-realization of stamp duty	0.167
3	DG, Agriculture Research Sindh, Tandojam	2023-24	21	Non-realization of stamp duty	0.026
Total					17.126

Audit is of view that due to non-deduction of stamp duty, government sustained loss.

The matter was reported to the management in October 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends immediate recovery of the outstanding stamp duty and fixing responsibility for non-compliance with the Stamp Act. Measures should be taken to ensure strict adherence to financial regulations, with enhanced oversight to prevent revenue loss in the future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23, 2021-22 and 2020-21 vide para number 2.5.14, 2.5.17 and 2.5.11 respectively having financial impact of Rs 36.772 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#91)

2.5.10 Non-recovery of fines – Rs 137.674 million

According to Rule-28 of General Financial Rules Vol-I, states “no amount to government should be left outstanding without sufficient reasons, and when any dues appear to be irrecoverable, the orders of the competent authority must be sought.

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

During audit of office of the Director General, Bureau of Supply & Prices, Karachi for the financial year 2023-24, it was observed that as per the Sindh Performance Management System, the management conducted inspections of 188,611 units. Consequently, fines amounting to Rs 137.674 million were imposed; however, no recovery was made. Additionally, the management failed to maintain records of defaulters, raising concerns about enforcement and accountability in the penalty recovery process.

Audit is of the view that due to non-recovery of fine, undue benefit was extended to the defaulters.

The matter was reported to the management in October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends immediate recovery of the outstanding fines and fixing responsibility for non-compliance with financial rules. Measures should be taken to strengthen monitoring and enforcement mechanisms to ensure timely collection of government dues. Proper record-keeping of defaulters must be maintained to enhance transparency and prevent revenue loss in the future.

(DP#105/AIR#16)

2.5.11 Short realization of revenue from wheat sales – Rs 9.315 million

According to Rule-5.3 of General Financial Rules read with Rule-7 of Treasury Rules regarding revenues and other receipts of the Government, “it is the primary duty of the officers concerned to see that dues of Government correctly and promptly assessed, quickly realized and immediately deposited into Government treasury”.

During audit of office of the Director Agriculture/Wheat Research Institute, Sakrand Shaheed Benazirabad for the financial years 2017-18 to 2022-23, it was

observed that revenue amounting to Rs 9.315 million was not realized in full from wheat sales. As per audit calculations, the total revenue should have been Rs 11.200 million; however, only Rs 1.884 million was deposited into the government account for the period 2021-22 and 2022-23. This reflects weak financial controls and ineffective revenue collection, leading to a loss to the public exchequer.

Audit is of view that sale proceeds were not fully realized and deposited which indicates financial indiscipline within the formation. Due to short realization/deposit of sale proceeds government sustained loss.

The matter was reported to the management in March, 2024. DAC meeting was held on 23rd October, 2024. The management stated that the land is used for experiment for development of new improved wheat varieties and rejected seeds were sold whereby the amount was assessed and its record are available. The DAC directed the management to get record verified from audit. However, the required record was not produced to audit for verification till finalization of this report.

Audit recommends immediate recovery of the short-realized revenue and fixing responsibility for under-assessment and non-deposit of government dues. Measures should be taken to ensure accurate revenue assessment, timely realization, and strict compliance with financial rules to prevent such discrepancies in the future.

(DP#24/AIR#01)

2.5.12 Mis-procurement of machinery, furniture & equipment - Rs 211.040 million

As per Rule 12 (1) of SPPR 2010, “All proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.” Rule-17(1) of SPPRA 2010 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 following offices of Agriculture, Supply & Prices Department, Government of Sindh for the financial year 2023-24, it was observed that an amount of Rs 211.040 million was incurred on purchase of furniture, machinery and IT equipment without tender and in violation of SPPRA Rules.

(Rs. in Million)

Sr. #	Name of office	AIR Para #	Particulars	Amount
1	DG, Agriculture Engineering Sindh, Hyderabad	06	Purchase of spare parts for bulldozers	105.600
		14	Purchase of laser levelling equipment	93.110
2	DG, Bureau of Supply & Prices, Karachi	01	Purchase of computer and printers	5.375
		02	Purchase of plant & machinery	3.398
		03	Purchase of furniture and fixture	2.762
		07	Purchase of IT equipment	0.795
Total				211.040

Audit is of the view that due to violation of SPPRA Rules, competitive rates were not achieved resulting into loss to the government.

The matter was reported to the management in October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends justification for the procurement without tendering, fixing responsibility for violating SPPRA rules, and ensuring strict compliance with procurement regulations. Measures should be taken to enhance transparency, prevent mis-procurement, and strengthen oversight mechanisms to avoid such irregularities in the future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 and 2021-22 vide para number 2.5.5 and 2.5.36 respectively having financial impact of Rs 21.896 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#73)

2.5.13 Irregular expenditure on account of cost of other stores – Rs 12.450 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 following offices of Agriculture Supply & Price Department, Government of Sindh for the financial year 2022-23, it was observed that an amount of Rs 12.450 million was incurred on account of procurement of large quantity of various seeds from cost of other stores without need assessment and procurement plan. Additionally, the stock account detailing previous seed availability and consumption during the year was not provided. Further, supply orders, records of delivery, its distribution and registration certificate with FBR of supplier were not available. In absence of above documents, the authenticity of the procured items becomes doubtful.

(Rs. in Million)

Sr. #	Name of Offices	Financial Year	AIR Para #	Amount
1	Director, Agriculture/Wheat Research Institute, Sakrand, Shaheed Benazirabad	2017-18 to 2022-23	03	6.630
2	Director, of Agriculture Farms & Major Crops Development Sindh, Hyderabad	2022-23	04	5.820
Total				12.450

Audit is of the view that the absence of procurement records raises concerns regarding the authenticity of the expenditure, transparency, and accountability. This indicates weak internal controls and inadequate financial oversight by the management.

The matter was reported to the management in March. The DAC meetings were held on 23rd October and 12th November, 2024. The management stated that all the record / documents are available. The DAC directed for office at Sr. # 2 that DG Ext. may enquire the matter and submit specific report and directed to issue

explanation to concerned DDO. The DAC directed for office at Sr. # 1 to get record verified from audit. However, the status of enquiry and relevant record was not produced to audit for verification till finalization of this report.

Audit recommends justification for the procurement without need assessment and proper documentation, along with fixing responsibility for non-compliance with financial rules. Measures should be taken to ensure transparent procurement planning, maintain complete records, and strengthen internal controls to prevent irregular expenditures in the future.

(DP#22)

2.5.14 Irregular expenditure on machinery – Rs 7.927 million

According to Rule-113 of Sindh Financial Rules Volume-1 “All material received should be examined, counted, measured or weighed as the case may be when delivery is taken and they should be taken by a responsible Government officer who should see that the quantities are correct and their quality is good and record certificate that he has actually received the materials and recorded them in the appropriate stock register”.

During audit of office of the Additional Director, Agriculture Extension, Tando Muhammad Khan for the financial year 2021-22 to 2022-23, it was observed that an amount of Rs 7.927 million was incurred on repair of office machinery. In order to verify the expenditure of repair of machinery, list of machinery and assets register was asked but the same were not found maintained. Hence office machinery was not recorded in the books of accounts and office does not have any record of total assets available within the office. It indicates that machinery was kept out of the office record. This provides the room for the theft and misuse of machinery.

Audit is of the view that the deliberate exclusion of office machinery from official records raises serious concerns regarding transparency and accountability. The absence of an asset's registers and machinery records not only hinders verification of the expenditure but also creates opportunities for theft, misuse, and potential misappropriation of government resources. This reflects weak internal controls and poor financial management by the department.

The matter was reported to the management in June, 2024. DAC meeting was held on 12th November, 2024. The management stated that the amount was expended as per requirement i.e., repair of machinery, the record / documents are available. The DAC directed that ADG Mirpurkhas may investigate and submit specific report within 3 weeks. However, the progress and required record was not produced to audit for verification till finalization of this report.

Audit recommends justification for the expenditure incurred on machinery repairs without proper asset records and fixing responsibility for non-compliance with financial rules. Immediate steps should be taken to maintain comprehensive assets register, ensure proper documentation, and implement strict internal controls to prevent misuse or misappropriation of government property in the future.

(DP#26/AIR#16)

2.5.15 Doubtful expenditure on repair of transport – Rs 5.374 million

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

During audit of office of the Director, Crop Reporting Service Center Sindh, Hyderabad for the financial year 2022-23, it was observed that an amount of Rs 5.374 million was incurred on account of repair of transport. However, invoices and quotations did not show period of repair and registration number of vehicles. Further, neither old parts register was maintained, nor repair work was got done from agriculture workshop.

Audit is of the view that due to non-maintenance of record; authentication of expenditure could not be ruled out.

The matter was reported to the management in February, 2024. DAC meeting was held on 9th October, 2024. The management stated that the expenditure was made on repair of vehicle after completing codal formalities and record / documents are available. The DAC directed that the matter seems serious in nature; hence, enquiry

may be conducted by Additional DG Engineering Lower Sindh, Hyderabad. However, the progress and required record was not produced to audit for verification till finalization of this report.

Audit recommends justification for the expenditure incurred on transport repairs without proper documentation and fixing responsibility for weak financial controls. Immediate measures should be taken to maintain complete records, including vehicle details, repair history, and procurement processes, to ensure transparency and prevent misuse of public funds in the future.

(DP#29/AIR#10)

2.5.16 Award of work without obtaining performance security – Rs 26.330 million

According to Section 39 of SPPRA “Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price”.

During audit of following offices of Agriculture, Supply & Prices Department, Government of Sindh for the financial year 2023-24, it was observed that an amount of Rs 263.307 million was paid to the various contractors. However, the performance security @ 10% of contract value amounting to Rs 26.330 million was not obtained / deducted.

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Contract amount	Perf security
1	Director General, Agriculture Research, Tandojam	2023-24	13	233.202	23.320
2	Programme Coordinator, Accelerated Action Plan (AAP), for reduction of Stunting & Malnutrition (Agriculture Sector) Karachi	2023-24	21	30.105	3.010
Total				263.307	26.330

Audit is of the view that the execution of contract in absence of performance security indicates extension of undue favour to the contractors at cost of Government interest.

The matter was reported to the management in October 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends obtaining the required performance security in accordance with Section 39 of SPPRA to safeguard the government's interest in case of contractual breaches. Responsibility should be fixed for non-compliance with procurement regulations, and corrective measures must be taken to ensure strict adherence to financial discipline in future procurements.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 2.5.25 having financial impact of Rs 338.217 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#86)

2.5.17 Procurement of seeds from unauthorized supplier instead of seed processors – Rs 4.328 million

As per Rule '1' Appendix 18-A of Sindh Financial rule 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 office of the Director, Agriculture Farms & Major Crops Development Sindh, Hyderabad for the financial year 2022-23, it was observed that an expenditure of Rs 4.328 million was incurred on the procurement of various seeds from a general order supplier instead of of seed processing suppliers. This deviation from procurement regulations raised concerns about the quality and authenticity of the seeds procured. Furthermore, the management did not provide records of the yield

obtained from the sowing of these seeds, casting doubt on the effectiveness and transparency of the procurement process.

(Rs. in Million)						
Sr. #	Name of Item	Qty (Kg)	Rate	Sowing rate per acre in kg	Total Acre	Amount
1	Hybrid Rice Seed	667	0.002	14	48	1.354
2	Sunflower Seed Hi-Sun-39	165	0.008	1.5	110	1.320
3	Sunflower Seed USS-440	605	0.002 & 0.0015	3	202	1.048
4	Barley Hybrid Seed	3,850	0.0001	14	275	0.385
5	Barley Seed (30-bag) per bag 3700/-	1,800	0.00012	14	128	0.222
Total					763	4.329

Audit is of the view that the procurement of various seeds from general order supplier without providing details raises doubts in terms of items' quality and utility of the entire expenditure incurred in the process.

The matter was reported to the management in March, 2024. DAC meeting was held on 12th November, 2024. The DG Extension briefed on procurement of various seeds. The DAC directed that ADG Mirpurkhas may conduct enquiry and submit specific report. However, the status of enquiry was not produced to audit for verification till finalization of this report.

Audit recommends justification for procuring seeds from an unauthorized supplier and fixing responsibility for non-compliance with procurement regulations. Immediate corrective measures should be taken to ensure procurement from licensed dealers to maintain quality standards. Additionally, records of seed utilization and yield performance should be maintained for transparency and accountability in future procurements.

(DP#12/AIR#01)

2.5.18 Non-reconciliation of balances - Rs 6,576.053 million

As per Para-11 of General Financial Rules Volume-I, each head of department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.

During Audit of the office of the Project Director, Sindh Water & Agriculture Transformation Project (SWAT), Hyderabad for the financial year 2023-24, the variation of Rs. 6,576.053 million was observed between the balance as per the department and bank statement as on 30 June, 2024.

(Rs. in Million)

A/C Title	Balance as per Department as on 30-06-2024	Balance as per Bank Statement as on 30-06-2024	Variation
PD Sindh Water and Agriculture Transformation Project (SWAT), Hyderabad (Agriculture Component)	8,777.928	2,201.875	6,576.053

Audit is of view that the management did not reconcile the accounts properly which shows weak internal control and financial indiscipline.

The matter was reported to the management in October, 2024. The management replied that World Bank released fund of Rs 6,576.053 million in May, 2024 but due to closure of financial year permission from Finance Department was received late in 31st July 2024. Following the receipt of permission the project records were updated. In support of reply the management did not provide evidence. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends immediate reconciliation of financial records with bank statements to rectify the discrepancies and ensure accurate reporting. Responsibility should be fixed for non-compliance with financial rules, and internal controls should be strengthened to prevent such variations in the future. Regular reconciliation procedures must be enforced to maintain financial transparency and accountability.

(DP#103/AIR#10)

2.5.19 Doubtful expenditure on repair of vehicles – Rs 6.032 million

As per Rule 88 of Sindh Financial Rules, “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”.

During audit of office of the Additional Director, Agriculture Extension, Tando M Khan for the financial years 2021-22 and 2022-23, it was observed that an expenditure of Rs 6.032 million was incurred on repair of 03 vehicles only, which is quite unusual and seems unjustified. Hence the expenditure so incurred stands doubtful.

Audit is of the view that huge expenditure on just 03 vehicles indicates misuse of funds on the part of management and chances of misuse of Government funds cannot be ruled out.

The matter was reported to the management in October, 2024. DAC meeting was held on 12th November, 2024. The management stated that the amount was incurred on repair of three vehicles and the record / document are available. The DAC directed that ADG Mirpurkhas may enquire the matter and report. However, the result of enquiry and relevant record was not produced to audit for verification till finalization of this report.

Audit recommends a detailed investigation into the excessive repair expenditure to ascertain its authenticity and fix responsibility for possible misuse of funds. Proper verification of repair records, including invoices, work details, and vehicle condition assessments, should be conducted. Measures should be taken to strengthen internal controls and ensure transparency in future repair expenditures to prevent financial mismanagement.

(DP#27/AIR#14)

2.5.20 Fraudulent drawal of salary by single employee – Rs 1.120 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 office of the Additional Director Agriculture Extension Jamshoro for the years 2017-18 to 2022-23, it was observed that an employee obtained two separate employee IDs by manipulating the CNIC number and was simultaneously appointed to two different job positions under Cost Center JO0032. Furthermore, both positions were linked to a single bank account, indicating potential misappropriation of salary funds. The detail is given as under: -

(Amount in Rupees)

CNIC & Personnel #	First Name	Date of Birth	Job Title	Description	Bank Number	Bank account number	Amount
4540307961333 /10370512	Hakim Ali Khoso	2/8/1977	F W Assistant (Female)	Field Assistant BS-17	230021	12752-5	1,120,488
4540307961334 /10469888	Hakim Ali Khoso	2/8/1977	F W Assistant (Male)	Field Assistant BS-11			

Audit is of the view that the employee received dual salary payments and other benefits for a single position, resulting in an overpayment of Rs 1.120 million from the same cost center. The use of a single bank account for both positions further substantiate the fraudulent nature of the practice. Additionally, audit suspects that this malpractice has been ongoing for an extended period.

The matter was reported to the management in October 2024. DAC meeting was held on 12th November, 2024. The management briefed that the enquiry committee has already been constituted to conduct enquiry into the matter. However, the status of enquiry was not produced to audit for verification till finalization of this report.

Audit recommends immediate recovery of the fraudulently drawn salary and initiation of disciplinary action against the responsible officials for manipulation of records. A thorough investigation should be conducted to identify lapses in internal controls, and measures should be implemented to prevent such fraudulent practices in the future, including biometric verification and periodic audits of employee records.

(DP#3/AIR#06)

2.5.21 Non-utilization of new Holland Bulldozers

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 Additional Director, Agriculture Engineering Workshop Larkana for the financial years 2022-23 & 2023-24, it was observed that 06 new Bulldozers were neither being in use since long nor record of purchase was provided to audit. Audit could not ascertain whether the purchase was faulty or wear & tear has rendered the bulldozers un-useable.

Sr No	Bull Dozer No.	Sub-Division	Status
1	New Holland NH-35	Kambar	Out of order
2	New Holland NH-36	Kambar	Out of order
3	New Holland NH-11	Mehar	Out of order
4	New Holland NH-12	Dadu	Out of order
5	New Holland NH-37	Dadu	Out of order
6	New Holland NH-38	Sehwan	Out of order

Audit is of the view the huge amount was incurred for purchase of bulldozers without getting benefit which is tantamount to negligence on the part of the management.

The matter was pointed out to the management in October, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends an immediate inquiry into the non-utilization of bulldozers and fixing responsibility for negligence. Steps should be taken to ensure their timely repair and deployment for core functions. A proper maintenance and utilization record must be maintained to prevent operational inefficiencies and potential misuse of government assets in the future.

(DP#108/AIR#7)

2.5.22 Non-conducting of research work by various Research Institutes/stations under the control of Directorate

Following were the objectives/targets of the Institute:

- To develop/select out the high yielding varieties
- To help the growers of the area by providing good/quality seed of standard varieties
- To conduct survey of the area on the occurrence of insect pests and diseases, their distribution alternative hosts etc.
- To develop control measures through chemical use and biological measures etc
- To collect agronomical data on varieties evolved by Dubari Crops Research Institute Larkana
- To develop improved production technologies i.e water requirement of the crop, optimum seed rate, optimum plant spacing and weed control measures.
- To increase the production of low delta crops i.e., cereals, oil seeds and pulses under dubari conditions.

During audit on the accounts of office of the Director Quaid-e-Awam Agriculture Research Institute, Naudero, Larkana for the financial year 2022-23, it was observed that research work by institutes/stations under the control of Director Quaid-e-Awam Agriculture Research Institute, Naudero in different fields of crops i.e., sugarcane, oil seeds, wheat, pulses, cereals etc. was not conducted during the financial year to achieve the above objectives. Further, no disciplinary action against the person (s) for negligence of core functions was initiated.

Audit is of the opinion that due to non-conducting research work, purpose of establishment of the office was not served.

The matter was pointed out to the management in April 2024. DAC meeting was held on 23-10-2024. The management stated that the Agriculture Research Quaid e Awam, Larkana achieved work of Institutes / Stations through different field of crops i.e. sugarcane, oilseeds, wheat and pulses etc. The DAC directed to issue instructions to DG Research that quality and quantity of crops by virtue of research is not satisfactory, due to which agriculture sector is suffering and needs improvement and directed to provide record to audit to verify the achievement if any. However, the

progress and relevant record was not produced to audit for verification till finalization of this report.

Audit recommends fixing responsibility for the non-conducting of research work by the institutes/stations under the control of the Directorate. Measures should be taken to ensure research activities align with the defined objectives, including the development of high-yielding varieties, pest control measures, and improved production technologies. The department must strengthen internal controls and enforce accountability to enhance research outcomes and support agricultural productivity.

(DP#60/AIR#09)

2.5.23 Non-auction of agricultural products

Para-167 of General Financial Rules, “store materials which are reported to be absolute surplus, or un-serviceable may be disposed-off by sale or otherwise under the orders of the competent authority, to sanction write off in respect of loss caused by deficiencies and depreciation equivalent to their value.”

During audit on the accounts of following offices of Agriculture, Supply & Prices Department, Government of Sindh, for the financial year 2022-23, it was observed that agriculture products i.e., Onions, Bananas, Citrus Fruits and seeds were not auctioned by the Onion Research Institute, Husri @ Hyderabad, Banana Research Institute, Kotdiji and Citrus Research Institute, Sakrand, as no record was produced by the management of the sub-stations. Moreover, the information/ details of area of land/ its distribution (product wise), total area of cultivated and uncultivated land was also not available on record.

Sr.#	Name of Offices	Financial Year	AIR Para #
1	Executive Director, Horticultural Research Institute, Mirpurkhas (including Sub-Stations)	2022-23	03
2	Director, Onion Research Institute, Husri @ Hyderabad	2022-23	03

Audit is of the view that due to non-auction of agricultural products of the sub-stations and non-availability of information/record of specific products, misuse/ misappropriation of funds cannot be ruled out.

The matter was pointed out to the management in February 2024. DAC meeting was held on 23-10-2024. The management stated that the concerned offices have cultivated crops of citrus plants at Sakrand for experiment and no income was generated from sell of nursery. The DAC directed to produce record for verification. However, the relevant record was not produced to audit for verification till finalization of this report.

Audit recommends immediate auction of agricultural products in a transparent manner and fixing responsibility for non-compliance with financial rules. The department should ensure proper documentation of land utilization, cultivation details, and revenue generation from agricultural produce. Measures must be taken to enforce internal controls and prevent financial losses due to mismanagement.

(DP#58)

Chapter - 3

Auqaf, Religious Affairs, Zakat & Ushr Department

3.1 Introduction

Department's main functions are detailed below:

1. Management and looking after of shrines, *dargahs* and mosques,
2. Making proper arrangements for lighting, cleanliness, drinking water, *wazoo khana* (Ablution Place) for the performance of religious rites at shrines and mosques,
3. Construction of *musafirkhanas* (Resting Place), *langarkhanas* (Eating Place), lavatories, etc. at the shrines/*dargahs* to facilitate *zaireen* (Devotees),
4. To generate maximum revenue from the *waqf* properties, contracts, rents and lease, etc. so that the same amount be utilized on maintenance and reconstruction of old shrines, *dargahs* and mosques,
5. To assist and coordinate district wise Hajj trainings to group leaders and the intending pilgrims,
6. To extend welfare / financial assistance out of its self-generated funds to orphans, destitute and disabled persons on yearly basis,
7. The Auqaf Department also maintains agriculture land and property as *Waqf* properties.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	899.652	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

3.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,674.861	354.609	306.835	(306.835)	(694.840)	1,334.630	1,187.121	(147.509)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 147.509 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	11.268	11.268

Revenue estimates were not fixed. However, receipts of Rs 11.268 million were realized.

3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 428.606 million were raised as a result of this audit. This amount also includes recoverable of Rs 5.126 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Others	
A	Operational inefficiency	347.579
B	Internal controls weaknesses	81.067
	Recovery	5.126

3.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 26.31%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	0	0	0	0	-
4	2001-02*	0	0	0	0	-
5	2004-05*	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	4	3	0	3	-
13	2016-17	8	7	1	6	14.28
14	2017-18	0	0	0	0	
15	2018-19	0	0	0	0	
16	2019-20	4	2	2	2	50
17	2020-21	3	1	2	1	66.67
Total		19	13	5	12	26.31

3.5 AUDIT PARAS

3.5.1 Un-authorized retention of government revenue – Rs 75.941 million

As per Rule 41 & 41(a) of Sindh Financial Rules, “It is the duty of the controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to public account and the amount collected into the treasury or otherwise accounted for and compare them with the statement of recovery furnished by the Accountant General to see that the amount reported as collected have been duly credited in the public account”.

During audit of office of the Chief Administrator Auqaf Sindh, Hyderabad for the financial year 2023-24, it was observed that an amount of Rs 287.356 million was collected/ realized on account of receipts of various contract, rent, Nazrana etc. However, an amount of Rs 75.941 million was retained in various bank accounts instead of depositing in government treasury. The details are given as under:

(Rs. in Million)

Sr#	Account No.	Branch	Balance as on 01.07.2023	Debt	Credit	Balance as on 30.06.2024
1	4083361195	NBP-Sehwan Branch	19.782	36.724	18.090	1.148
2	4002730214	NBP-Shahbaz Building Hyderabad	63.751	265.124	269.266	67.893
3	4321451593	NBP-Bhitshah	3.455	-	-	6.900
Total			86.989	301.848	287.356	75.941

Audit is of the view that retention of government revenue in DDO account is unauthorized and blockage of funds.

The matter was reported to the management during August, 2024. DAC meeting was held on 18-12-2024, wherein the management stated that instructions have been issued to deposit the receipts in NBP Hyderabad before 5th of each month. DAC directed to ensure the deposit and also issue warning to the concerned for negligence. However, no progress was reported till the finalization of this report.

Audit recommends that public money illegally retained be deposited in the government treasury forthwith, besides fixing of responsibility on the person at fault and discontinuation of such practice in future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 & 2023-24 vide para number 3.5.19 & 3.5.5 respectively having financial impact of Rs 717.209 million. Recurrence of same irregularity is a matter of serious concern.

(DP#12 / AIR#3)

3.5.2 Non/less deduction of various taxes – Rs 5.126 million

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011, 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 as per Second Schedule of the SST on Services Act, 2011, the rate of tax is 13% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies. And according to Notification issued to 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 1/5th 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 contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

During audit of following offices of Auqaf, Religious Affairs, Zakat & Ushr Department, Govt. of Sindh, it was observed that an amount of Rs 5.126 million was non/less deducted on account of various taxes i.e., General Sales Tax, SST & Income tax. The details are given as under:

(Rs. in Million)

(Rs. in million)								
Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Exp:	Due tax	Deduc -ted	Less deduction
01	Secretary Auqaf, Religious Affairs, Zakat & Ushr	2023-24	15	GST, SST	6.966	1.076	0.424	0.652
02	Chief Administrator		01	Income Tax	24.056	1.924	0	1.924
			05	SST and IT	10.242	1.115	0	1.115
			19	SST	21.137	1.056	0	1.056

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Exp:	Due tax	Deduc -ted	Less deduction
	Auqaf Sindh, Hyderabad		22	Stamp duty	108.315	0379	0	0.379
Total								5.126

Audit is of the view that due to non/less deduction of GST, SST, Income tax and Stamp duty, government sustained loss, which indicate weak financial controls within the formation.

The matter was reported to the management during July and August, 2024. DAC meeting was held on 18-12-2024, wherein the management stated that AG Sindh is responsible for deduction of applicable taxes. The DAC directed the management to approach the office of the AG Sindh/District Accounts Officer, Hyderabad for obtaining the clarification regarding less deduction of various taxes i.e. GST, SST, STB and Income tax etc. However, no progress was reported till finalization of this report.

Audit recommends recovery may be affected besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 & 2023-24 vide para number 3.5.23, 3.5.24 & 3.5.8, 3.5.9 respectively having financial impact of Rs 12.398 million. Recurrence of same irregularity is a matter of serious concern.

(DP#07, 08 &11)

3.5.3 Unjustified execution of civil works/ repair of office – Rs 347. 539 million

As per Central Public Works Department Code Section #d.-compilation of accounts1.3-Monthly Accounts (g) Monthly Account Rule#520) The Monthly Account should be prepared in Form 80 fort presentation (with all supporting registers, schedules, vouchers, etc.) to the Divisional Officer and submission to the Accountant General. This account is an abstract of the entire receipts and disbursements of the month, as worked out in the Abstract Book (Form 81) and as detailed in the various schedules and registers, and also shows the opening and closing cash balances, and on the back of the form are printed.

During audit of office of the Chief Administrator, Auqaf Sindh, Hyderabad for the financial year 2023-24, it was observed that an expenditure of Rs 347.539 million was incurred on maintenance and repair (M&R) works, civil works, and various development schemes; however, several irregularities were noticed, including the absence of pre-audit for payments to contractors, non-appointment of a professionally qualified Divisional Accountant as required by the Controller General of Accounts, preparation of running bills reflecting only current work done without maintaining comprehensive running account bills, execution of M&R works without prior preparation of estimates, failure to record measurements in the Measurement Book (MB), and omission of satisfactory work completion certificates from payment vouchers.

(Amount in Rupees)			
Cost Center	GL Account	Component	Amount
HB0624	A13370-Others	M&R	24,905,691
HB5093	A12470-Others	PSDP(original Works)	322,633,367
Total			347,539,058

Audit is of the view that due to non-observance of above codal formalities, execution of civil works stands doubtful which indicate weak financial internal controls within the formation.

The matter was reported to the management during August, 2024. DAC meeting was held on 10-01-2025, wherein the management stated that all bills were duly audited by the Audit Officer Auqaf and measurements were also recorded in measurement book. The DAC directed to produce record within 07 days for verification. However, no record was produced till finalization of this report.

Audit recommends inquiry to fix responsibility on the person(s) at fault and devise preventive mechanism for non-recurrence of such irregularity.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 and 2023-24 vide para number 3.5.5 & 3.5.3 having financial impact of Rs 979.027 million. Recurrence of same irregularity is a matter of serious concern.

(DP#16 / AIR#9)

Chapter - 4

Board of Revenue

4.1 Introduction

The Board of Revenue was established in 1970 and governed by the Sindh Board of Revenue Act, 1957. It is a controlling authority relating to management of state land, collection of land revenue and other taxes/duties, maintenance of revenue record and other allied matters. It has appellate and reviewing authority in all revenue cases / matters.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	5	5	3,834.847	17,130.902
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

4.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
11,836.529	1,180.846	6,204.594	(6,204.594)	(134.447)	12,882.928	9,094.922	(3,788.006)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 3,788.006 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
63,218.000	84,800.000	17,383.440	(67,416.560)

Revenue estimates were increased upto 34% in revised estimate. Actual receipt were 20% of revised estimate.

4.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs. 6,616.516 million. This included Rs. 60.176 million due to non-production of records, Rs. 140.35 million related to procurement irregularities, and Rs. 5,516.24 million attributed to operational inefficiencies. Additionally, weaknesses in internal controls accounted for Rs. 893.811 million, while recoverable amounts stood at Rs 5.939 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	60.176
2	Irregularities	
A	Procurement related irregularities	140.350
3	Others	
A	Operational Inefficiency	5,516.240
B	Internal Control Weakness	893.811
C	Recovery	5.939

4.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	55	19	0	19	-
2	1998-99	7	4	0	4	-
3	1999-2000	21	7	0	7	-
4	2001-02	9	9	0	9	-
5	2004-05	0	0	0	0	-
6	2005-06	0	0	0	0	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
7	2006-07	7	7	0	7	-
8	2007-08	5	5	0	5	-
9	2008-09	10	10	0	10	-
10	2009-10	0	0	0	0	-
11	2010-11	5	5	0	5	-
12	2014-15	0	0	0	0	-
13	2016-17	0	0	0	0	-
Total		119	66	0	66	66

4.5 AUDIT PARAS

4.5.1 Non-production of auditable record – Rs 60.176 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of following offices of the Board of Revenue, Government of Sindh for the financial year 2023-24, it was requested to provide Auditable record vide various requisitions. The record was requisitioned for the FY 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. However, the issue of non-production has remained unresolved. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
1	All Assistant Commissioners, District Shikarpur	2023-24	13	Revenue receipts	43.874
2	Assistant Commissioner, Khipro, District Sanghar	2023-24	01	Complete Record on account of HR (Pay & Allowances)	9.813
				Complete record on account of FI (Contingent Heads)	6.489
	All Assistant Commissioners, District Sanghar			Revenue and land records	0,000
3	All Assistant Commissioners, District Dadu	2022-23	22	Revenue record	0.000
Total					60.176

In such circumstances, neither the sanctity of utilization of public money according to relevant financial and other applicable rules could be verified nor the constitutional duty of Auditor-General of Pakistan could be fulfilled.

The matter was reported to the management during April-2024 to November-2024. DAC meeting was held on 24th December, 2024 and 3rd January, 2025. The management at Sr#01 stated that the some of the record which was not ready had been compiled and ready for audit. The management at Sr#02 & 03 did not furnish reply. The DAC directed the management to conduct fact-finding inquiry in the matter and

submit the inquiry report under intimation to Audit. During the verification, the management did not furnish the compliance of the DAC directives till finalization of this report.

Audit recommends that responsibility for non-production of record should be fixed and action be taken against the responsible besides ensuring production of record in upcoming audits.

(DP#68)

4.5.2 Deficiencies in Agricultural Income Tax Assessment & Revenue Collection

According to Section-6 of the Sindh Land Tax and Agriculture Income Tax Ordinance 2000, there shall be charged, levied and paid for every assessment year agriculture income tax in respect of total agriculture income of the agriculture income year of an owner at the rates specified in the second schedule of this ordinance. Further, under Rule-20 of the Sindh Land Tax and Agriculture Income Tax Rules 2001, the amount of tax, which is not paid within the due date, shall be recovered as arrears of land revenue.

During the audit of the Board of Revenue, Government of Sindh, for the financial years 2022-23 and 2023-24, it was observed that core revenue functions and deliverable services were not effectively performed. The assessment and collection of Agricultural Income Tax (AIT) were found to be under-assessed and incomplete, as the necessary mechanisms to evaluate AIT for all Khatedaars were not prepared. Furthermore, significant negligence was observed in revenue generation and the collection cycle, indicating that the total revenue realization was insufficient against the potential collections. The details are given at Annex-1 of Chapter-4.

Audit is of the view that weak revenue assessment practices, poor oversight, and lack of interest from the management have resulted in substantial revenue shortfalls. The failure to establish a structured collection mechanism for AIT and overall revenue generation reflects ineffective financial management.

Audit recommends management to develop a comprehensive assessment mechanism for AIT, ensure proper revenue collection processes, and take corrective actions to address shortfalls and inefficiencies in revenue generation.

The matter was reported to the management during April, 2024. DAC meeting was held on 24th December, 2024. The management stated that during the monsoon year 2022, the crop has been damaged / destroyed in the entire province; consequently, Relief department declared so many districts as calamity affected area. Board of Revenue issued guidelines effectively and workshops / training were also held at the divisional level. The matter was reported to the management during April-2024 to November-2024. The A.C Shaheed Benazirabad and Larkana stated that due tax has been collected and deposited in government treasury. The A.C Khairpur stated that Agriculture Income Tax could not be assessed and collected due to heavy rains and floods in 2022 and A.Cs of Dadu stated that notices have been issued to the defaulters. The DAC directed to produce relevant record of assessment and recovery and expedite the recovery process. During verification the management did not furnish the required record to audit.

Audit recommends the Senior Member, Board of Revenue, Hyderabad, to ensure the proper assessment and collection of Agricultural Income Tax (AIT) by establishing a transparent assessment mechanism for all Khatedaars. Immediate corrective measures should be taken to enhance revenue collection, prevent shortfalls, and ensure efficient execution of core functions.

(DP#18 &69)

4.5.3 Irregular payment on account of land acquisition – Rs 884.373 million

According to Rule-23 of Sindh Financial Rules, Volume-I, “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. According to Para 110 (iii) of Sindh Financial Rules, Volume-I, “the office which 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 Member/Secretary, Land Utilization Department, Hyderabad for the financial year 2022-23, it was observed that an amount of Rs 884.373 million was paid to Land Acquisition Officers of Taluka Ghotki and Kandhkot for acquiring land under Land Acquisition Act 1894, but the Land Award Statement and disbursement of money with acknowledgement of land owner, verification of ownership certificate, possession certificate and other relevant documents required in land acquisition process was not produced to ascertain the authenticity of payment. Furthermore, Land utilization department did not take any measures to get progress

report, reconciliation report of the funds provided to Land Acquisition Officers. The details are given as under.

(Rs. in Million)					
Cost Center	G/L	G/L Descp	Vendor Name	Cheque No	Amount
HB0135	A09101	Land and buildings	Assistant Commissioner (LAO) Taluka Kandhkot	4740769	380.127
HB0135	A09101		Assistant Commissioner (LAO) Taluka Ghotki	4740770	504.246
Total					884.373

Audit is of the view that due to non-provision of record, the authenticity of expenditure could not be ascertained by audit, which constituted weak administrative and financial management.

The matter was reported to the management during April, 2024. DAC meeting was held on 24th December, 2024. The management stated that the funds were received for tentative compensation for land acquisition and damages for Ghotki-Kandhkot Bridge Project. The DAC directed to produce the progress report, reconciliation and statements of awards passed by the Land Acquisition officers. During verification the record was not produced to audit for verification.

Audit recommends the Land Utilization Department to ensure the immediate submission of Land Award Statements, ownership verification, possession certificates, and disbursement records to confirm the legitimacy of payments. Additionally, the department should establish a monitoring mechanism to obtain regular progress and reconciliation reports from Land Acquisition Officers.

(DP#19, AIR#01)

4.5.4 Short-achievement of revenue target – Rs 55,187.539 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 treasury.”

During audit of following offices of Board of Revenue Department, Government of Sindh for the financial year 2022-23 & 2023-24, it was observed that various revenue receipts amounting to Rs 55,187.539 million were short realized/collected against target set in the budget. Less realization of revenue receipts depicts

that Board of Revenue management failed in achieving target of collections. The details are as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Estimate/ target	Collection	Short collection
1	Senior Member, Board of Revenue, Hyderabad	2023-24	01	84,800.000	61,539.801	23,260.199
2	Chief Inspector Stamps Karachi	2023-24	4	49,049.000	17,121.664	31,927.340
Total				133,849.000	78,661.465	55,187.539

Audit is of the view that shortfall in desired target indicates prevalence of poor management practice within the department.

The matter was reported to the management during April, 2024 & August, 2024. DAC meeting was held on 24th December, 2024 and 3rd January, 2025. The management at Sr.#1 (Senior Member, Board of Revenue, Hyderabad AIR#16) stated during the monsoon year 2022, the crop has been damaged / destroyed in the entire province; consequently, Relief Commissioners declared so many districts as effected area due to which the target could not be achieved. The DAC directed that the Finance Department may be approached to revisit the policy of setting up the realistic targets in future. During verification, the management did not furnish relevant record to audit for verification.

Audit recommends the Board of Revenue Sindh to take immediate measures to improve revenue collection mechanisms, identify reasons for shortfalls, and implement corrective actions to achieve budgeted targets and enhance financial performance.

(DP# 63&66)

4.5.5 Less/ Non- deduction of various taxes – Rs 5.939 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 contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”. As per section 72 the read with section 2[5,6,9,13,26] and 75 of the Sindh Sales Tax on Service Act, 2011, goods and services used or consumed in a service are

liable to a tax rate not lesser than the 13% of charges or to a specific rate of tax not based on value. And as per Section 3(1) of the Sales Tax Act, 1990, “There shall be charged, levied and paid a tax known as sales tax @ 14% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”. Further Section 3(1A) ibid “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1).

During audit of various offices of Board of Revenue Department, Government of Sindh for the financial year 2022-23 & 2023-24, it was observed that the payments were made to various suppliers / contractors but, Income Tax, GST and SST amounting to Rs 5.939 million were less/ non-deducted at applicable rates, resulting in loss to the government. The details are given at Annex-2 of Chapter-4.

Audit is of view that due to non-deduction of due taxes government sustained financial loss.

The matter was reported to the management during May to November 2024. DAC meeting was held on 24th December, 2024 and 3rd January, 2025. The management stated that the deduction of taxes is the sole domain of the concerned District Accounts Office and where due, the tax has already been deducted. The DAC directed to recover the taxes and produce documentary evidence for verification to audit. During verification, the management did not furnish the evidence of recovery to audit for verification.

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

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 & 2023-24 vide para number 4.5.18 & 4.5.5 respectively, having financial impact of Rs 43.546 million. Recurrence of same irregularity is a matter of serious concern.

(DP#27&40)

4.5.6 Non-completion of old ADP Scheme since 2005 – Rs 328.696 million

According to modified PC-I of scheme “Preservation of Land Revenue Record & Revamping of Survey Settlement Department”, The essential prioritized objective of the scheme is to preserve prioritized land revenue record which is over 150 years old pertaining to survey of the province, available at the Directorate of Survey & Settlement comprising consisting of 800,000 pages and 5,000 maps out of total available record of 10 million pages and 19000 maps which is to be preserved. The said scheme was initially started in December, 2005. Later on, the same scheme was introduced as on-going scheme in 2015-16 as 2nd phase and was to be completed in year 2017.

During audit of office of the Secretary cum Director, Land Administration and Revenue Management Information System (LARMIS), Board of Revenue Sindh, Karachi for the financial year 2023-24, it was observed that an ADP Scheme namely “Preservation of Land Revenue Record & Revamping of Survey Settlement Department” was started in the year 2005 with cost of Rs 486.889 million and expenditure of Rs 328.696 million has been incurred up to June, 2024. The PC-I was modified in 2015 and the completion time was set as year 2017. However, the objectives and deliverables of the said scheme have not been achieved till date and the scheme is still running and many contractual employees are still on its payroll drawing salary every year without any output. Resultantly millions of rupees are wasted every year on payment of salary to staff. The management has failed to take strict action against the contractors for non-completion of tasks assigned to them despite lapse of many years.

Audit is of the view that the above position shows poor performance of management towards achieving important objectives of bringing reforms in land management.

The matter was reported to the management in September, 2024. DAC meeting was held on 24th December, 2024 and 3rd January, 2025. The management stated that the delays occurred due to a shortage of imported lamination paper, the global Covid-19 pandemic, and other issues. The DAC directed to investigate the matter and share the report with audit. During the verification the management did not furnish the inquiry report to audit.

Audit recommends the LARMIS management to review the delayed ADP scheme, take action against non-performing contractors, and assess the necessity of continued staff salaries to prevent further financial waste.

(DP#60, AIR#16)

4.5.7 Irregular expenditure without inviting open tenders – Rs 12.215 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 Senior Member, Board of Revenue, Hyderabad for the financial years 2022-23, it was observed that an expenditure of Rs 12.215 million was incurred account of purchase of printing material without inviting open tenders.

Audit is of the view that the tenders were not invited for procurement of printing and stationery items as a result competitive rates were not obtained. In the absence of competitive rates, chances of compromise on quality & payment of higher rates cannot be ruled out.

The matter was reported to the management during April, 2024. DAC meeting was held on 24th December, 2024 and 3rd January, 2025. The management stated that the expenditure has been made as per actual need of this office. The DAC directed to produce supporting record. During verification, the management did not produce required record to audit for verification.

Audit recommends investigation of the matter besides taking remedial measures.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 and 2023-24 vide para number 4.5.9 & 4.5.4 respectively, having financial impact of Rs 213.097 million. Recurrence of same irregularity is a matter of serious concern.

(DP#8, AIR#11)

4.5.8 Irregular expenditure on purchase of furniture & I.T equipment – Rs 128.135 million

According to Rule 11(1) of SPPRA Rules 2010 “Mandatory Provision of Procurement Plan - All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements”.

During audit of office of the Secretary cum Director, Land Administration and Revenue Management Information System (LARMIS), Board of Revenue Sindh, Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 128.135 million was incurred on purchase of various furniture items and I.T equipment for Peoples Service Centers located in 30 districts of province. However, the procurements were made without preparing annual procurement plan and obtaining separate budget for said procurements, rather the expenditure was incurred from the head of account “others A-03970” which is tantamount to misclassification. The management did not obtain re-appropriation from Finance Department for incurrence of expenditure. Furthermore, dead stock register of purchased items was not maintained. The details are as under:

(Rs in Million)

W/order #	Supplier	Particulars	Amount
1067/21-05-24	AK Links Ltd.	Supply of executive tables and executive chairs for Service Centers	17.809
1066/21-05-24	TK Medical Instruments	Supply of visitor chairs & benches for Service Centers	16.131
1065/21-05-2	Rockwell Enterprises	Supply of I.T equipment for Service Centers	94.195
Total			128.135

Audit is of the view that the whole expenditure on procurement was incurred by violating provisions of SPPRA rules and misclassification of expenditure etc. This indicates that administrative & financial control is very weak in the department.

The matter was reported to the management during September, 2024. DAC meeting was held on 24th December, 2024 and 3rd January, 2025. The management stated that the office does not have the object codes and separate budget and the existing budget was utilized. The DAC directed to approach Finance department for

ensuring the budget is provided under proper heads. However, no further progress was communicated to audit till finalization of this report.

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

(DP#38, AIR #06)

Chapter - 5

Chief Minister's Secretariat

5.1 Introduction

The province of Sindh has a Governor, a council of ministers headed by a Chief Minister elected by provincial assembly. Members of the provincial assembly are elected by the public in an electoral polling process. Chief Minister is the head of provincial government. The Chief Minister is the chief executive of Sindh. The Chief Minister secretariat / house deals with administrative services, and financial matters pertaining to the Chief Minister's secretariat and staff therein. The secretariat also coordinates matters between the Federation and the province and with provincial relations. The secretariat is headed by the Principal Secretary to Chief Minister who is the overall administrative head of Chief Minister secretariat.

(Rs. in Million)

Sr.#	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	1	1	1,425.838	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

5.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,252.367	507.974	274.070	(274.070)	(13.628)	1,746.713	1,577.400	(169.313)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 169.313 million were observed which were not surrendered in time.

(Rs. in Million)			
Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	0.440	0.440

Revenue estimates were not fixed. However, receipts of Rs 0.440 million were realized.

5.3 Classified Summary of Audit Observations

Audit observation amounting to Rs 100.000 million was raised as a result of this audit. Summary of Audit observation classified by nature is as under:

(Rs. in Million)		
Sr. No.	Classification	Amount
1	Others	
A	Internal Control Weaknesses	100.000

5.4 Comments on the Status of Compliance with PAC Directives

This department was not included in Audit reports (1992-93 to 2010-11) discussed by the PAC. However, the department has been included in Audit Report 2016-17. The Report has not yet been discussed in PAC.

5.5 AUDIT PARAS

5.5.1 Unjustified payment of Grant in Aid - Rs 100.000 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of office of the Principal Secretary, Chief Minister's Secretariat/House, Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 100.000 million was incurred through Grant in Aid to the JDC without codal formalities. The selection of JDC NGO despite the presence of other NGOs working for the same purpose was not provided. The details are given as under:

(Rs. in Million)

Document No	G/L Descp.	Vendor Name	Cheque No	Payment Date	Amount
1900662901	To Non-Financial Institutions	JDC	5261968	05/04/2024	100.000

Audit is of the view that payment was granted to the NGO without codal formalities or explanation for selecting JDC over other similar NGOs, raising concerns about the transparency and justification of the expenditure.

The matter was reported to the management during November, 2024. DAC meeting was held on 9th December, 2024. The DAC directed the management to produce the utilization report and bank statement to audit for verification in order to ensure that the funds were utilized in public interest. During verification the

management did not provide the bank statements, utilization reports and criteria for selection.

Audit recommends strict observance codal formalities / SOPs for awarding Grant in Aid to any organization/individual.

(DP#10/AIR # 01)

Chapter - 6

College Education Department

6.1 Introduction

The College Education Department was established on October 6, 2016, following the bifurcation of the Education & Literacy Department into two separate entities: the College Education Department and the School Education Department. The primary purpose of forming the College Education Department was to effectively manage the various aspects of college education in Sindh.

Some of the responsibilities of the department are legislation, policy formulation and sectoral planning, college education including commerce education, coordination of schemes for higher studies abroad, grant of scholarships, promotion of scientific research, improvement of scientific, technology and professional education, development and funding of higher education in public and private sectors, curriculum and syllabus designing, regulating private colleges, development and funding of higher education in public and private sectors etc.

The College Education Department is dedicated to improving the overall quality of higher education in Sindh by focusing on effective management, policy creation, planning, and development of resources to support students, educators, and academic institutions. Its efforts are aimed at creating a robust educational framework that aligns with international standards while addressing local needs.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	45	11	6,810.130	9,458
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

6.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
34,244.156	77.671	11,308.919	(11,310.271)	(3,338.682)	30,981.793	28,952.205	(2,029.588)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 2,029.588 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	123.235	123.235

Revenue estimates were not fixed. However, receipts of Rs 123.235 million was realized.

6.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,834.707 million were raised as a result of this audit. This amount also includes recoverable of Rs 15.537 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	1,095.700
2	Irregularities	
A	HR/Employees related irregularities	3.467
B	Procurement related irregularities	24.150
C	Management of Accounts with Commercial Banks	149.270
3	Others	0
A	Operational Inefficiency	1,562.120
B	Recovery	15.537

6.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 23.46%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	27	11	9	2	81.8
2	1998-99	14	7	0	7	-
3	1999-2000	20	0	0	0	-
4	2001-02*	11	6	2	4	33.3
5	2004-05*	10	9	3	6	33.3
6	2005-06	3	1	0	1	-
7	2006-07	3	2	0	2	-
8	2007-08	19	12	0	12	-
9	2008-09	8	2	0	2	-
10	2009-10	18	13	0	13	-
11	2010-11	6	6	0	6	-
12	2014-15	24	12	8	4	33.33
13	2016-17	18	17	1	17	5.55
Total		181	98	23	76	23.46

6.5 AUDIT PARAS

6.5.1 Non-production of auditable record – Rs 1,095.701 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General’s Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of following offices of College Education Department, Government of Sindh, it was requested to provide Auditable record through various requisitions. The record was requisitioned for the financial year 2018-19 to 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial year(s)	AIR Para #	Amount
1	Principal, Government Degree College, Mehar	2018-19	01	288.220
2	Director General Colleges, Karachi	2018-19 to 2022-23	01	238.716
3	Principal, Govt. Boys Degree College, Larkana	2022-23	01	171.319
4	Regional Director, Colleges, Sukkur	2019-20 to 2022-23	02	162.566
5	Regional Director, Colleges, Larkana	2022-23	01	135.387
6	Principal Government Girls Degree College KMC Park Liaquatabad, Karachi	2018-19 to 2022-23	01	93.383
7	Principal Govt. College for Women Block-”M” North Nazimabad Karachi	2020-21 to 2022-23	02	4.934
			01	1.176
8	Principal Govt. Degree College for Women Nazimabad Karachi	2022-23	01	00
9	Principal Govt. Degree College Schem-33, Gulshan-e-Iqbal, Karachi	2022-23	01	00
Total				1095.701

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor the constitutional duty of Auditor-General of Pakistan could be fulfilled.

The matter was reported to the management during the months of October, 2023 and February to April, 2024. DAC meeting was held on 18-01-2025 wherein the management at Sr# 1 stated that flood victims of 2022 had occupied not only the building but also did not allow anyone to enter in college during the period under audit. Management at Sr# 2 stated that the record is available for audit. management at Sr# 3 & Sr#5 stated that due to scheduled examinations, the audit was not allowed to conduct audit however, the record is ready for audit. management at Sr# 6 stated that the ready is ready now for audit. management at Sr# 7 stated that previous DDO did not produce auditable record to be furnished to audit team at that time. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last three years (Office at Sr#2) and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01&29)

6.5.2 Non-recovery of Government dues – Rs 3.467 million

According to the Rule 26 (b) of Accommodation Allocation Rules, 2002 of Ministry of Housing and Works vide letter dated 30th October, 2002, states that “an accommodation shall be charged normal rent at the rate of five percent of the emoluments as defined in clause (e) of rule 2. (b)The allottee of Government owned accommodation except in BS-1 to BS-5 shall be charged normal rent at the rate of five percent (5%) of the emoluments as defined in Clause (d) of rule 2.”

During audit of following offices of College Education Department, Government of Sindh, it was observed that, Govt. houses were allotted to various employees, however 5% maintenance charges worth Rs 3.467 million were not

deducted from their monthly salaries, which resulted in the violation of Govt. procedures.

(Rs. in Million)				
Sr. #	Name of Office	Description	AIR Para #	Amount
1	Principal Cadet College, Larkana	5% house maintenance charges	06	2.005
2	Principal Rana Liaquat Ali Khan Government College of Home Economics, Karachi	5% house maintenance charges	02	1.228
3	Principal, Government College for Women, Karachi	Maintenance charges & utility charges of Canteen	14	0.162
4	Chairman, Sindhi Adabi Board, Jamshoro	5% house maintenance charges	09	0.072
Total				3.467

Due to poor financial and administrative controls, house maintenance charges were not deducted from pay-slips of resident employees staying within college premises.

The matter was reported to the management in January, February & August 2024. DAC meeting was held on 18-01-2025 wherein the management at Sr.#01 replied that 5% house maintenance charges for all the staff residing at the colony were exempted by Board of Governors vide meeting dated 17th March,1995, copy of said meeting is attached. Reply is not tenable as the management did not obtain consent/concurrence from Finance Department regarding exemption of deduction of 5% house maintenance. The management at Sr.#03 replied that maintenance charges and utility charges of canteen were collected in cash and spent on student welfare work, as proof the attested photocopies of all invoices are available. The reply of management is not tenable as the Govt. revenue was not deposited into relevant head of account. The other offices at Sr.#02 & 04 did not submit reply. DAC directed to submit relevant record for verification. However, no record was produced till finalization of this report.

Audit recommends expeditious recovery of outstanding government dues, besides fixing of responsibility on the person(s) at fault.

Note. The issue was reported earlier also in Audit Reports for Audit Years 2022-23, vide para number 7.5.8 having financial impact of Rs 2.755 million. Recurrence of same irregularity is a matter of serious concern.

(DP# 07 &78)

6.5.3 Irregular transfer of funds – Rs 55.900 million

Following are the Guidelines issued by Finance Department vide No. FD/B&E-1/2(407)/2018-19, dt: 18th April, 2019 pertaining to the Grants-in-aid provided to non-Government entities and Government entities (Autonomous Bodies), by the Govt. of Sindh:

- a) The non-government entities are required to furnish Utilization Report of earlier release funds before demanding further funds during a financial year; as well as Certified Audited statement of account of previous financial year by a reputable / certified Audit Firms.
- b) Similarly, Govt. Entities (Autonomous Bodies) which are self-accounting entities are required to provide a copy of the Budget approved by their respective Boards, Utilization Report (Duly countersigned by the PAO) and Audit Reports.

Administrative Departments being PAO(s) are also advised to further strengthen / develop transparent and flow less monitoring mechanism, at their level, in respect of Grants-in-aid disbursed through them.

During audit of office of the Chairman, Sindhi Adabi Board, Jamshoro for the financial year 2022-23, it was observed that an amount of Rs 55.900 million was drawn from Grant-in-Aid Account No. 4061738427 maintained in National Bank of Pakistan (NBP), Sindh University Branch, Jamshoro and transferred into various accounts maintained in different banks instead of direct utilization of funds from Grant account. The funds were required to be utilized from the separate account of Grant-in-Aid which was not done.

Audit was of the view that instead of immediate disbursement to the concerned quarter, the funds from Grant's Bank Account were frequently transferred to various bank accounts of Board to avoid lapse of funds.

The matter was reported to the management in the month of February, 2024. DAC meeting was held on 18-01-2025 wherein the management stated that the grants are received in National Bank main account and then transferred to respective bank accounts for further disbursement, under the approval of the competent authority. DAC directed that all Cadet/ Community Colleges will provide purpose and use of Grant in Aid/ MoU Intended purpose. However, no required record was provided till finalization of this report.

Audit recommends stoppage of such transfers of funds and to utilize directly from the relevant account of grant in aid. Further an inquiry may be held along with fixing responsibility on the person(s) at fault for transferring funds

(DP#19/AIR#13)

6.5.4 Un-authorized cash withdrawal from DDO bank account – Rs 29.105 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 Rs10,000 are payable through cheques to the suppliers in order to ascertain the transparency and accuracy”. 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 unnecessary delays and risk involved in the drawl and disbursement of cash.”

During audit of following offices of College Education Department, Government of Sindh, it was observed that the cash amounting to Rs 29.105 million was withdrawn from various bank accounts instead of issuing crossed cheques in favor of payees. The method adopted was not transparent and could cause misuse of government money. The details are given as under:

(Rs. in Million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Chairman, Sindhi Adabi Board, Jamshoro	2022-23	12	18.081
2	Principal Government Commerce & Economics College, Karachi	2018-19 to 2023-24	07	5.521
3	Principal Cadet College, Larkana	2022-23	04	2.073
4	Principal Govt. Degree Girls College, Gulshan-e-Iqbal, Karachi	2018-19 to 2023-24	01	1.830
5	Principal, D.J Sindh Government Science College, Karachi	2018-19 to 2023-24	05	1.600
Total				29.105

Audit is of the view that payments made through cash / open cheques instead of crossed cheques is violation of financial rules and it is also against canons of financial propriety. Moreover, the chances of misuse of funds cannot be ruled out.

The matter was reported to the management in January to July, 2024. DAC meeting was held on 18-01-2025 wherein the management stated that the payments were withdrawn in cash due to involvement of small amounts and on need basis. DAC directed that details/ record be produced to audit for verification. However, no record was produced till finalization of this report.

Audit recommends stoppage of these payments with immediate effect and responsibility may be fixed on the person at fault for previous violations.

Note. The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 5.5.5, 7.5.40 and 8.5.9, respectively having financial impact of Rs 1018.144 million. Recurrence of same irregularity is a matter of serious concern.

(DP#21&72)

6.5.5 Unauthorized retention of Government revenue – Rs 64.268 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 treasury.

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of following offices of College Education Department, Government of Sindh, for the financial years 2018-19 to 2023-24, it was observed that management received funds, tender fees and earned revenue amounting to Rs 64.268 million. However, government funds and revenue were unauthorizedly retained in DDO bank account and same were not deposited into government account. The details are given as under:

(Rs. in Million)					
Sr. #	Name of Office	Description	Financial Year	AIR Para #	Amount
1	Secretary, College Education Karachi	Balance of Rs57.480 million remained in DDO Account at the end of the financial year	2023-24	04	57.480
2	Chairman, Sindhi Adabi Board, Jamshoro	Funds were transferred from Grant-in-Aid bank account and retained in bank account	2022-23	11	6.316
3	Principal, D.J Sindh Government Science College, Karachi	Received tender fees and revenue earned from auction, and retained in DDO account	2018-19 to 2022-23	02	0.472
Total					64.268

Audit is of the view that due to negligence of the management; the government was deprived of its revenue by non-crediting of amount in question into Government Treasury.

Additionally, retaining of funds in the bank accounts instead of depositing them into government account reflects the absence of systematic control and financial discipline within the department.

The matter was reported to the management in February to August, 2024. DAC meeting was held on 18-01-2025 wherein the management at Sr#1 stated that they sought clarification from higher-ups to decide the fate of retained amount. Management at Sr#2 stated that they received late Grant in Aid for pay & pension. DAC directed that fact finding committee may be constituted for inquiry into the matter. However, no progress was reported till finalization of this report.

Audit recommends immediate surrender of the funds available in the DDO accounts and the person(s) responsible for such act of omission/commission may be brought under the net of disciplinary proceedings for violating the financial rules of the government.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 5.5.6, 7.5.36 and 8.5.5, respectively having financial impact of Rs 112.813 million. Recurrence of same irregularity is a matter of serious concern.

(DP#22&85)

6.5.6 Non/less-deduction of various taxes – Rs 12.070 million

According to Para 153(1)(a)(b) & (c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001. Income tax is required to be deducted at source while making payment to suppliers/contractors w.e.f. 01-07-2015.

As per Sindh Sales Tax on services Act 2011, as amended from time to time any person is responsible for making a payment in full or in part on account of services shall deduct tax at the rate of 14% of gross amount.

As per Section 3 (1) of the Sales Tax Act, 1990, “there shall be charged, lived and paid a tax known as Sales Tax @ 17% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”, further Section 3 (a) ibid “Taxable supplies are made by a person other than a

registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3 (1)”.

During audit of various offices of College Education Department, Government of Sindh, for the financial year(s) 2017-18 to 2023-24, it was observed that various taxes amounting to Rs 12.070 million were not/less deducted from the bills of suppliers of Rs 135.356 million. The details are given at **Annex-1 of Chapter-6**.

Audit is of the view that due to non-deduction of due taxes government sustained financial loss.

The matter was reported to the management in February to August, 2024. DAC meeting was held on 18-01-2025 wherein the management at Sr#4, Sr#5, Sr#6, Sr#7, Sr#9, Sr#11 stated that taxes were deducted by DAO. Management at Sr#8 stated that the recovery will be deposited in government treasury soon. management at Sr#1 stated that AG Sindh is responsible for deduction of taxes. DAC directed to produce record for verification. However, no record was produced till finalization of this report.

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

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 and 2023-24, vide para number 7.5.48 and 8.5.6, respectively having financial impact of Rs 32.883 million. Recurrence of same irregularity is a matter of serious concern.

(DP#23,50 &76)

6.5.7 Non-invitation of open tenders – Rs 20.172 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 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 following offices of College Education Department, Government of Sindh, it was observed that an expenditure of Rs 20.172 million was incurred on various purchases and repair work without inviting open tenders. Hence, due to non-compliance of SPPRA Rules management failed to achieve competitive rates. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Description	Financial Year	AIR Para #	Amount
1	Chairman, Sindhi Adabi Board, Jamshoro	Purchase of assets and repair work	2022-23	06	5.506
		Various construction work		15	1.740
2	Principal Cadet College, Larkana	Purchase of uniform and hiring of decoration & catering items	2022-23	01	3.228
3	Principal Govt. Degree Science & Commerce College, Gulshan-e-Iqbal, Karachi	Repair of Furniture & Machinery	2017-18 to 2022-23	10	2.875
4	Principal Government Degree College for women Block "M" North Nazimabad Karachi	Various purchases and repair works	2022-23	19	1.116
		Purchase of various items		25	0.924
5	Principal, Government Girls Degree College, Sehwan Sharif	Purchase of furniture & machinery equipment	2018-19 to 2022-23	06	2.380
6	Principal, Aisha Bawany Government College-I (Morning), Karachi	Purchase of various items	2018-19 to 2022-23	14	0.760
Total					20.172

Audit is of the view that due to non-invitation of tenders the government was deprived of the most competitive rates which indicates prevalence of weak internal controls in the department.

The matter was reported to the management in February & March, 2024. DAC meeting was held on 18-01-2025 wherein the management at Sr.#02 replied that purchases were made through college purchase committees in piecemeal due to small cost amounts, as and when, required according to specific need based on actual requirements. The management at Sr#1 stated that expenditure was incurred on need basis and quotations were obtained for procurement. The management at Sr#3 stated that expenditure was incurred after fulfilling all the codal formalities. The management at Sr#4 stated that no record pertaining to expenditure was found in college when the

principle took charge. The management at Sr#6 stated that expenditure was incurred on quarterly basis instead of lumpsum. DAC directed to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends fixing of responsibility on the person at fault along with taking remedial actions to adopt practice of following the SPPRA rules.

Note. The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 5.5.2, 7.5.13 and 8.5.8, respectively having financial impact of Rs 6,918.951 million. Recurrence of same irregularity is a matter of serious concern.

(DP#11 &40)

6.5.8 Irregular procurement through collusive practices – Rs 3.974 million

According to sub clause (ii) of clause (q) of sub rule (1) of Rule 2 of SPP 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, noncompetitive levels for any wrongful gain”.

During audit of office of the Regional Director, Colleges, Sukkur Region, for the financial year(s) 2019-20 to 2022-23, it was observed that procurement of various items under 06 heads of accounts of Regular Budget amounting to Rs 3.974 million was made through 03 firms (which are owned by same vendor as same mobile numbers were mentioned on the invoices of M/s Universal Enterprises, M/s Barkha Enterprises and M/s Heerani Enterprises) through collusive practices. Furthermore, all quotations were computer generated and exhibited a pattern of uniformity; besides this, proper address, NTN and STRN/SRB numbers were not mentioned on the invoices.

Audit is of the view that due to procurement through collusive practices transparency of procurement could not be verified. Besides, rates could also not be verified as lowest.

The matter was reported to the management in April, 2024. DAC meeting was held on 18-01-2025 wherein the management stated that they will ensure not to repeat such oversight during future procurement. DAC directed the management to provide papers showing NTN/SRB Number for verification. However, no record was produced till finalization of this report.

Audit recommends adherence to the SPPRA rules besides fixing of responsibility on the person(s) at fault and establishing a mechanism to ensure transparent/ competitive procurement.

(DP#41/AIR#07)

6.5.9 Irregular Grant-in-Aid to colleges – Rs 1,550.050 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of office of the Secretary, College Education Karachi, for the financial year 2023-24, it was observed that a Grant-in-Aid amounting to Rs 1550.05 million was released to following cadet/community colleges. The grant was disbursed by the department without signing of a Memorandum of Understanding (MoU), requisitions from the respective cadet colleges, utilization reports, bank statements, and supporting vouchers by the colleges. The details are given as under:

(Rs. in Million)			
Sr.#	Particulars	AIR Para #	Amount
1	Grants to Cadet Colleges	01	1,460.050
2	Grants to IBA Community Colleges	03	90.00
Total			1,550.05

Audit is of the view that the payment was irregular, as the grant was approved and released without codal formalities. Additionally, the department has not submitted detailed records of expenditure, making the expenditure unauthentic.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 18-01-2025 wherein the management stated that the Grant-in-Aid was released by FD after fulfilling all codal formalities. DAC directed that record be produced to audit for verification. However, no record was produced till finalization of this report.

Audit recommends provision of justification regarding release of grant without MoU and relevant documents/record for necessary scrutiny, besides fixing of responsibility on the person(s) at fault.

(DP#80)

Chapter - 7

Cooperative Department

7.1 Introduction

The Cooperation Department was formed to manage the registration and other governmental matters of Cooperative Societies and Banks and to engage in service matters, except those entrusted to the Services, General Administration and Coordination Department.

The Cooperation Department is responsible for organising matters relating to registration of cooperative societies, conduct audit and inspection of cooperative societies, liquidate & cancel registration of dormant Cooperative Societies, manage loans and recovery of arrears under the provisions of Land Revenue Act 1967, arrange agriculture credit for cooperative societies, arbitrate over the cases under the Cooperative Societies Act 1925, supersede/takeover the affairs for cooperative societies, in case of their failure/ mismanagement and to take necessary measures for the welfare & safeguard of interests of members of cooperative societies.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	103.782	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

7.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
673.823	-	238.293	(238.293)	(82.090)	591.733	573.859	(17.874)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 17.874 million were observed which were not surrendered in time.

(Rs. in Million)			
Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
10.000	10.000	1.145	(8.855)

Revenue estimates were not revised. Actual receipt was 11% of revised estimate.

7.3 Classified Summary of Audit Observations

Audit observation was raised as a result of this audit. Summary of Audit observation classified by nature is as under:

(Rs. in Million)		
Sr. No.	Classification	Amount
1	Non-production of record	-

7.4 Comments on the Status of Compliance with PAC Directives

This department was not included in Audit reports (1992-93 to 2010-11) discussed by the PAC. However, the department has been included in Audit Reports 2013-14, 2014-15, 2016-17& 2019-20. The overall compliance by the department was Nil

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	2013-14	1	1	0	1	-
2	2016-17	1	1	0	1	-
3	2017-18	5	5	0	5	-
4	2019-20	2	2	0	2	-
Total		119	66	0		0

7.5 AUDIT PARAS

7.5.1 Non-Production of various auditable record

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of the office of the Secretary, Cooperative Department, Government of Sindh, Karachi it was requested to provide Auditable record pertaining to core functions of the department. The record was requisitioned for the 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given at **Annex-1 of Chapter-7**.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during the month of July, 2024. The management replied that the record pertains to sub-offices and for compliance of audit observations and production of record, they have written letters. The reply is untenable as the management did not produce any record / letter. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last 01 year and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#03/AIR#01)

Chapter - 8

Culture, Tourism & Antiquities Department

8.1 Introduction

The Culture Department was formed to cover all the activities being carried in libraries, museums, arts councils, studios and cultural centres at various cities and towns of the Sindh Province. This department also actively pursues the promotion of tourism and to develop the hotel and resort facilities at recreational points of the province. The department facilitates a beautiful and subtle blend of nature and knowledge.

The Tourism department was constituted for providing guidelines and making policy decisions for promotion of tourism in Sindh.

The Department of Antiquities was created to look after the archaeological, historical and physical heritage of the province. The department has three wings: Heritage, Conservation and Archaeology. The head office of this department is situated in Karachi, and sub offices in Thatta, Shikarpur, Jamshoro, Hyderabad and Sukkur.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	13	9	9,062.866	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

8.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)							
Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
10,502.980	898.998	1,547.488	(1,547.488)	(811.328)	10,590.650	10,272.649	(318.001)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 318.001 million were observed which were not surrendered in time.

(Rs. in Million)			
Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
55.000	55.000	463.082	408.082

Revenue estimates were not revised. Actual receipt were 842% of revised estimate.

8.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 18,591.432 million were raised as a result of this audit. This amount also includes recoverable of Rs 84.996 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)		
Sr. No	Classification	Amount
1	Non-production of record	27.011
2	Irregularities	
A	<i>HR/Employees related irregularities</i>	7.206
B	<i>Procurement related irregularities</i>	342.339
3	Others	
A	<i>Operational Inefficiency</i>	16,830.939
B	<i>Internal Control Weakness</i>	1,383.9400
C	Recovery	84.996

8.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance with the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 21.53%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	7	3	0	3	-
3	1999-2000	14	2	0	2	-
4	2001-02*	7	5	0	5	-
5	2004-05*	0	0	0	0	-
6	2005-06	9	7	0	7	-
7	2006-07	7	4	0	4	-
8	2007-08	15	0	0	0	-
9	2008-09	7	7	0	7	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	17	14	06	08	-
13	2016-17	18	10	03	07	30
14	2017-18	13	13	5	8	38.4
Total		114	65	14	51	21.53

8.5 AUDIT PARAS

8.5.1 Non-production of auditable record – Rs 27.011 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of the following offices of Culture, Tourism and Antiquities Department, Govt. of Sindh, it was requested to provide Auditable record through requisition No. DGAS/PPC/A-Prog/2024-25/. The record was requisitioned for the financial year 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO. However, the issue of non-production has remained unresolved. The details are given at **Annex-1 of Chapter-8**.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during the month of April, July & October, 2024. Formation at Sr.#02 replied that the documents are provided for ready reference. In support of reply, management produced the documents of few works i-e copy of procurement plan, newspaper clipping, bid evaluation reports, minutes of procurement committee and bill of quantities. However, PC-1, monitoring reports by MEC of planning and Development, completion reports of completed schemes (PC-1V), rate analysis and technical sanctions were not produced. DAC meeting was held on 17-01-2025 wherein, the department replied that record is available for verification.

The DAC directed the management to produce record to audit. However, no record was produced till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last three (03) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#19)

8.5.2 Abnormal delay in ‘Development of Resorts at Gorakh Hills scheme’ – Rs 3,046.000 million

According to clause 4 of letter No. FD. SO (DEV-II)-10 (3)/2014-15 issued by Finance Department, GOS dated 20.02.2015 "It may be ensured that the expenditure of development schemes, projects shall not exceed current year ADP allocation or actual release whichever is less. The executive officer shall be held personally responsible for any excess expenditure incurred /any liability created beyond authorization."

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that the Government of Sindh approved and released Rs 3,046.000 million for the revised scheme of the Development of Summer Resorts at Gorakh Hills, District Dadu. Out of this, Rs 2,868.000 million was expended, but no record was available for the remaining Rs 177.814 million, indicating potential misappropriation. The scheme, originally approved in 2005 and revised multiple times, remains incomplete despite the passage of deadlines, with no evidence of progress, monitoring, evaluation, or justification for the repeated revisions. The details are given as under:

(Rs. in Million)

SR. NO/ ADP NO	NAME OF SCHEME	Date of Start & Completion (Original)	Date of Start & Completion (Revised)	Cost of Project Original	Cost of Project (Revised)	Upto Date Expenditure (Revenue + Capital)	Total Finance	Addl. Funds required as per culture deptt	Addl. Funds needs as per FD Sindh	Loss of missing amount
1	2	3	4	5	6	7	8	9	10	11
33/134	Development of Summer Resorts at Gorakh Hills District Dadu (Revised on 12.01.18)	Start: 08-04-2005 Completion: 2013-14	Start: 01-12-2018 Completion: 2018-19	999,000	3046.678	2868.186	3046,000	178.492	0.678	177.814

Additionally, several irregularities in the procurement process for civil works exceeding Rs 3 billion were observed which include non-obtaining of. Pre-qualification of contractors and essential documents such as the Technical and Financial Bid Evaluation Report, original bid security, performance security, and tender fee challans were missing. The SPPRA Standard Bidding Documents were not used, and the Technical and Procurement Committee was not properly constituted, compromising transparency. Additionally, technical compliance, measurement records, and contractor qualifications were not ensured, and SPP Rule #51 regarding debriefing unsuccessful bidders was violated, indicating significant procedural lapses.

Audit is of the view that the observed procedural lapses and non-compliance with procurement rules reflect weak internal controls and poor project management. The absence of critical documentation, failure to follow standard procurement procedures, and lack of transparency undermine the credibility of the process and indicate potential financial mismanagement. These irregularities have compromised the effective utilization of public resources and the timely completion of the project.

The matter was reported to the management in the month of July, 2024. DAC meeting was held on 17-01-2025, wherein, management replied that Gorakh Hills Development Authority is an independent authority and is executing schemes on its own. The reply of the management is not tenable as the funds from the government of Sindh should be spent in accordance with the laid down rules & procedures. The DAC directed the department to take appropriate action against the person(s) at fault. However, no progress was made till finalization of this report.

The audit recommends inquiry into the matter and fix responsibility on the person(s) responsible. The audit further recommends that such malpractices could

threaten the reputation and credibility of the department and undermine the trust of the public.

(DP#21/ AIR#11)

8.5.3 Excess expenditure beyond original cost – Rs 7,361.347 million

As per Planning Manual of Planning and Development Department Government of Sindh Section # 4.18. The cost estimates of a project are to be prepared with due care to avoid frequent changes or revisions. If care is not exercised, besides approval, allocation of resources, sanction of the competent authority to incur expenditures and the implementation will also be delayed due to number of revisions in the costs of the project. While estimating costs, a breakup of the costs chargeable both to the development and recurrent budget should precisely be mentioned.

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that that the management tendered schemes worth Rs 2,560.238 million in previous years, but the same remained incomplete despite an expenditure of Rs 6,042.884 million, nearly three times the original cost. The revised cost of these schemes has reached Rs 9,921.359 million, resulting in an excess of Rs 7,361.347 million without justification, violating planning and development rules. The financial expenditure exceeded physical progress, indicating potential cost overruns due to inefficiency and mismanagement. Additionally, the department failed to prepare essential progress reports and maintenance of a database of fixed assets, showing a lack of accountability and proper mechanism of tracking.

Audit is of the view that significant mismanagement, weak internal controls, and non-compliance with planning and development rules have led to cost overruns and inefficient utilization of public funds. The absence of accountability and impact assessment further undermines the effectiveness of resource management.

The matter was reported to the management in the month of July, 2024. Management replied that the rates of iron, cement, bricks and labor charges have significantly increased. The PC-1 of projects were revised/re-revised, incorporating

changes in the scope of work to reflect current market realities. DAC meeting was held on 17-01-2025 wherein, the DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends the management to conduct a thorough review to justify the cost increases besides recovery of cost overrun and fixing responsibility on person(s) at fault.

(DP#20/ AIR#06)

8.5.4 Procurement of machinery & equipment on high rates - Rs 60.179 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 office of the Resident Director, Planning, Development, Antiquities, Monitoring & Implementation Cell, Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 60.179 million was incurred on various plant and machinery items at prices significantly above market rates, indicating possible overcharging. Details of few procured items at higher rates are summarized below:

(Amount in Rupees)

Sr. #	Item	Market Rate	Procured Rate	Overcharge	Percentage
1	Hair Split AC (2 Ton)	200,000	296,000	96,000	48 %
2	Floor-Standing AC (2 Ton)	330,000	1,050,000	720,000	218 %
3	Split AC (1.5 Ton, 18,000 BTU)	160,000	450,000	290,000	181 %
4	Split AC (3 Ton, 30,000 BTU)	255,000	750,000	495,000	194 %
5	HP Scanjet Scanner	90,000	294,000	204,000	227 %
6	LED 50" Smart TV	115,000	342,800	227,800	198 %
7	Orient DC Inverter (AC)	155,000	250,000	95,000	61 %

Audit is of the view that plant and machinery items were procured at significantly inflated rates without appropriate market verification or cost controls, suggesting possible mismanagement and undue favors.

The matter was reported to the management in the month of July, 2024. Management replied that all payments for the procurement were made through the NIT approved by the procurement committee. The items were procured based on the best rates offered by companies and firms, which included all taxes, contractor profit, transportation, and installation charges. The procurement rates are in line with market rates and no undue favor was extended to any supplier. DAC meeting was held on 17-01-2025 wherein, the department replied that all payments were made through NIT approved by the procurement committee. The DAC directed the management to produce record to audit for verification. However, no record was produced to audit till finalization of this report.

Audit recommends justification of charging high rates than the market rates besides recovery and enquiry into the matter.

(DP#39/ AIR#29)

8.5.5 Loss to government due to cancelling of contract - Rs 2,868.186 million

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

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that management expensed Rs 2,898.186 million for the scheme "Development of Summer Resorts at Gorakh Hills District Dadu". However, the contractors could not complete the works and the same was cancelled after payment of 94% on partially completed work. Subsequently the Development of Summer Resorts at Gorakh Hills scheme is left incomplete without considering risk and cost paid to the contractor. The details are given as under:

(Rs. in Million)

ADP#	Name	Start and Completion Date	Revised	Original Cost	Revised Cost	Paid Up to Date	Release in 2023-24
33/134	Development of Summer Resorts at Gorakh Hills District Dadu (Re-Revised on 12.01.18)	Start: 08-04-2005 Completion: 2013-14	Start: 01-12-2018 Completion: 2018-19	999.000	3046.678	2,868.186	100.000

Audit is of the view that the premature cancellation of the project, after substantial payments for incomplete work, highlights poor project oversight and financial mismanagement. The lack of risk assessment and ineffective contract enforcement has resulted in wasted public funds and an unfinished project, undermining the intended development objectives.

The matter was reported to the management in the month of July 2024. Management replied that Gorakh hills development Authority is an independent authority and is executing its schemes at own. In DAC meeting held on 17-01-2025, the department did not submit any reply. The DAC directed the department to take appropriate action against the person(s) at fault. However, no progress was made till finalization of this report.

Audit requires action against the contractor in terms of risk and cost besides, recovery of the payment and forfeiting of security deposit.

(DP#23/ AIR#13)

8.5.6 Award of tender to ineligible contractor on fake documents – Rs 216.687 million

According to the Mandatory Eligibility Criteria in tender No. XEN/PDM&I-Cell/CTA-AD/NIT/ADP/2023-24/34 dated 21 July 2023 for procurement of different works through single stage on envelop procedure under SPPRA Rules 2010 (Amended up to date); “(a) Valid registration PEC with all relevant codes, Electrical license, NTN&SRB certificate. (b) Minimum experience (05) Five Years similar nature of work, at least (03) three works comparable nature & cost in previous five (05) years

including satisfactory work completion with evidence (work orders/Contract agreements & satisfactory project completion certificates by the department.(c) Financial Turnover twice the estimated cost of work in last five years as per annual returns to FBR, Bank Statement for the last five(05) years, Bank certificate of credit line, five (05) tax returns and Audited Financial Statements for last (05) years. (d) List of Machinery owned/leased/hired with document evidence(e) Complete Bio data of technical staff i.e., two Bachelors of Civil Engineering with five (05) year post qualification experience, Archaeological Engineer/Archaeologist /Archaeological Conservator.”

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that Tenders worth Rs 193.405 million were awarded to M/s FIM Enterprises (Private) Limited for various works, including construction of library, cultural centers, museums and multimedia centres across various districts despite the company’s falsified qualifications, fake staff information (not matching PEC data), and lack of required experience. Moreover, the company submitted documents linked to another contractor, M/s FIM Enterprises, already engaged in a separate project costing Rs 23.282 million. The details are given as under:

(Rs. in Million)					
Vendor No.	Contractor/Firm	NTN	SRB Registration Date	Bank Account	Paid in FY 2023-24
0030817921	M/s FIM Enterprises (Private) Limited	A332749-1	13/11/2021	BAHL A/c1099098100409001	193.405
0030785636	M/s FIM Enterprises (Sole proprietorship)	7238677-4	02/05/2019	BAHL A/c1099098100331501	23.282
Total					216.687

M/s FIM Enterprises (Private) Limited was newly formed and did not fulfill the mandatory criteria for experience, annual turnover, bank certificate, and machinery requirements. Despite this, the contract was awarded. No progress reports, measurement books, or material consumption accounts were available, making the civil work unverifiable.

Audit is of the view that awarding tenders to a firm that relied on deceptive and misleading documentation indicates serious weaknesses in the procurement process. This not only jeopardizes quality of works but also undermines transparency and compliance with established rules.

The matter was reported to the management in the month of July 2024. Management replied that M/s FIM Enterprises (Sole proprietorship) was awarded a work, subsequently, M/s FIM enterprises upgraded into M/s FIM Enterprises (pvt) Ltd while retaining the same address and ownership. Bank account was updated under the title “FIM Enterprises (Pvt) Ltd”. Considering the past performance, the firm was technically qualified during the evaluation process and found the first lowest. In support of reply, management produced the taxpayer online verification and PEC registration certificates. DAC meeting was held on 17-01-2025 wherein, the department replied that no SPPRA Rules were violated as the vendor has the same NTN, PEC and Board of Governors. The DAC directed the management to produce record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends provision of justification for submitting the false documents besides fixing of responsibility against the person(s) at fault.

(DP#31/ AIR#01)

8.5.7 Un-authorized payment of secured advance before supply of material – Rs 59.998 million

According to Para 9.3 (2) (a) of the Procurement Regulations (Works), 2011 “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/noncombustible 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: - (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; (vi) advance amount is calculated on the basis of 75% of the market value of that material”.

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that secured advance of Rs 59.998 million was paid to contractors for steel without verifying the actual delivery, quantity, or source of the material. The steel was never recorded in the Measurement Book, and no site requirement or authority approval for the advance existed. Additionally, the secured advance was released without obtaining the mandatory indenture bond, lab test reports, or verification certificates from the site engineer. The required documentation, such as consumption accounts and adjustment records, was not maintained, indicating procedural irregularities.

Audit is of the view that the release of a secured advance without proper verification of material delivery, quantity, and source reflects significant lapses in adherence to financial and procedural controls.

The matter was reported to the management in the month of July, 2024. Management replied that the material was inspected and verified by the site engineer, sub-engineer and XEN before the execution of the indenture bond. Payments were made as per site requirements and secured advance was released with the approval of the competent authority and adjusted against the contractors' running bills. DAC meeting was held on 17-01-2025 wherein, the department replied that material was inspected by Site Engineer, Sub Engineer and XEN before executing indenture. The advance was adjusted against running bills. The DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends provision of justification of allowing secured advance before supply of material besides fixing of responsibility against the person(s) at fault.
(DP#40/ AIR#03)

8.5.8 Non-transparent execution of repair work – Rs 2,313.720 million

As per Para-209(d) of CPWD Code, “all payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately”.

According to Sr # 9 (ii) of Second Schedule under Rule-3 (Part-II) “Powers common to all Departments and Officers” of Sindh Delegation of Financial Powers and Financial Control Rules, 2019, “Officer in Category-I” has powers of administrative approval for maintenance and repair works of residential and non-residential buildings executed by Works & Services Department and charged to Building Department, Works Department up to Rs 2.000 million subject to the condition that the repair and maintenance works of more than Rs 10,000,000 (Rupees Ten Million) in respect of independent unit of residential, or non-residential buildings, shall be carried out through development scheme”.

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that payments totaling Rs 2,313.720 million were made to various contractors with several irregularities. Measurement books were either unavailable or incomplete without required signatures. Works exceeding Rs 10 million were executed through the M&R budget instead of development schemes, contrary to financial rules. Revised estimates remained unsigned, and work orders were issued without proper estimation, requisitions, or prior repair histories. Key documents such as Technical Sanctions, Work Orders, and Contractor Files were also not found on record.

Audit is of the view that management has not followed the prescribed rules, regulations and SOPs due to which whole expenditure on the works carried out stands doubtful.

The matter was reported to the management in the month of July, 2024. Management replied that all measurement books have been duly signed by the AEN, DDO and resident engineer. M&R work was executed within approved budget. Revised estimates were got approved. Work orders were issued based on actual requirements. Copies of technical sanctions, work orders and contractor profiles are available. DAC meeting was held on 17-01-2025 wherein, the DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends provision of measurement/verification and other required documents besides fixing of responsibility on the person(s) at fault.

(DP#24/ AIR#37)

8.5.9 Un-authorized investment from Gant in Aid – Rs 1,383.937 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of the office of Secretary Culture, Tourism and Antiquities Department Government of Sindh, Karachi for the financial year 2023-24, it was observed that Rs 1,283.937 million was released as grant-in-aid to Sindh Indigenous Traditional Crafts Company from 2009 to 2024, and Rs 100.00 million to Dr. Jameel Jalibi Foundation. Instead of using the funds for promoting cultural activities, they invested the amounts in treasury bills through JS Bank and Silk Bank. Such use of grant-in-aid for investment purposes is unauthorized and puts government funds at risk. The details are given as under.

(Rs. in Million)

Sr.#	Name of Grantee	Investment
1	Sindh Indigenous traditional crafts company	1,283.937
2	Dr. Jameel Jalibi Foundation	100.000
Total		1,383.937

Audit is of the view that utilizing grant-in-aid funds for investments rather than their intended purpose reflects non-compliance with financial rules and undermines the objectives of promoting cultural activities. This misuse exposes public funds to unnecessary financial risks and raises concerns over the accountability of such releases.

The matter was reported to the management in the month of July, 2024. DAC meeting was held on 17-01-2025 wherein, the department replied that 15% of SITCO funds are used for expenses while 85% are invested as endowment. All investments were made after following all codal formalities. The DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends provision of justification for investing the Govt. funds instead of using the funds for promoting cultural activities besides inquiry and fixing of responsibility against the person(s) at fault.

(DP#26/ AIR#46)

8.5.10 Unjustified revision of schemes – Rs 859.257 million

According to P&D manual under clause 6.6 (iii) To avoid frequent revisions, no proposal for revision in cost or scope will be brought within two years of approval/execution of a project.

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that expenditure of Rs 859.257 million was incurred on various schemes. The schemes were revised and then re-revised within (2) two years in violation of above instructions/guidelines issued by the P&D department.

Audit is of the view that management has violated the instructions only for providing benefits to contractors. This indicates weak administrative controls.

The matter was reported to the management in the month of July, 2024. Management replied that the revision and re-revision of PC-1 for the mentioned schemes were necessitated due to changes in project scope and unprecedented increases in the cost of materials including steel, iron, cement, bricks and labor. Revision was prepared based on site requirements and prevailing market conditions to ensure the effective and timely execution of the projects. The PC-1 were duly submitted to the competent forum and after thorough review and consideration of the justifications provided the competent forum approved these revisions. DAC meeting was held on 17-01-2025 wherein, the DAC directed the management to produce the record for verification. However, no record was produced till finalization of this report.

Audit recommends that enquiry may be initiated for revision and re-revision of various schemes and responsibility be fixed upon the persons at fault.

(DP#28/ AIR#22)

8.5.11 In-eligible payment to the contractor - Rs 346.123 million

According to Antiquities Act 1975 (As amended in 1992) Clause#19. Prohibition of destruction, damage, etc, Of Protected Antiquities: (1) No person shall, except for carrying out the purposes of this Act, destroy, break, damage, alter, injure, deface, or mutilate or scribble, write or engage any inscription or sign on, any antiquity or take manure from any protected antiquity. (2) Whoever contravenes the provisions of sub-section (1) shall be punishable with rigorous imprisonment for a term which may extend to three years, or with fine, or with both. (3) The court trying an offence under sub-section (2) may direct that the whole or any part of the fine recovered shall be applied in defraying the expenses of restoring the antiquity to the condition in which it was before the commission of the offence.”

During audit of office of the Resident Director, Planning, Development, Monitoring & Implementation Cell, Culture, Tourism and Antiquities Department, Karachi for the financial year 2023-24, it was observed that Rs 346.123 million was paid to M/s Waliullah & Co. for the scheme "Conservation/Restoration/Preservation of Retaining Wall and Dangerous Structures of Pucca Fort, Hyderabad." The contractor was accused of demolishing the fortification wall, causing the collapse of the main gate, and was blacklisted for failing to execute the work as per the work

orders. This demolition violated the Antiquities Act, 1975, which prohibits the destruction of protected heritage. Despite the government's suspension of payments since 2021-22, the contractor was paid without any budgetary provision, indicating undue favor.

Audit is of the view that the unauthorized payment to the contractor, despite the suspension of releases and non-compliance with heritage protection laws, reflects serious procedural and financial irregularities.

The matter was reported to the management in the month of July, 2024. Management replied that M/s Walliullah Bhutto, proprietor of M/s KASB & company was blacklisted due to demolition of the main gate/structure of Pucca fort Hyderabad. Subsequently, the company filed an appeal before the review committee of the SPPRA under rule-32. An enquiry into the matter was conducted and the review committee passed the decision after due deliberation. The review committee sets aside the blacklisting Notification. In the light of review committee decision, the work orders were restored. Payments for the work completed by the contractor were processed and released. DAC meeting was held on 17-01-2025 wherein, the DAC directed the management to submit revised reply. However, no reply was produced till finalization of this report.

Audit recommends provision of justification for non-recovery of damages besides fixing of responsibility against the person(s) at fault.

(DP#29/ AIR#02)

8.5.12 Non deduction of taxes and duties – Rs 24.817 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 contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”. As per section 72 the read with section 2[5,6,9,13,26] and 75 of the Sindh Sales Tax on Service Act, 2011, goods and services used or consumed in a service are

liable to a tax rate not lesser than the 13% of charges or to a specific rate of tax not based on value. And as per Section 3(1) of the Sales Tax Act, 1990, “There shall be charged, levied and paid a tax known as sales tax @ 14% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”. Further Section 3(1A) ibid “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1).

During audit of following offices of the Culture, Tourism and Antiquities Department Government of Sindh, Karachi for the financial year 2023-24, it was observed that Govt. taxes and stamp duty from various contractors amounting to Rs 24.817 million was not deducted/obtained. Govt. sustained loss of revenues. The details are given as under:

(Rs. in Million)					
Sr#	Name of Office	Observations	Financial Year	AIR Para#	Amount
1	Resident Director, Planning, Development, Monitoring & Implementation Cell, Karachi	Income tax and Sales tax were not deducted	2023-24	30	17.923
		Stamp duty was not obtained		34	3.077
2	Director, Archives information Sindh Karachi	Stamp duty was not obtained	2023-24	04	2.095
3	Secretary Culture, Tourism and Antiquities Department	Income tax and SST was not deducted	2023-24	36	0.843
		Stamp duty was not obtained		21	0.757
4	Sindhi Language Authority Hyderabad	GST was not deducted	2022-23	31	0.122
Total					24.817

Audit is of view that due to non-deduction of due and taxes government sustained financial loss.

The matter was reported to the management during the month of July to October, 2024. Formation at Sr.#01(AIR#30,34) replied that all the applicable taxes were duly deducted by the office of the AG Sindh at the time of processing the bills for payment. The stamp duty @0.35% was duly recovered at the time of awarding the

contract. Management at S#03 (AIR#36) replied that the association is an NGO and under section 2(36) 100C is exempted from tax. However, management did not produce the evidence of deduction of taxes along with certificate of AG Sindh, exemption certificate and contract agreements showing obtaining of stamp duty. DAC meeting was held on 17-01-2025 wherein, the DAC directed that all the formations should produce record for verification. However, no record was produced till finalization of this report.

Audit recommends recovery may be affected besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23, 2023-24, vide para number 4.5.2, 6.5.16 & 6.5.4, respectively having financial impact of Rs 60.290 million. Recurrence of same irregularity is a matter of serious concern.

(DP#61&09)

8.5.13 Irregular transfer of funds – Rs 11.489 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of following offices of the Culture, Tourism and Antiquities Department Government of Sindh, Karachi for the financial year 2022-23 and 2023-24, it was observed that Rs 11.489 million in grant-in-aid funds were provided to the Sindh Graduate Association, which were later transferred to other bank account without any justification. Therefore, misappropriation of funds cannot be ruled out. The details are given as under.

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para#	Amount
1	Director, Archeology, antiquities, Karachi	2022-23 & 2023-24	17	6.999
2	Secretary Culture, Tourism and Antiquities Department Karachi	2023-24	41	4.490
Total				11.489

Audit is of the view that transfer of funds of grant in aid without providing detail of transactions is tantamount to misappropriation of public fund. This shows weak financial controls.

The matter was reported to the management during the month of July to October, 2024. The Formation at #02 (AIR#41) replied that The Association's Bank Account is maintained with Sindh Bank Limited, in which grant-in-aid transactions are made through this account but additionally, funds received from different donors, are also routed from this account like; M/S. Infaq Foundation (the Donor) provided us funds for Roshan Tara School Panoaqil, were also routed from this account. DAC meeting was held on 17-01-2025 wherein, the formation at Sr#01 replied that archeology department follows all government rules. Record is available. The DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends stoppage of such transfers of funds and to utilize directly from the relevant account of grant in aid. Further an inquiry may be held along with fixing responsibility on the person(s) at fault for transferring funds

(DP#47)

8.5.14 Irregular promotion of officials - Rs 3.812 million

According to SGA&CD's letter No. SOI (SGA&CD) 23/1/71/75-77, dated 16th January 1971, "I am directed to say that with a view to fair representation in public service to persons residing in big cities as well as those residing in small towns and rural areas of the province it would be advisable to keep the following guideline in view while filling up the vacancies reserved for direct recruitments:- (1) 40% of the vacancies for candidates residing in the cities of Karachi, Hyderabad and Sukkur, (2) the remaining 60% from candidates residing in other cities and rural areas of the province. 2. While filling up the vacancies in the manner indicated above, the requirements of the public service should be fully kept in view and in conforming with these guidelines, any lowering of the standards of selection should be avoided."

According to Sl. No. 117 Rule # 3 of Esta code, "The exercise of the powers as delegated shall be Para # to the observance of the following conditions: - (i) The arrangement should not be made for a period of less than one month and should not exceed three months. However, it may be extended by another three months with the approval of next higher authority; (ii) As soon as the current charge is given, a proposal for regular appointment should be initiated and referred to DPC/CSB within a month.

During audit of office of the Sindhi Language Authority Hyderabad, for the financial year 2022-23, while reviewing the personal file of various officials and officers, it was observed that payment amounting to Rs 3,812,160 on account of monthly salary was found irregular on the grounds that following officials were rapidly promoted from non-cadre posts to technical cadre-posts without having required length of service. The relevant record was also not produced to audit. The details are given as under:

(Rs. in Million)					
Name of Officer	Designation / Grade	Particulars	Salary per month	Period	Amount
Mr. Aamir Ali Bhatti	Librarian (BPS-17)	Promoted BPS-15 to 17 within four months	0.128	2022-23	1.536
Mr. Khan Muhammad Jarwar	Assistant Director (BPS-17)	Appointed as Junior clerk BPS-05 and change of cadre Public Assistant BPS-11 and further promoted as Public Relation officer BPS-17 rapidly.	0.114	2022-23	1.370

(Rs. in Million)

Name of Officer	Designation / Grade	Particulars	Salary per month	Period	Amount
Ms. Parsa Rizvi	Assistant (BPS-16)	Appointed as Steno Typist BPS-12 as promoted as PA to Chairman and then change in cadre post as Office Assistant BPS-16	0.075	2022-23	0.906
Total					3.812

Audit is of the view that promotion of the above officials from non-cadre to technical posts without prescribed length of service was violation of provincial and federal government rules and regulations. This lapse indicates improper watch and absence of the internal controls in the entity.

The matter was reported to the management in the month of May, 2024. DAC meeting was held on 17-01-2025 wherein, the department replied that the matter is already before the scrutiny committee constituted by the Chief Secretary GoS. The DAC directed the management to inquire into the matter and fix responsibility. The DAC further directed to carry out corrective and preventive measures to avoid recurrence of such lapse in future. However, no progress was made till finalization of this report.

Audit recommends irregular promotion from non-cadre posts to technical cadre-posts without having required length of service may be justified along with fixing the responsibility on the person at fault.

(DP#06/ AIR#23, 26 &29)

8.5.15 Irregular appointment of Computer Programmer – Rs 1.648 million

According to Method of Appointment under Sindhi Language Authority's Service Rules following eligibility criteria was required for appointment of Technical Cadre post of Computer Programmer:

Name of the Post with BPS	Method of Appointment
Computer Programmer (BPS-17)	By promotion from amongst the Software Developer (BPS-16) having three (03) year service as such in the Authority, on seniority cum fitness basis

During Audit of the office of the Sindhi Language Authority Hyderabad for the financial year 2022-23, it was observed that payment amounting to Rs.1.648 million on account of monthly salary was made to Computer Programmer in BPS-17) in an irregular and unauthorized manner. He was initially appointed as a Computer Programmer in BPS-16 on a six-month contract starting from May 22, 2001, through his own written application to the Chairman, Sindhi Language Authority, without any formal advertisement or adherence to the recruitment procedure. Subsequently, on January 13, 2009, he was promoted from BPS-16 to BPS-17 on the same post. The details are given as under:

(Rs. in Million)

Name of Officer	Designation / Grade	Salary per month	Period	Amount
Mr. Anees Kaka	Computer Programmer (BPS-17)	0.137	2022-23	1.648

Audit is of the view that the appointment and subsequent promotion of Mr. Anees Kaka bypassed proper recruitment protocols, indicating weak internal controls and a disregard for established procedures. This situation not only compromises the credibility of the Authority's hiring process but also results in potential financial irregularities.

The matter was reported to the management during in the month of May, 2024. DAC meeting was held on 17-01-2025 wherein, the department replied that the incumbent was appointed as computer programmer in BPS-16 on contract basis in 2001, prior to the Sindhi Language Authority Employees (Services) Rules, 2019. The matter is under scrutiny by SLA. The DAC directed the management to inquire into the matter and fix responsibility. The DAC further directed to carry out corrective and preventive measures to avoid recurrence of such lapse in future. However, no progress was made till finalization of this report.

Audit seeks justification for appointment and promotion without advertisement and recruitment procedure along with fixing the responsibility on the person(s) at fault.

(DP#5/AIR#19)

Chapter - 9

Department of Empowerment of Persons with Disabilities

9.1 Introduction

The Department of Empowerment of Persons with Disabilities (DEPD) is governed by the newly promulgated ‘Sindh Empowerment of Persons with Disabilities Act 2018’. The Act is in-sync with guidelines as envisaged in United Nations Convention on Rights of Persons with Disabilities (UNCRPD). The Department deals with all issues pertaining to the PWDs such as protection of their fundamental rights like education, health, registration, employment, skill development, rehabilitation, mobility & accessibility, transport, culture, and sports etc. Additionally, Sindh Disabled Persons Protection of Rights Authority is under-going its formation which will be responsible for vigilant implementation of provisions of this Act.

Core functions of the department include:

1. Education of handicapped children, especially deaf, dumb, and blind
2. Grant of scholarships

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	11	10	3,427.942	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

9.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
9,484.975	-	958.515	(958.515)	(3,179.472)	6,305.503	5,535.470	(770.033)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 770.033 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	59.997	59.997

Revenue estimates were not fixed. However, receipts of Rs 59.997 million were realized.

9.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 729.646 million were raised as a result of this audit. This amount also includes recoverable of Rs 1.789 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	176.357
2	Others	
A	Internal controls weaknesses	553.289

9.4 Comments on the Status of Compliance with PAC Directives

This department not included in Audit reports (1992-93 to 2009-10) discussed by the PAC. The overall compliance by the department was Nil

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	2017-18	10	10	0	10	-
Total		10	10	0	10	0

9.5 AUDIT PARAS

9.5.1 Non-production of auditable record – Rs 176.357 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of following offices of Department of Empowerment of Persons with Disabilities, Government of Sindh, for the financial years 2012-13 to 2023-24, it was observed that management did not produce record and information of Rs 176.357 million despite several requests and reminder(s). The details are given as under.

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Regional Director, Special Education, Hyderabad	2013-14 to 2022-23	01	Complete auditable record for 2013-14 to 2022-23	173.177
2	Director, Vocational Training Center for Persons with Disabilities, Karachi	2019-20 to 2023-24	10	Quotations, delivery challan acknowledgement & stock register	1.630
3	Vice Principal Special Education & Rehabilitation Center, Tando Muhammad Khan	2012-13 to 2023-24	17	Stock registers	1.550
			01	Missing / misplacement of complete record for the period 2012-13 to 2018-19	0
4	Special Education & Rehabilitation Center, Jamshoro	2012-13 to 2022-23	01	Auditable record for the period 2012-13 to 2016-17	0
Total					176.357

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during June to October 2024. DAC meeting was held on 02-01-2025. Management replied that the record is available for audit. The DAC directed that relevant record may be provided for verification and fact-finding committee may be constituted for fixing responsibility under the chairmanship of Regional Director Hyderabad, Deputy Director, RD Office, and Section Officer General within 10 days of issuance of the minutes. However, no progress was reported till finalization of this report.

Audit recommends responsibility on person(s) at fault be fixed on those responsible for non- production of record for the last two (02) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01&14)

9.5.2 Non-execution of various key departmental functions

The Sindh Persons with Disabilities, Protection Authority Karachi failed to observe the following functions from Sindh Empowerment of 'Persons with Disabilities' Act, 2018.

- i. The Authority shall develop rules for minimum standards of access and related signage that each department, authority, entity, and major enterprise shall put in place to ensure access and comprehension of 'Persons with Disabilities'. Section 6 (3)
- ii. The Authority shall develop and enforce rules ensuring access to audio, print and electronic media as well as information technology by the 'Persons with Disabilities', to enjoy freedom of speech and freedom of information. Section 6 (4)
- iii. The 'Authority' conducts survey of school going children in every three years for identifying children with disabilities, ascertaining their special needs and the extent to which these are being met. Section 9. (2) a).
- iv. Authority shall establish a 'Special Employment Exchange and Portal', to which every establishment shall furnish such information as may be prescribed by the Government in relation to vacancies earmarked for 'Persons with Disabilities' which have occurred and filled or about to occur. Section 11 (9).

During audit of the various offices of Department of Empowerment of Persons with Disabilities, Government of Sindh, for the financial years 2020-21 to 2023-24, it was observed that the department, its offices and institutes failed to perform their functions efficiently and effectively, as evidenced by several shortcomings: no district-level surveys were conducted to monitor the population of disabled children and increase their enrollment; awareness campaigns were not organized to educate parents on the importance of special education; efforts to accommodate students awaiting admission were lacking; the persistent shortage of teaching and non-teaching staff remained unaddressed; no monitoring mechanisms were implemented in schools; female attendants were unavailable to assist female students; and although new vans were provided for the transportation of disabled students, the shortage of drivers and conductors hindered their effective utilization. The details are given at Annex-1 of Chapter-9.

Audit is in the view that failure in execution of various core departmental functions indicates weak internal and administrative control and negligence of the management of department.

The matter was reported to the management during August to October. DAC meeting was held on 02-01-2025. Management replied that all offices are functioning /performing under their respective domain for the welfare of Persons with Disabilities for their Education, rehabilitation, Vocational and Economical and Social wellbeing in order to mainstreaming these Special Persons in the society. The Function s and performance reports are available for further verification. DAC directed that the supportive details / performances reports may be produced till 08.01.2025 for submission in the office of DG Audit for verification. However, the same was not submitted till finalization of this report.

Audit recommends measures should be taken to perform key departmental functions in future, besides initiating action against the person(s) who were responsible for not performing key departmental functions.

(DP#21)

9.5.3 Non/less-deduction of Government taxes – Rs 1.789 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 contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 13%

During audit of the following offices of Department of Empowerment of Persons with Disabilities, Government of Sindh, for the financial years 2021-22 to 2023-24, it was observed that an amount of Rs 1.789 million was not/less deducted from the payments on account of Income Tax, General Sales Tax and Sindh Sales Tax on Services. Thus, government sustained a loss. The details are given as under.

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount	Due Tax	Deducted	Less ded:
1	Director General, Sindh Persons with Disabilities Protection Authority, Karachi	2023-24	6	Income tax & GST	6.760	0.782	0.429	0.353
			8	Income tax	10.402	1.247	1.071	0.176
			5	SST	0.594	0.068	0	0.068
2	Director, Special Education Teachers Training Academy, Sindh @ Kotri, Jamshoro	2021-22 to 2023-24	4	Income tax	10.244	0.602	0.141	0.461
			6	GST	6.896	0.200	0	0.200
			5	SST	1.028	0.118	0.043	0.075
3	Government Lal Shahbaz Special Education Centre for Physical Handicapped, Dadu	2018-19 to 2022-23	5	Income tax	4.175	0.415	0.186	0.229
				SST	4.481	0.578	0.511	0.067
4	Deputy Director, Rehabilitation Centre for Multiple Handicapped Children, Dadu	2019-20 to 2022-23	3	Income tax	2.285	0.228	0.102	0.126
				SST	2.285	0.297	0.263	0.034
Total					49.15	4.535	2.746	1.789

Audit is of the view that non deducting various taxes from the contractors is a financial loss to the public exchequer. This indicates weak financial and administrative control within the department.

The matter was reported to the management during July to October 2024. DAC meeting was held on 02-01-2025. The management replied that all offices/DDOs deducted all applicable taxes from the vendors/ contractor's bill. DAC directed the management to provide record to audit for verification. However, no record was produced to audit till finalization of this report.

Audit recommends expeditious recovery of government taxes, besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 10.5.7 having financial impact of Rs 0.985 million. Recurrence of same irregularity is a matter of serious concern.

(DP#05 & 20)

9.5.4 Irregular release of Grant-in-aid to various Institutions / Organizations – Rs 551.50 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of office of the Secretary, Department of Empowerment of Persons with Disabilities, Government of Sindh, Karachi for the financial year 2023-24, it was observed that recurring Grant-in-aid of Rs 551.50 million was sanctioned and released to various Institution / Organizations without obtaining profile and functions of the organization, funds utilization report along with Audited Financial Statements, vouchers/bills, bank, performance report & other detailed record of grants.

Audit is of the view that in absence of the above, the authenticity of sanction and release of Grant-in-aid could not be ensured.

The matter was reported to the management in the month of July 2024. DAC meeting was held on 02-01-2025. Management replied that all record is available including Profile, functions, utilizations reports, and audited financial statement, grant bills, annual reports with justification of demanding grant/requests. The approved summaries are also presented before the committee. DAC directed to provide profiles of relevant organizations/NGOs. However, no record was produced to audit till finalization of this report.

Audit recommends fixing of responsibility on the person(s) at fault and measures may be taken to stop recurrence of such irregularity in future.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 10.5.10 having financial impact of Rs 72.790 million. Recurrence of same irregularity is a matter of serious concern.

(DP#22 & AIR#12&13)

Chapter - 10

Energy Department

10.1 Introduction

Energy Department deals with strategic management of coal & energy sector, determining policies in respect of exploration and development of coal and lignite reserves, sanctioning of important projects and deciding all related issues in Sindh.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	8	8	62,607.447	28.809
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	1	1	1,708.911	-

10.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
51,464.140	14,921.542	49,025.318	(49,025.318)	(2,263.639)	64,122.043	62,896.971	(1,225.072)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 1,225.072 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
4,000.000	1,500.000	845.356	(654.644)

Revenue estimates were reduced up to 63% in revised estimate. Actual receipts were 56% of revised estimate.

10.3 Classified Summary of Audit Observations

The audit identified financial irregularities totaling Rs. 48,464.080 million. This included Rs. 9,328.180 million in procurement-related irregularities, Rs. 37,297.259 million due to operational inefficiencies, and Rs. 1,838.641 million attributed to internal control weaknesses. Additionally, recoveries amounting to Rs. 27,981.375 million were noted. Summary of Audit observations classified by nature is as under:

(Rupees in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	<i>Procurement related irregularities</i>	9,328.180
2	Others	
A	<i>Operational Inefficiency</i>	37,297.259
B	<i>Internal Control Weakness</i>	1,838.641
C	Recoveries	27,981.375

10.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 37.50%.

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
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	0	0	0	0	-
4	2001-02*	0	0	0	0	-
5	2004-05*	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	3	3	0	3	-
8	2007-08	0	0	0	0	-
9	2008-09	5	3	0	3	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	3	2	0	2	-
13	2016-17	13	8	3	5	37.50
Total		16	10	3	7	37.50

10.5 AUDIT PARAS

10.5.1 Non-recovery of Electricity Duty – Rs 27,867.651 million

According to Rule-5(3) of West Pakistan Electricity Duty Rules, 1964, “the amount of electricity duty due from a licensee for a certain month is to be paid within sixty (60) days of the expiry of that month to which the duty release. In case of failure to pay the duty within the prescribed period a penalty is due to equal the defaulting assesses/licensee in terms of provision of Rule-11 *ibid*”.

During audit of office of the Director, Electricity Reconciliation Cell Energy Department, Government of Sindh, for the financial year 2023-24, it was observed that an outstanding electricity duty amounting to Rs 27,867.651 million remained unpaid by DISCOs as of June, 2023. These outstanding dues had not been recovered by the Energy Department from the concerned DISCOs. The details are given as under:

(Rs. in Million)				
Sr. No.	Name of Licensee	Total ED Payable to GoS	Total ED Paid to GoS	Outstanding ED Payable to GoS
1	K-Electric	26,378.665	-	26,378.665
2	SEPCO	479.607	235.000	244.607
3	HESCO	1,444.379	200.000	1,244.379
Total				27,867.651

Audit was of the view that the failure of the Energy Department to recover these dues highlights a significant lapse in financial management and oversight. This situation suggests a need for more effective measures to ensure the timely collection of outstanding duties and to address the shortcomings in the department's recovery process.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the management reported that Rs. 200 million and Rs. 235 million were collected as Electricity Duty from HESCO and SEPCO, respectively, during 2023-24. Both DISCOs have been instructed to deposit the remaining dues. Regarding K-Electric, multiple requests have been made to deposit the Electricity Duty as per law. However, K-Electric has expressed willingness to adjust the withheld amount against outstanding dues of KW&SB. DAC

directed management to produce records for verification, but no records were submitted by the time of report finalization.

Audit requires recovery from the concerned forthwith.

(DP#69/AIR#07)

10.5.2 Irregular payment to power producers on differential subsidy – Rs 3,314.073 million

According to Sindh New Captive Power Plants Subsidy Bill, 2017 clause 2(j) “Tariff differential amount” difference between the amount which the power producers would have been entitled to receive in respect of an invoice issued under the power purchase agreement according to the tariff agreed in the power purchase agreement prior to the tariff determination and the amount paid or payable by the Power Purchaser for the same invoice pursuant to the tariff determination.

During audit of office of the of Director, Electricity Reconciliation Cell, Energy Department, Government of Sindh, for the financial year 2023-24 it was observed that Rs 3,314.073 million was paid to Sindh New Captive Power Plants (NCPPs) as a differential subsidy. However, several irregularities were noted: invoices for the relevant period (November 2021 to April 2024) were not attached; metering system readings for billing cycles were missing; payment of capacity charges from the subsidy lacked justification; Power Purchase Agreements (PPAs) for the relevant period were not provided; and the minutes of the Advocate General Sindh’s endorsement were not produced. The details are given as under:

(Rs. in Million)

Sr. #	Name of NCPP	Subsidy Amount
1	Dadu Energy (Pvt) Limited	944.178
2	Lucky Cement Limited	676.792
3	Omni Power (Pvt) Limited	604.459
4	Shikarpur Power (Pvt) Limited	1,036.060
5	Thata Power (Private) Limited	52.584
Total		3,314.073

Audit is of the view that lapse occurred due to non-observance of rules and procedures.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the department replied that payment of differential subsidy to Power Producers was made during the year 2023-24 after completion of all codal formalities. DAC directed the management to produce record for verification. However, no record was produced till the finalization of this report.

Audit recommends management provide complete documentation to justify subsidy payments and ensure future payments are properly verified and compliant with regulatory requirements.

(DP#71/AIR#16)

10.5.3 Unauthorized excess payments to DISCOs – Rs 3,145.760 million

As per Minutes of Meeting held with CEOs of HESCO & SEPCO under the Chairmanship of Minister of Energy on 17th December 2019. He further apprised that, after receiving the monthly claim of HESCO/SEPCO on AMR meters (starting from the consumption of April, 2019). Energy Department compares the billing / claim of HESCO/SEPCO with the actual consumption via online access of AMR meters. Energy Department deducts the units from the claim of HESCO and SEPCO on three grounds (a) against those connections which seems problematic in that particular month (b) against those connections in which, there is difference between units billed by HESCO/SEPCO and actual units on MDCC (c) against those connections which exceed the maximum limit prescribed by GoS. He further stated that, Energy Department is also not considering the payment of those connections, for which HESCO and SEPCO have not yet provided on-line access to Energy Department and the payment against those connections will be made after joint physical verification between Energy Department and HESCO and SEPCO. He further expressed that, if any GoS office has complaint regarding less unit fixed for its connection then the in-charge of that office contacts with Energy Department after due verification of connected load, the maximum limit is increased.

During audit of office of the Director, Electricity Monitoring & Reconciliation Cell, Energy Department, Government of Sindh, for the financial year 2023-24, it was found that an excess payment of Rs 3,145.760 million was made to DISCOs for units consumed beyond the prescribed limits. The details are given as under:

(Rs. in Million)

Sr. #	Name of DISCO	No. of connection	Amount paid	Actual amount was to be paid	Excess amount paid
1	HESCO	2137	3,304.081	1,310.511	1,993.570
2	SEPCO	1626	1,967.815	815.625	1,152.190
Total			5,271.896	2,126.136	3,145.760

Audit is of the view that the payments made to DISCOs for units exceeding the prescribed limits are unauthorized and a clear violation of the policy. This indicates that the management provided undue favour to DISCOs, resulting in excess payments contrary to the policy.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that a meeting was held under the Chairmanship of Minister for Energy, Govt. of Sindh on 17.12.2019 wherein it was decided that for the purpose of payment, the consideration of overall maximum limit shall be taken instead of individual maximum limit. In order to implement the decision taken by the Minister Energy Department, the payment was made to HESCO and SEPCO on the consideration of overall maximum limit instead of individual maximum limit. However, no excess payment has been made to the DISCOs. DAC directed the management to produce attested copies of minutes of meeting chaired by the Minister Energy on 17-12-2019 in which maximum limit was decided along with relevant record in support of the reply for verification. However, no record was produced till finalization of this report.

Audit recommends management recover the excess payment from DISCOs, ensure strict adherence to prescribed consumption limits, and implement robust monitoring mechanisms to prevent unauthorized payments in the future.

(DP#72/AIR#05)

10.5.4 Unjustified Payments for Zero Load connections – Rs 2,650.075 million

As per Minutes of Meeting held with CEOs of HESCO & SEPCO under the Chairmanship of Minister Energy on 17th December 2019. He further stated that, Energy Department is also not considering the payment of those connections, for which HESCO and SEPCO have not yet provided on-line access to Energy

Department and the payment against those connections will be made after joint physical verification between Energy Department and HESCO and SEPCO. He further expressed that, if any GoS office has complaint regarding less unit fixed for its connection then the in-charge of that office contacts with Energy Department after due verification of connected load, the maximum limit is increased.

During audit of office of the Director, Electricity Monitoring & Reconciliation Cell Energy Department, Government of Sindh, for the financial year 2023-24, it was observed that an amount of Rs 2,650.075 million was paid to HESCO and SEPCO for zero load connections according to the MIS report. Despite the presence of AMRS meters, which indicate accurate load readings, the MIS report showed zero load and EM&RC made substantial payments without any clarification or justification. The details are given as under:

(Rs. in Million)

Sr. No.	Name of DISCO	Number of Govt. connections reflecting Zero Connected Load	Amount
1	HESCO	304	45.894
2	SEPCO	2,307	2,604.181
Total			2,650.075

Audit is of the view that these payments are unjustified, as the MIS reports indicate zero load, but the management paid substantial amount to HESCO & SEPCO, raising concerns about potential misappropriation of funds. The lack of effort in resolving this issue casts doubt on the legitimacy of the payments made to the DISCOs HESCO & SEPCO.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that as per audit report 304 connections found in HESCO as Zero connected load whereas 2307 connections in SEPCO. The fact is submitted as all these connections are connected and having their sanctioned load. All connections are operational and working of EM&RC basis of sanctioned load. DAC directed the management to produce relevant record for detailed verification. However, no record was provided till finalization of this report.

Audit recommends management verify the accuracy of MIS reports and AMRS meter readings, obtain proper justification for payments made against zero load connections, and establish strict monitoring controls to prevent unauthorized disbursements in the future.

(DP#73/AIR#04)

10.5.5 Expenditure against the principle of efficiency and effectiveness for the intended purpose – Rs 5,294.845 million

As per Para-45 of project Appraisal Documents (PAD) of Solar Energy Project (FAP) “Subject to the recommended mitigation measures and action plan being implemented by SED, as per agreed timeframe, the Project has a residual risk rating of Substantial and has met the minimum Financial Management (FM) requirements in accordance with World Bank’s Investment Project Financing Policy. The FM arrangements provide reasonable assurance that the financing proceeds will be used for the intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability, to support implementation and achieve the desired results. Further, this objective will be sustained by ensuring that strong financial management systems are maintained for the Project throughout its duration. Detailed Financial Management reviews will also be carried out regularly, either within the regular proposed supervision plan or a more frequent schedule if needed, to ensure that expenditures incurred by the Project remain eligible”

During audit of office of the Project Director, Sindh Solar Energy Project (SSEP) for the financial year 2023-24, it was observed that Sindh Solar Energy Project (SSEP), initially designed as a five-year intervention, was granted a 22-month extension till July 31, 2025, due to delays caused by COVID-19 and the 2022 floods. Despite incurring Rs 5,294.845 million (20% of the total project cost of Rs 34,485.126 million) by the close of the 4th financial year, none of the four project components were finalized, and all remained far from their targets. This indicates inefficiency and ineffectiveness in achieving the project’s intended objectives.

Audit is of the view that the slow progress and incomplete project components, despite significant expenditure, reflect inefficient project management and utilization of resources, compromising the project's objectives and intended outcomes.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the department reported that after ECNEC approval on November 14, 2018, disbursement began on October 24, 2019, due to administrative delays. Land allotment for Component-I took three years. Significant progress includes the completion of all Round-I sites, 27 of 34 sites handed over, and 15 of 23 Round-II sites partially commissioned. In the Solar Home Systems (SHS) component, 50,000 units have been delivered, with another 50,000 in progress. Procurement of 200,000 SHS kits under Component-III is complete, with 25% additional expenditure. The project is on track and has been acknowledged by the World Bank Mission. DAC directed the management to produce progress in support of the reply and reasons for delay for verification. However, no record was produced for verification till finalization of this report.

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

(DP#17/AIR #11)

10.5.6 Execution of works without conducting preliminary assessment – Rs 2,182.357 million

As per Manual for Development Projects, Chapter-4, with a view to avoiding cost over-runs and repeated revisions of the scheme, it is extremely important that information against the various columns of the PC-I is carefully provided. If a project is prepared with due care and based on surveys, investigations and feasibility studies, the time taken in its examination (and also execution) will be greatly reduced.

During audit of office of the Director, Alternative Energy, Karachi for the financial years 2022-23 & 2023-24, it was observed that the contracts worth Rs 2,182.357 million for installation of solar system at various educational, health & water scheme facilities in different districts were awarded to the contractors, without preliminary assessment/physical inspection of sites by the department to analyze the site conditions and actual capacity requirement of these facilities. Due to this lacuna, contract work for various schemes could not be started in time.

Audit is of the view that the management put the government exchequer at risk by not getting the site selection with proper planning. This irregularity of the management raised the level of risk to the interest of the government.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the management replied that the sites were visited by the staff of the Directorate Alternative Energy, analyzed the sites condition and actual capacity requirement of these sites. Also, list of sites with non-duplication certification/ building condition/functional received from the Education & Literacy Department, Health Department and Public Health & Rural Department. DAC directed the management to produce relevant record including PC-I , Survey Reports and NIT documents in support of their reply for verification. However, no record was produced for verification till finalization of this report.

Audit recommends management, ensure preliminary site assessments before awarding contracts to determine actual requirements and avoid delays. Future projects should follow proper feasibility studies to ensure timely execution and efficient resource utilization.

(DP#18/AIR#01)

10.5.7 Unjustified payment for installation of solar system – Rs 718.089 million

As per letter issued by the management of Sindh Solar Energy Project to the Director & Consultant EM & RC dated 17th May 2023 “On Grid generation is in place since the date of commissioning of the Hospitals but the DISCOs are still submitting bills to EM & RC for payment. Further, it was mentioned that Director, EM & RC should check the EM & RC record and adjust the paid amount of electricity bills of these hospitals falling under K.-Electric, HESCO & SEPCO and in future the payment should be stopped of paid after verifying actual meter reading of DISCOs energy meters as the Solar Power Generation System “On Grid”.

During audit of following offices of Energy Department, Government of Sindh for the financial years 2022-23 to 2023-24, it was observed that payments amounting to Rs 718.089 million were made irregularly on account of installation of solar systems

without physical inspection and achievement of targets. Some of the solar systems were installed which were not demanded in list provided by Directorate of Education. The details are given as under:

(Rs. in Million)

Sr#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Director, Electricity Monitoring & Reconciliation Cell Energy, Karachi	2023-24	03	Payments was made to SEPCO and HESCO for entities that were fully solarized.	421.069
2	Director, Alternative Energy, Karachi	2022-23 to 2023-24	04	Payment for installation of solar system without physical inspection	265.917
3	Director, Alternative Energy, Karachi	2022-23 to 2023-24	15	Installation of solar system at schools not included in list of Directorate of Education	18.166
4	Project Director, Sindh Solar Energy Project Karachi	2023-24	05	Expenditure was incurred but the targets of procurement of 200,000 solar home systems was not achieved	12.937
Total					718.089

Audit is of the view that huge payment was made relating to installation of solar systems irregularly without observing the targets and mandatory requirements which indicates negligence and weak internal controls.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the office at Sr#1 replied that the Solar Energy Project has solarized government hospital buildings in Sindh under HESCO, SEPCO, and K-electric. The on-grid system works when power from Discos is available, but not during load shedding, as the hospital load exceeds solar capacity. Net-metering is in progress for payment adjustments once completed. The office at Sr#2 replied that the Directorate of Alternative Energy verified solar PV system installations at health facilities before payments were made to contractors and handing and taking certificates were obtained. The office at Sr#3 replied that both schools for solar installations are part of the ADP scheme, “Electrification of Schools through Solar PV System in District Kamber Shahdakot.” The office at Sr#4 replied that payments to IVA firms and the monitoring system for SHS kit distribution were affected by the 2022 floods and the State Bank of Pakistan's LC ban, which led to a

change in the distribution strategy. The PMU disbursed 6-15% of the contract amount, and the revised strategy was approved by ECNEC through the PC-1 revision. DAC directed the management to produce relevant record to audit in support of their reply for verification. However, no record was produced for verification till finalization of this report.

Audit recommends management to conduct a detailed inquiry into the matter and align procurements with actual departmental requirements. Responsibility should be fixed on officials involved in approving irregular payments, and corrective measures should be implemented to prevent future violations.

(DP#20,22,31,34)

10.5.8 Non-rectification of intended production after installation – Rs 1,471.939 million

According to Article 84 of Audit code, it is an essential function of 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 FAP audit of office of the Project Director, Sindh Solar Energy Project (SSEP) for the financial year 2023-24, it was observed that in Component-II (Round-I) the project was required to install Solar PV on and around the Govt buildings with production of 21.7 Mega Watts (MWs). The required installation was completed by the project but the production of the Solar PV was neither reconciled / rectified by the project authority nor by the Energy Department to ascertain that the Solar PV installed are generating the required production of 21.7 Mega Watts (MWs). This indicates the negligence of the project management towards the core responsibility of the Department. Due to this non-reconciliation the expenditure so incurred may stand non-fruitful upto to intended purpose.

Audit is of the view that despite the achievement of required installation, non-reconciliation of intended production of the Solar PV is a serious lapse on the part of project management and the energy Department. It indicates improper watch and absence of internal controls within the organization.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the management replied that the loss of power generation is due to load shedding. Once the load shedding / blackouts are controlled by the DISCOs or the battery back-ups are installed, the requisite generation will be obtained. The installed systems are of the requisite quality and working properly. DAC directed the management to share the progress of low generating sites after installation of battery backup along with necessary record. However, no record was produced till finalization of this report.

Audit recommends that reconciliation/ rectification of intended production of the Solar PV be conducted to ascertain that the Solar PV installed are generating the required production of 21.7 Mega Watts (MWs) besides fixing of responsibility on the person(s) at fault.

(DP#75/AIR #06)

10.5.9 Irregular award of work against single bid – Rs 510.824 million

As Per SPPRA Rule No 48” 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 office of the Director, Alternative Energy, Karachi for the financial years 2022-23 & 2023-24, it was observed that the work costing Rs 510.824 million was awarded to the M/s Renewable Power (Private) limited on single bid basis. However, the rates were quoted by only one vendor, but no market rate analysis was carried out. Hence, rates were accepted without following the above quoted SPPRA rule. This resulted into extension of undue favor to the contractor. Furthermore, the same nature of work was offered by other vendor at lower rates, this resulted into loss of Rs 43.227 million to the government exchequer due to awarding of work without comparative analysis.

Audit is of the view that this deviation raises apprehensions about fair competition and transparency in the procurement process, resulting in the extension of undue favor to the contractors.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the management replied that procurement process was made as per SPPRA Rule No. 48. Prices of successful bidder were compared to the prices/rates of last awarded contract before awarding. DAC directed the management to produce relevant record to audit in support of their reply for verification. However, no record was produced for verification till finalization of this report.

Audit recommends management to fix responsibility for awarding contracts without market rate analysis, ensure compliance with SPPRA rules, and take corrective measures to prevent future financial losses.

(DP#19/AIR#02)

10.5.10 Less-installation of Solar Home Systems (SHS) – Rs 323.215 million

As per Project Appraisal Documents (PAD) “The Project will provide SHS to 200,000 households in high priority areas by offering partial grants to SSPs on a competitive basis. Areas will be prioritized according to two criteria: (i) Those with a high number of villages without grid-provided electricity (no nearby transformer/distribution network); (ii) Those with a high number of villages with grid-provided electricity but with low levels of reported electricity access.

During audit of office of the Project Director, Sindh Solar Energy Project (SSEP) for the financial year 2023-24, it was observed that under Component-III of the Sindh Solar Energy Project (SSEP), only 322 households were provided with Solar Home Systems (SHS), achieving just 0.163% of the target of 200,000 households. This inefficiency was evident despite a significant expenditure of Rs 323.215 million, reflecting lack of focus on the project’s core objectives.

Audit is of the view that negligible progress despite substantial expenditure highlights serious inefficiencies in project implementation and management's failure to prioritize key objectives, leading to ineffective utilization of public funds.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the management replied that due to challenges such as floods, COVID-19, and LC restrictions by SBP, the original implementation model was unsuccessful, leading to the closure of the contract after 66% of the contractual amount was paid. DAC directed the management to inquire the matter and share the progress and results of the inquiry with the Audit. However, no progress was shared with audit till finalization of this report.

Audit recommends that steps should be taken to install the required /targeted number of Solar Home Services (SHS) besides fixing responsibility on the person(s) at fault.

(DP#78/AIR #07)

10.5.11 Excess payment for billing of Streetlight – Rs 237.414 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit of office of the Director, Electricity Reconciliation Cell Energy Department, Government of Sindh, for the financial year 2023-24, it was observed that an excess payment of Rs 237.414 million was made to SEPCO. A total payment of Rs 1,177.466 million was initially made against 369 streetlights for the period February to May 2023, comprising Rs 237.414 million and Rs 940.052 million. Subsequently, the management recalculated the payable amount as Rs 1,334.683 million for the same period and requested the Finance Department to release the remaining balance, indicating that Rs 940.052 million had already been paid. An

additional payment of Rs 394.631 million was made to SEPCO, resulting in cumulative payments of Rs 1,572.097 million (Rs 237.414 million + Rs 940.052 million + Rs 394.631 million) against a recalculated claim of Rs 1,334.683 million, leading to an excess payment of Rs 237.414 million, which requires justification.

(Rs. in Million)

MIS/ EM R RC Verified Connection	Total No of Units	Total Amount (Load Factor=0.3)	Amount Already Paid by Deptts/ Offices	Amount Already Paid by Energy Deptt.	Balance Amount Paid
369	27,342,579	1,177.466	237.414	-	940.052
369	37,122,780	1,572.097	1,177.466	940.052	394.630
Total					1,334.682

Audit is of the view that between the initial calculation and the revised claim the department paid an excess amount of Rs 237.414 million which shows absence of financial controls in the department and the very function of this office i.e., Reconciliation, was compromised.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that an amount of Rs. 940.052 million was paid to SEPCO on 0.22 load factors instead of 0.3 load factors. Due to typographical mistake the load factor was mentioned as 0.3, therefore, the SEPCO has claimed remaining amount of Rs. 394.63 million against these connections, however, the matter was examined and verified by EM&RC and forwarded to F.D for released and then paid to SEPCO. DAC directed the management to produce relevant records of payments made to SEPCO on account of Street Lights for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to reconcile payments made to SEPCO, recover the excess amount, and implement strict verification controls before processing future payments to prevent financial mismanagement

(DP#79/AIR # 01)

10.5.12 Excess payment to SEPCO for streetlight – Rs 24.512 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit of office of the Director, Electricity Monitoring & Reconciliation Cell Energy Department, Government of Sindh, for the financial year 2023-24, it was observed that an amount of Rs 32.574 million was paid to SEPCO for streetlights under Meter Reference No. 28385110020320 pertaining to Union Council. The actual billing according to Automated Meter Reading System (AMRS) was calculated of Rs 8.062 million, however, the management paid an amount of Rs 32.574 million resulting in an excess payment of Rs 24.512 million which needs to be justified.

Audit is of the view that the substantial payment for this meter was processed without justification, leading to an unauthorized excess payment to SEPCO. This situation indicates potential collusive fraudulent practices intended to benefit SEPCO and the involved individuals.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that the payment of 32.574 million was made on fixed rate basis due to non-communicated / defective meters. DAC directed the management to produce relevant record to justify the payment on fixed rate. However, no record was produced till finalization of this report.

Audit recommends management to reconcile the payment with actual AMRS billing, recover the excess amount, and establish strong verification controls to prevent overpayments in the future.

(DP#84/AIR#02)

10.5.13 Unjustified payments against disowned category – Rs 100.659 million

As per various letters communicated by the management of Electricity Monitoring & Reconciliation Cell (EM & RC) to the DISCOs, various connections were declared as “disowned” and DISCOs were asked to remove these connections from the ledger of Sindh Government billing and include them in disowned category.

During audit of office of the Director, Electricity Monitoring & Reconciliation Cell Energy Department, Government of Sindh, for the financial year 2023-24, it was observed that payments were made to SEPCO and HESCO for disowned declared connections amounting to Rs 100.659 million. Even though these connections were declared “disowned” and were not part of the Sindh Government’s official accounts, payments were made before and after declaring them “disowned” and no action was taken to recover/ adjust the irregular payments made against them.

Audit is of the view that these payments are unjustified and highlight a failure of the management to implement an effective monitoring system for government connections. This negligence raises concerns about the integrity of the monitoring procedures and the legitimacy of the payments made.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that some connections were declared as disowned on suspected basis. Field survey was carried out and in the light of the report the final decision was taken. If any connection is proved to be Govt. of Sindh connection than it is again included in the list of GoS connection. DAC directed the management to produce relevant record on account of disowned connections pointed out in the para and their survey report for verification. However, no record was produced till finalization of this report.

Audit recommends enquiry into the matter.

(DP#81/AIR#06)

10.5.14 Non-deduction of various taxes – Rs 114.313 million

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011 states: “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”.

According to Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/ contractors w-e-f 01-07-2015.

During audit of following offices of Energy Department, Government of Sindh for the financial year 2023-24, it was observed that an amount Rs 114.313 million was not deducted on account of various taxes from the bills of vendors, The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
1	Managing Director, Sindh Energy Efficiency & Conservation Agency, Karachi	04	2023-24	income tax	0.831
		05	2023-24	income tax from salaries	0.201
2	Director, Alternative Energy, Karachi	09	2023-24	Sindh Sales Tax	56.499
		10	2023-24	income tax	49.138
3	Director General, Sindh Coal Authority, Karachi	06	2021-22 & 2022-23	income tax from salaries	0.743
4	Managing Director, Thar Coal and Energy Board, Karachi	03	2023-24	General Sales Tax	3.751
		05	2023-24	Sindh Sales Tax	3.137
5	Managing Director, Thar Coal and Energy Board, Karachi	11	2023-24	Professional tax	0.013
Total					114.313

Audit is of view that due to non-deduction of government taxes, government sustained financial loss.

The matter was reported to the management in the month of August to October 2024. DAC meeting was held on 10-02-2025, wherein the department replied that taxes are deducted as per applicable rules of FBR and SRB. In most of the cases AG Sindh deducted the taxes. The department further stated that contractors of solar

system are exempted from taxes. The DAC directed the management to produce the evidence of tax deductions and exemption certificate where applicable to audit for verification. However, no record was produced for verification till finalization of this report

Audit recommends that expeditious recovery of taxes be made besides taking remedial measures.

(DP # 02,24,46,52,53 & 60)

10.5.15 Irregular payment without satisfactory completion reports – Rs 309.356 million

As per clause 8, Taking-over sub clause-8.1 of contract agreement, the contractor may notify the Procuring Agency when he considers that the works are complete and as per sub clause-8.2, within 14 days of receipt of the said notice of completion from contractor, the procuring agency shall either take-over the completed works and issue a certificate of completion to that effect or shall notify the contractor his reasons for not taking-over the works.

During audit of office of the Director, Alternative Energy, Karachi for the financial years 2022-23 & 2023-24, it was observed that payment of Rs 309.356 million was made to various contractors under various schemes of installation of solar systems at various schools which were completed, but the work completion report/satisfactory certificate and handing/taking over reports of the solar system were not obtained from the quarter concerned.

Audit is of the view that the lapse on the part of management indicates weak internal controls. Due to non-availability of supporting record, audit cannot verify the authenticity of the expenditure and there are chances that the payments are made without actually executing works on site.

The matter was reported to the management in the month of October, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that the Directorate of Alternative Energy staff physically verified the schools and confirmed the completion of solar PV system installations. Satisfactory certificates were obtained

before payments were made to contractors, and Handing and Taking certificates were collected from the school in-charges where the systems were installed. DAC directed the management to produce relevant record to audit showing satisfactory completion reports in support of their reply for verification. However, no record was produced for verification till finalization of this report

Audit recommends fixing of responsibility on the person(s) at fault, besides taking remedial measures to ensure completion of works as per requirements.

(DP#21-AIR#03)

10.5.16 Payment of secured advance without execution of work – Rs 56.760 million

As per standard Form of Bidding Documents issued by SPPRA, 9.3 (2) Advance Payments: Financial assistance is given to the contractor to enable him to overcome financial encumbrances and shall be made available by adopting any one of the following methods:

- (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";
 - (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 office of the Director, Alternative Energy, Energy Department, Karachi for the financial years 2022-23 & 2023-24, it was observed that the work "Electrification of Tube Wells in Tharparkar," valued at Rs 185.640 million, was awarded to M/s M.D.S & Co. on 24-08-2023. Despite the requirement to complete the work within 2023-24, no progress was made by the contractor. However, a secured advance of Rs 56.760 million was paid on 30-05-2024, nine months after the award, suggesting the expenditure was made solely to prevent budget lapse.

(Rs. In Million)			
Cheque No	Vendor Name	Particulars	Amount
5352093/30-05-24	M/S M.D.S. & CO.	Payment of secured advance against work electrification of water schemes Tharparkar	56.760

Audit is of the view that the payment of secured advance at close of financial year without executing any work was due to prevalence of financial indiscipline and weak internal control. Thus, undue financial favor was extended to the vendor.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the management replied that the payment of secured advance was made as per contract agreement. The DAC decided to stand the para as secured advance was paid but the execution was delayed. No progress was reported by the department till finalization of this report.

Audit requires justification of the above matter, besides fixing of responsibility on person(s) at fault and taking remedial measures.

(DP#27/AIR#08)

10.5.17 Procurement without inviting open tender – Rs 28.091 million

As per Rule-17 (1) & (2) of Sindh Public Procurement Rules, 2010, Procurement over one 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 office of the Director General, Sindh Coal Authority, Karachi for the financial year 2023-24 it was observed that an expenditure of Rs 28.091 million was incurred on various procurements without inviting the tender. Hence the Government could not achieve the benefit of mist economic rates. The details are given as under:

(Rs. in Million)					
Sr#	Name of Office	Particulars	Financial Year	AIR Para #	Amount
1	Director General, Sindh Coal Authority, Karachi	purchase of machinery & equipment	2023-24	14	3.913
2	Director of Power Development Sindh	Purchase of Misc items	2023-24	02	16.631
		Expenditure on Printing Publication	2023-24	08	2.417
3	Project Director, Sindh Solar Energy Project (FAP), Energy Department, Karachi	procurement and repair of I.T. equipment	2023-24	28	5.130
Total					28.091

Audit is of the view that expenditure was made without tender, which stands violation of SPPRA rules.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the management replied that all the procurements were made following SPPRA Rules. Different items were procured following which were urgently needed following quotation basis of procurement. The DAC directed the department to produce record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends fixing of responsibility on the person at fault along with taking remedial actions to adopt practice of following the SPPRA rules.

(DP#29)

10.5.18 Expenditure through collusive practices – Rs 3.499 million

Rule 17(1) & (2) of Sindh Public Procurement Rules, 2010 as amended in March 2019 states that procurement over three hundred thousand 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. According to sub clause (ii) of clause (q) of sub rule (1) of Rule 2 of SPP 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, noncompetitive levels for any wrongful gain".

During the audit of the office of the Secretary, Energy Department, Government of Sindh for the financial year 2023-24, it was observed that expenditure amounting to Rs 3.499 million was incurred on repair and payment was made vide cheque No. 5061197 dated 15-09-2023 to M/s A.B.S Trading Company/Supplier through -collusive practices. The review revealed that quotations were obtained from M/s A.B.S Trading Company/Supplier and M/s Express Trading Company & Suppliers. Both companies are registered with the Federal Board of Revenue (FBR) under the same owner, i.e., Walidad Seyal (NTN No. 5487545-2). The rates quoted have been compromised due to no competition.

Sr. #	Vendor Name	Particulars	Amount
1	Vender No.0030842835/ M/s. A.B.S Trading Company/ Supplier	Denting & Painting of Bonnet & Door, Engine Tuning, Repair of all foundation, Repair of exile, all lock repairing gate, Bonnet repair, Power steering, Wheel Alignment, Repair of Break Booster, Front and rear shock repair, electric wiring repair, engine head repair, Repair of AC repair, Repair of front bumper with paint, engine overhauling complete, Touch up repair, Replace of break pads, Tyre change, seat cover change, etc.	299,600
2			295,250
3			281,000
4			299,930
5			242,270
6			298,530
7			299,600
8			299,480
9			289,630
10			297,700
11			299,750
12			296,110
Total			3,498,850

Due to financial indiscipline and lack of internal controls, expenditure was made without genuine competition which undermined the integrity of the procurement process.

The matter was reported to the management in the month of July, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that the expenditure of Rs 3.499 million was incurred on account of payment of Repair of Transport after completing all codal formalities. DAC directed the management to inquire the matter and share the report with audit. However, no record was produced till finalization of this report.

Audit recommends fixing of responsibility on the person(s) at fault along with taking remedial actions to adopt practice of following the SPPRA rules.

(DP#49/AIR#02)

10.5.19 Unjustified payment was made to M/s Five Star Enterprises- Rs 1.899 million

According to Article-84 of the 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 office of the Secretary, Energy Department, Government of Sindh for the financial year 2023-24, it was observed that payment of Rs 1.899 million was made to M/s Five Star Enterprises against the invoice of M/s Blue Bird Enterprises which was found attached with the contingent bills.

Cost Center	Payment made to	Bills Attached	Cheque No	Payment Date	Head of Account	Amount
KQ0485	Vender No.0030847403/ FIVE STAR ENTERPRISES	Vender No.0030879056/ BLUE BIRD ENTERPRISES	5114687	10/24/2023	A06301 Entertainments & Gifts	292,500
KQ0485			5114687	10/24/2023		299,500
KQ0485			5114687	10/24/2023		248,500
KQ0485			5114687	10/24/2023		217,500
KQ0485			5114688	10/24/2023		299,500
KQ0485			5114688	10/24/2023		258,000
KQ0485			5114688	10/24/2023		284,200
Total						1,899,700

Audit is of the view that this discrepancy indicates a loophole in the internal controls and financial management processes within the department.

The matter was reported to the management in the month of July, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that payment of Rs 1.899 million was made to M/s Five Star Enterprises against the contingency bills. DAC directed the management to inquire the matter and share the report with audit. However, no record was produced till finalization of this report.

Audit recommends fixing of responsibility on the person(s) at fault along with taking remedial actions to adopt practice of following the SPPRA rules.

(DP#55/AIR#01)

10.5.20 Splitting up of expenditure in order to avoid tender – Rs 95.558 million

As per Rule 12 (1) of SPPR 2010, “All proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.”

During audit of following offices of Energy Department, Government of Sindh for the financial year 2023-24, it was observed that an expenditure of Rs 95.558 million was incurred through splitting up of purchase orders into parts in order to avoid obtaining sanction of competent authority and invitation of open tenders. Thus, the Government was deprived of competitive rates. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Director General, Sindh Coal Authority, Karachi	2023-24	12	splitting up of expenditure in order to avoid obtaining sanction of competent authority and invitation of open tenders	10.658
2	M.D, Sindh Energy Efficiency & Conservation Agency, Karachi	2023-24	03	splitting up of expenditure in order to avoid open tender	32.382
3	Director, Alternative Energy, Karachi	2022-23 & 2023-24	13	purchase of miscellaneous consumable items	26.408
			27	purchase of plant & Machinery	1.148
4			09	Procurement of stationery items	4.270

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
	Director General, Sindh Coal Authority, Karachi	2021-22 to 2022-23	24	Purchase of Misc. items	11.969
5	Secretary, Energy Department, Government of Sindh	2023-24	04	purchase of furniture & fixture and renovation of office building	7.473
6	Managing Director, Thar Coal and Energy Board,	2023-24	09	purchase of toner cartridges	1.250
Total					95.558

Audit is of the view that management incurred expenditure through splitting up to avoid competitive process in violation of SPPRA Rules.

The matter was reported to the management in the month of August to October 2024. DAC meeting was held on 10-02-2025, wherein the department replied that expenditure was made in accordance to SPPRA Rules. The department further stated that the expenditure was made on different date according to the need of the department. The DAC directed the management to produce relevant record for verification. However, no record was produced till finalization of this report.

Audit recommends adherence to procurement rules properly, investigate the matter besides fixing responsibility on the person(s) at fault.

(DP #04,35,38,58)

10.5.21 Unauthorized provision for income/withholding tax – Rs 5.701 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 office of the Project Director, Sindh Solar Energy Project, Karachi, for the financial year 2023-24, it was observed that in the contracts for the assignment "Design, Supply, Install & Operate Distributed Grid-Connected Solar PV Systems" under COVID-19 relief measures were awarded to various contractors in Sindh. The cost of services included a provision for withholding tax. As income tax is the supplier's liability, including it in the service price is unjustified and the amount is recoverable from the contractors. The details are given as under:

(Rs. in Million)

Sr. #	Successful bidder	Detail	Particulars	Date of award	Bid awarded	Income Tax
1	M/s Pantera Energy Pvt. Ltd	Amend. 2	Infra dev. - Transformer	10-08-21	18.552	0.603
2	Renewable power Pvt. Ltd.	Amend. 3	Infra dev.	25-09-23	59.425	5.098
Total						5.701

Audit is of the view that provision of withholding tax in the price indicates weak financial control in the project.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-02-2025, wherein the department replied that amount will be deducted from the invoices submitted by M/s Pantera Energy and Renewable Power. However, contractor has not submitted any invoices since the issue was identified. The amounts will be deducted at source from the upcoming invoices pending due to completion of net metering issues. The DAC directed the management to recover the amount immediately under intimation to audit. However, no progress was reported till finalization of this report.

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

(DP#41/AIR #38)

10.5.22 Abnormal payment of arrear on account of electricity – Rs 4.117 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, "Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his

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

During audit of office of the Secretary, Energy Department, Government of Sindh for the financial year 2023-24, it was observed that a total amount of Rs 4.461 million was paid to M/s State Life Insurance for electricity charges, including arrears. The invoice indicates a bill amount of Rs 343,991 for the month of April 2024, covering 5,460 units. However, the payment included arrears totaling Rs 4,116,953 without providing details on the period covered or a breakdown of monthly consumption and bill amounts. This absence of crucial information raises concerns about the validity and accuracy of the arrear payment. The details are given as under:

(Rs. in Million)

Billing Month	Units Consumed	Rate	Bill Amount	Arrear Amount	Arrear Period	Total Amount
April. 2024	5160	66.66	0.344	4.117	Nil	4.461

Audit is of the view that this observation pointed out to potential issues in the transparency and accuracy of financial transactions within the department. The lack of detailed information on the arrear payment undermines the accountability and reliability of the financial records.

The matter was reported to the management in the month of July, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that the payment of arrears totaling Rs 4,116,953 on account of Electricity charges was made during the financial year 2023-24 after completing all codal formalities and with the approval of Finance Department, Govt. of Sindh. The management further stated that department is the tenant of State Life Building and there is no separate K-Electric connection available. DAC directed the management to produce relevant record in support of the reply for verification. However, no record was produced till the finalization of this report.

Audit recommends reconciliation of electricity charges besides taking remedial measures.

(DP#90/AIR#06)

10.5.23 Doubtful expenditure on purchase of furniture – Rs 3.962 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 on the accounts of Managing Director, Sindh Energy Efficiency & Conservation Agency, Karachi, for the financial year 2023-24, it was observed that an expenditure of Rs 3.962 million was incurred on purchase of furniture & fixture (Tables, Almirah, shelves, etc) whereas the management did not have its own office rather little portion was shared with Energy Department and said portion was jointly used/renovated. The articles procured were not physically available within the said office’s portion. Further, the quotations were obtained from vendor of Khairpur Mirs which indicates non-transparent procurement.

Audit is of the view that due to no valid justification, authenticity of the procurement could not be ascertained.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 10-02-2025, wherein the management replied that furniture was purchased keeping in view the wear and tear of old furniture and due to expansion of scope of work. The reply of the management is not tenable as without sufficient space or separate office, expenditure incurred on furniture procurement is not justified. The DAC directed the management to produce relevant record for verification. However, no record was produced for verification till finalization of this report.

Audit recommends inquiry into the matter for fixing responsibility on the person(s) at fault.

(DP#45/AIR#10)

Chapter - 11

Excise, Taxation & Narcotics Control Department

11.1 Introduction

Excise and Taxation Department is the main tax collecting organ of the Provincial Government. The core business of the department is to levy and collect Infrastructure Cess, Motor Vehicle Tax, Excise Duty, Professional Tax, Hotel Tax, Cotton Fee, Property Tax and Entertainment Duty.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	15	1	851.863	1,625.683
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

11.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
7,247.868	-	1,147.629	(1,147.629)	(1,751.746)	5,496.122	4,998.496	(497.626)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of of Rs 497.626 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
143,273.000	130,780.000	114,536.596	(16,243.404)

Revenue estimates were reduced up to 9% in revised estimate. Actual receipt was 88% of revised estimate.

11.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,248.508 million were raised as a result of this audit. This amount also includes recoverable of Rs 1,489.154 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non production of record	20.729
2	Irregularities	
A	<i>Procurement related irregularities</i>	1.070
3	Others	
A	<i>Operational Inefficiency</i>	2,226.710
B	Recovery	1,489.154

11.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	2	1	0	1	-
2	1998-99	0	0	0	0	-
3	1999-2000	19	5	0	5	-
4	2001-02	0	0	0	0	-
5	2004-05	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	7	7	0	7	-
8	2007-08	11	8	0	8	-
9	2008-09	7	6	0	6	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	11	9	0	9	-
13	2016-17	9	7	0	7	
Total		66	43	0	43	-

11.5 AUDIT PARAS

11.5.1 Non-production of record – Rs 20.729 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of office of the Director (Admin) Excise & Taxation (A-Division), Karachi, it was requested to provide Auditable record of Rs 20.729 million. The record was requisitioned for the financial years 2022-23. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management in June, 2024. DAC meeting was held on 31-12-2024 wherein the management stated that record is available for audit. The reply is untenable for creating obstruction for smooth conduct of audit and non-initiation of disciplinary proceeding against person(s) responsible under E&D Rule. Due to voluminous record, the DAC directed that the record will be verified in next audit.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last two (02) years and disciplinary proceedings be

initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#03/AIR#01)

11.5.2 Short realization of revenue target – Rs 738.625 million

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

During audit of office of the Deputy Director/ Sr. ETO Motor Registration Authority, Hyderabad for the financial years 2016-17 to 2022-23, it was observed that an amount of Rs 3,208.863 million was fixed as revenue estimate / target, while an amount of Rs 2,470.238 million was realized, therefore, an amount of Rs 738.625 million was realized less than the target set for the year.

The lapse on part of management indicates prevalence of weak internal controls within the department.

Audit is of the view that either the budget forecast mechanism was irrational, or the departmental efforts/activities were not made/functionalized at its optimal level which resulted in a short realization of revenue.

The matter was reported to the management in April, 2024. DAC meeting was held on 12-12-2024 wherein the management did not submit any reply.

Audit recommends sincere efforts may be made for achievement of revenue targets besides taking remedial measures.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 and 2023-24, vide para number 9.5.9, and 10.5.5, respectively having financial impact of Rs 91244.431 million. Recurrence of same irregularity is a matter of serious concern.

(DP#01/AIR#08)

11.5.3 Less-recovery of revenue against generated challans on account of professional tax – Rs 1,481.272 million

According to rule-28 of General Financial Rules Vol-I, states “no amount to government should be left outstanding without sufficient reasons, and when any dues appear to be irrecoverable, the orders of the competent authority must be sought.

During audit of office of the Secretary, Excise, Taxation and Narcotics Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that challans of Professional tax amounting to Rs 2,105.973 million were generated by the software for recovery of tax from 170,331 units, but only an amount of Rs 624.703 million could be recovered, resulting into less recovery of revenue of Rs1,481.272 million. The details are as under:

(Rs. in Million)

Sr. #.	District	period	No. of units	Due Tax	Recovered Tax	Outstanding Tax
1	Karachi	01.07.23 to 30.06.24	114,856	1,927.565	586.356	1,341.209
2	Hyderabad	01.07.23 to 30.06.24	31,633	120.105	22.537	97.568
3	Mirpurkhas	01.07.23 to 30.07.24	11,621	18.924	6.657	12.267
4	Larkana	01.07.23 to 30.07.26	12221	39.381	9.153	30.228
Total			170,331	2,105.975	624.703	1,481.272

Audit is of the view that due to the short achievement of targeted receipts government sustained financial loss.

The matter was reported to the management in July, 2024. DAC meeting was held on 12-12-2024 wherein the management stated that some recoveries have been made besides special recovery teams have been formulated to recover all the remaining arrears. DAC directed that DG E&T will ensure that professional tax is collected and deposited in government treasury, periodically, in due course of time. However, no progress has been made in this regard till finalization of this report.

Audit recommends recovery may be affected besides fixing responsibility on person(s) at fault.

(DP#13/AIR#02)

11.5.4 Non-deduction of income tax – Rs 6.817 million

As per Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a 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- (a) for the sale of goods; (b) for the rendering of services; (c) on the execution of the contract, other than a contract for the sale of goods or the rendering service, shall, at the time of making the payment , deduct tax from the gross amount payable at the rate specified in division III of part III of the first schedule. 9% tax shall be deducted from non-filer.

During audit of office of the Secretary, Excise, Taxation and Narcotics Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that payments amounting to Rs 227.244 million were made to various suppliers on account of IT related services, but income tax amounting to Rs 6.817 million was not deducted from the contingent bills of suppliers/service providers.

Audit is of the view that due to non-deduction of applicable tax, government sustained loss of revenue.

The matter was reported to the management in July, 2024. DAC meeting was held on 12-12-2024 wherein the management stated that AG Sindh has deducted Income Tax from both the companies. However, management has issued letters to the firm M/s Hybrid Technologies for providing Income Tax Certificate. DAC directed to produce relevant record. However, no record was produced to audit till finalization of this report.

Audit recommends recovery besides fixing of responsibility on the person(s) at fault. In addition, special training courses on taxes may be arranged for the management with FBR & SRB.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 7.5.4, 9.5.12 and 10.5.19, respectively having financial impact of Rs 635.772 million. Recurrence of same irregularity is a matter of serious concern.

(DP#23/AIR#13)

11.5.5 No recovery of stamp duty from the service providers – Rs 1.067 million

According to para-22-A of Stamp Acts. it was 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 office of the Secretary, Excise, Taxation & Narcotics Control Department, Government of Sindh, Karachi, for the financial year 2023-24, it was observed that the management executed the formal agreement with the parties concerned for procurement of various services, without recovery of stamp duty of Rs 1.067 million which caused loss to the Government.

(Rs. in Million)

Sr.#	W.O#	Name of Services provider	Field of work	Name of service	Amount	Extended Amount
01.	SO(G) ET & NC / Resources / 2022-23/05 dated 19.07.2022	M/s Convolair (Pvt.) Ltd. Karachi		Resourcing outsourcing at various offices of ET&NC	40.620	93.832
02.	SO(G) ET & NC / Resources / 2022-23/05 dated 19.07.2022	M/s Sapphire Consulting Services Pvt. Ltd.	Field Support Engineer / data entry Operators		46.800	108.108
03.	SO(G) ET & NC / Resources / 2022-23 dated 04.07.2022	M/s Convolair (Pvt.) Ltd. Karachi	Service for property Tax collection software maintenance	-	32.000	102.92
Total					119.42	304.86
Stamp duty@0.35%						1.067

Audit is of the view that the management did not perform its duties properly by non-realizing stamp duty.

The matter was reported to the management in July, 2024. DAC meeting was held on 12-12-2024 wherein the management stated that AG Sindh has deducted stamp duty from both the companies. However, management has issued letters to respective firms for depositing the stamp duty. DAC directed to produce record / evidence to audit for verification. However, no record was produced till finalization of this report.

Audit recommends recovery of stamp duty and the matter may be reported to the Director Stamp Duties for initiating investigation in the matter.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 and 2023-24, vide para number 9.5.18, and 10.5.10, respectively having financial impact of Rs 6.001 million. Recurrence of same irregularity is a matter of serious concern.

(DP#10/AIR#10)

Chapter - 12

Finance Department

12.1 Introduction

The Finance Department is responsible for the overall financial discipline of the Province. Preparation of annual provincial budget, formulation of financial rules and maintenance of an effective and efficient financial reporting system are the major assignments of Finance Department.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	27	2	2,282.549	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	1	1	1,644.643	-

12.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
459,932.946	87,242.750	50,621.295	(50,621.295)	(6,903.060)	540,272.636	491,565.994	(48,706.642)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 48,706.642 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
1,959,933.473	1,666,556.909	1,665,419.460	(1,137.449)

Revenue estimates were reduced upto 15% in revised estimate. Actual receipt was 100% of revised estimate.

12.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 276,752.506 million were raised as a result of this audit. This amount also includes recoverable of Rs 5,356.576 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	3,568.001
2	Reported cases of fraud, embezzlement and misappropriation	26.267
3	Irregularities	
A	HR/Employees related irregularities	14,123.619
B	Procurement related irregularities	2,325.960
4	Others	
A	Operational Inefficiency	244,326.970
B	Record Keeping & Data accuracy	701.810
C	Internal Control Weakness	11,679.88

12.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 9.19%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	11	1	0	1	-
4	2001-02	0	0	0	0	-
5	2004-05	0	0	0	0	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-
8	2007-08	4	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	19	15	4	15	21.05
11	2010-11	0	0	0	0	-
12	2014-15	0	0	0	0	-
13	2016-17	30	26	4	26	13.33
14	2017-18	23	23	0	23	-
Total		87	65	8	65	9.19

12.5 AUDIT PARAS

12.5.1 Un-justified payment through invalid CNICs numbers – Rs 1,465.428 million

As per NADRA Guidelines, the Last digit: At last, there is any number from 1- 9. Here odd numbers (i.e. 1,3,5,7,9) shows that the holder is a male while even numbers (i.e. 2,4,6,8) shows that the holder is a female. According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit on the accounts of offices of the Finance Department, Government of Sindh, for the financial years 2021-22 and 2022-23, it was observed while scrutiny of payroll of SAP system that an amount of Rs 1465.428 million was paid to various officers/officials on account of pension payments on invalid CNICs numbers. The documentary evidence for authentication were also not produced to audit. The details are given at **Annex-1 of Chapter-12**.

Audit is of the view that non-updating of CNIC numbers of various officials is a serious matter of negligence of competent authority to input the official’s personal information accurately and to safeguard the data integrity of payroll system.

The matter was reported to management in April and May 2024. DAC meeting was held on October 14, 2024. The DAC directed that in view of reply and discussion, the corrective measures have been made. However, para will be settled after provision of certificate to audit. However, evidence/record was not produced for verification.

Audit recommends verifying pension payments made against invalid CNICs and ensuring proper documentation for compliance besides a certificate from the PAO that all the anomalies/invalid CNICs have been corrected.

(DP#35)

12.5.2 Authorization of Grant in aid in violation of government rules – Rs 241,055.262 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of the office of Secretary, Finance Department, Government of Sindh, for the financial year 2023-24, it was observed that Rs 241,055.26 million in grant-in-aid was authorized in violation of the Sindh Financial Rules, 2023. The rules require grantee institutions to maintain subsidiary accounts, submit audited statements, allow audits by Auditor-General of Pakistan, and to provide utilization certificates for non-recurring grants. However, many institutions failed to comply with the above formalities, yet the Finance Department continued releasing funds without enforcing these requirements. This non-compliance raises serious concerns about accountability and proper use of public funds, with further irregularities such as payments to individuals also noted.

Audit is of the view that pre audit / post audit functions have been ignored as the department failed to obtain audited statements from reputable firm due to non-compliance of policy guidelines in letter and spirit.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. The DAC directed the revision of the reply and

provision of utilization accounts, audited statements, and related documents as per rules. In compliance, the management revised the reply and submitted the utilization report, audited statement, and registration for only three organizations: Metro Library, Karachi Vocational Training Centre, and Pakistan Life Saving Foundation. However, similar documents for the remaining organizations were not provided, leaving the para unverified.

Audit recommends finance department enforce strict compliance with rules, by mandating subsidiary accounts, audited statements, and utilization certificates before releasing Grant-in-Aid funds. It also calls for establishing a strong oversight mechanism, conducting independent audits of grantee institutions, and holding officials accountable for unauthorized fund releases to ensure transparency and prevent misuse of public funds.

(DP#83/AIR#28)

12.5.3 Issuance of fake advices in lieu of arrears - Rs 26.267 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 the office of the Secretary, Finance Department, Government of Sindh, for the financial year 2023-24, it was observed that an amount of Rs 26.267 million was paid to claimants on account of arrears of pay and allowances based on fraudulent/fake payment advices. These advices were obtained in collusion with the SR-I section of the department. The fraudulent activity was exposed when the Office of the Accountant General Sindh, Karachi, issued a letter (No. Edu-I/Finance Verification/2023-24/297 dated 07-11-2023) to the Section Officer (SR-I) of the Finance Department, requesting verification of the legitimacy of 11 payment advices amounting to Rs 26.267 million. The Section Officer (SR-I) responded through a letter (No. FD(SR-I)01(11)/2023-24 dated 08th November 2023), confirming that this payment advises were indeed fake and had been fraudulently secured. Consequently,

instructions were given to block the personal IDs of the 11 employees involved in these cases until further notice. Despite the serious nature of this fraudulent activity, no formal inquiry was initiated against Mr. Sarmad Ali Shaikh, Section Officer (SR-I), even though the advice were originally sealed and embossed by his section. While it was verbally communicated that an inquiry had been conducted to investigate the matter, no inquiry report detailing the findings or actions taken against the section in charge was provided to Audit team.

This situation raises serious concerns about the internal controls and oversight within the Finance Department, particularly in the SR-I section, where the fraudulent payments advices were generated and processed.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. The management reported that the Office of the Accountant General (AG) Sindh, through a letter dated November 7, 2023, requested verification of the authenticity of 11 advices/permissions. The Finance Department, in its response dated November 8, 2023, categorically declared these advices as fake and requested the AG Sindh to block the IDs of the implicated employees. However, if arrears were paid to these employees despite the Finance Department's directive, further clarification should be sought from the AG Sindh. Following this incident, a comprehensive inquiry chaired by the Additional Finance Secretary (SR/Admn) identified the responsible officials. Stringent controls were introduced in the SR-I section to prevent recurrence, including weekly uploads of permissions/advices on the Finance Department's website and linking permissions/advices to SAP IDs. Additionally, the inquiry noted that Mr. Sarmad Ali Shaikh was not the primary accused but a victim of signature tampering and defamation attempts. His statements were recorded and included in the inquiry report. The DAC directed the management to provide the inquiry report, details of recovery, and correspondence with AG Sindh. The inquiry reports on fabricated advices exposed critical management failures in addressing financial misappropriations. Despite identifying 11 fake advices and requesting AG Sindh to block implicated IDs on November 8, 2023, significant non-compliance with DAC directives persists. The Inquiry did not sufficiently highlight lapses in internal controls within the SR-I and R&I Branch which do not ensure strict monitoring of the advice/permission issuance process to stop the fraudulent activities occurrence. Recovery efforts from defaulters remain poor. Although individuals

involved in fraudulent activities admitted, the report does not include a concrete plan or timeline for recovering misappropriated funds. Non-compliance by involved beneficiaries and the absence of punitive measures further erode the credibility of the recovery process. Weak internal controls, including the lack of a centralized tracking system, inadequate data validation, and monitoring gaps, created exploitable vulnerabilities. The absence of a detailed audit trail, periodic reviews, and automated systems like SAP-based controls perpetuates inefficiencies and undermines transparency. Since the DAC directives were not followed, therefore, the para stands.

Audit recommends re-initiating a formal inquiry to hold all involved individuals accountable, strengthen monitoring of payment processes, implement a centralized tracking system, expedite fund recovery, and provide a detailed report with evidence of corrective actions to address lapses and prevent recurrence.

(DP#80/AIR#07)

12.5.4 Delay in processing arrear of pay and allowance bills resulted hurdles to public servants

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit of the office of Secretary, Finance Department, Government of Sindh, for the financial year 2023-24, it was observed that 676 different bills related to arrears of pay and allowances were returned to the claimants without any recorded observations. The responsibility for handling these tasks lies with the SR-I Section of the Finance Department. The information provided to Audit team only indicated that letters were issued to return the bills, but no specific observations or reasons for rejection were documented in the records. Additionally, upon detailed scrutiny of the available records, it was found that the passed bills did not clearly demonstrate the observations or concerns raised by the SR-I Section. This lack of transparency and

documentation within the SR-I Section has created unnecessary hurdles for government employees seeking approval for arrears of pay and allowances, potentially delaying the disbursement of their entitled funds. The absence of clear and documented reasons for returning these bills raises concerns about the efficiency and performance of the SR-I Section in managing the process.

Audit is of the view that the SR-I Section's failure to record specific observations or reasons for returning the bills reflects inadequate internal controls and a lack of accountability. This not only creates inefficiencies but also raises concerns about the fairness and transparency of the process.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. The management replied that in order to save time and dispose of the cases, the Section Officer (SR-I) examine the cases at the section level and the necessary documents are requisitioned from the concerned Administrative Department / DDO concerned through a letter and the same is updated on the system. It is further clarified that the original bills / original case papers are never referred to the department /DDO concerned when the requirements are requisitioned through a letter. Therefore, the facts are misrepresented in this Audit Para. Detailed deliberation was held, and it was directed to process the bills within specified time after proper scrutiny of claim. It was also directed to comply with Audit contents for future compliance. The reply is not tenable as no original case was produced during verification for scrutiny and the cases were returned at section officer level without concurrence of any committee or senior officer.

Audit requires that Finance Department should ensure SR-I Section records reasons for returning bills, enforce strict processing timelines, and maintain proper documentation.

(DP#82/AIR#8)

12.5.5 Unjustified payment of arrears more than one time – Rs 52.494 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 on the accounts of various offices of the Finance Department, Government of Sindh, for the financial years 2021-22 & 2022-23, while scrutinizing the SAP pension roll data, it was observed that arrears of pension was made more than one-time amounting Rs 52.494 million. Furthermore, no pensioner file, due drawn statement and bill were provided to audit for authentication of claims of the incumbent.

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
1	District Accounts Office, Naushahro Feroze	29	Doubtful payment of arrears of pensions two to three times.	33.916
2	District Accounts Office, Dadu	5	Doubtful payment of arrears of pension two or three times.	18.578
Total				52.494

Audit is of the view that lapse on part of department indicates the improper watch and weak internal controls.

The matter was reported to management in April and May 2024. DAC meeting was held on October 14, 2024. The DAC directed the management to produce record within 15 days to audit along with report and directed the DAO to produce the relevant pension files for rechecking. The DAO Naushahero Feroz with regard to AIR#29 did not furnish evidence/ record for verification. The DAO Dadu, with respect to AIR#5, provided photocopies of few pension cases instead of justifying the multiple payments on a case-by-case basis. However, these files were not furnished for verification. Audit requires due-drawn statements, pensioners' bank statements, and other relevant records to verify whether the payments were made according to entitlements or otherwise.

Audit recommends investigating and recovering duplicate pension arrears payments while enforcing strict verification of pensioner files, due drawn statements, and bills to prevent future irregularities.

(DP#29)

12.5.6 Excess payment on account of Pension, LPR and GP Fund – Rs 2,794.435 million

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

During audit on the accounts of various offices of Finance Department, Government of Sindh, for the financial years 2021-22 to 2023-24, while scrutinizing the SAP pension roll data, it was observed that excess payment of Rs 2,794.435 million was made to the pensioners. The details are given at **Annex-2 of Chapter-12**.

Audit is of the view that lapse on part of department indicates the improper watch and weak internal controls.

The matter was reported to management in April and May 2024. DAC meeting was held on October 14, 2024. The DAC directed to conduct fact finding enquiry by IG treasury under intimation to audit. During the verification process, in compliance with the DAC decision, the inquiry report findings were not shared by any DAOs. However, only two DAOs provided the status of recovery, totaling Rs. 0.945 million: DAO Shaheed Benazirabad (AIR#17) recovered Rs. 0.470 million, and DAO Sukkur (AIR#11) recovered Rs. 0.475 million.

Audit recommends investigating excess pension payments, recovering overpaid amounts, and strengthening controls, including automated validation checks, to prevent future irregularities.

(DP#30)

12.5.7 Doubtful double/increase payments in retirement benefits – Rs 1,206.141 million

According to Para 40-B Appendix 18-A (1) SFR 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 on the accounts of offices of the Finance Department, Government of Sindh, for the financial year 22021-22 and 2022-23, it was observed that doubtful double/ excess payment against the actual due one amounting to Rs 1,206.141 million was allowed on account of arrears of pensions, leave preparatory to retirement, gratuity and commutation. The details are given at **Annex-3 of Chapter-12**.

Audit is of the view that due to fraudulent payment government sustained loss, which indicates improper watch and weak internal controls.

The matter was reported to management in April and May 2024. DAC meeting was held on October 14, 2024. The DAC stands the para till full recovery of amount. All DAOs provided different responses, but most of them failed to submit complete records, leaving verification incomplete. Issues included non-production of original files, SAP system limitations, partial recoveries of unauthorized payments, inadequate documentation for pension adjustments, incomplete reactivation of IDs, pending responses from NADRA, and unresolved excess payments. However, the DAO Sanghar for AIR#10 has so far recovered an amount of Rs 35.33 million, DAO Dadu for AIR#03 an amount of Rs 31.94 million, DAO Thatta for AIR#19 an amount of Rs 18.07 million and DAO Sukkur an amount of Rs 0.71 million resulted cumulative recovery of Rs 86.046 million out of total Rs 1,206.141 million. The DAOs will affect full recovery and submit to audit for verification.

Audit recommends investigating doubtful double/excess payments, recovering the overpaid amounts, and strengthening controls, including automated validation checks, to prevent future irregularities.

(DP#20&37)

12.5.8 Recovery of excess payment of pension/commutation – Rs 56.348 million

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

During audit on the accounts of District Accounts Office, Ghotki of the Finance Department, Government of Sindh, for the financial year 2022-23, it was observed that an amount of Rs 56.348 million was paid in excess to the pensioners fraudulently against due amount.

Audit is of the view that excess payments indicate financial mismanagement, leading to potential losses and requiring immediate corrective action.

The matter was reported to the management in April 2024, and DAC meeting was held on October 14, 2024. The management replied that the Finance Department, had initiated action against the responsible officers and officials. The recovery efforts were in process. The case was also under investigation by the Anti-Corruption Establishment (ACE), Government of Sindh. The DAC directed that full recovery of the questioned amount be completed, and the inquiry findings be shared with Audit. In response to AIR#05, DAO Ghotki reported that an amount of Rs 21.762 million had been recovered with the remaining amount still outstanding. The DAO Ghotki will affect full recovery and submit to audit for verification.

Audit recommends investigating fraudulent excess payments, recovering the overpaid amounts, and strengthening controls, including automated validation checks, to prevent future irregularities.

(DP#14/AIR#05)

12.5.9 Un-justified payment of honorarium upto 18 Basic pay – Rs 214.313 million

According to Fundamental Rule (FR) 48 (b), a local government may grant or permit a government servant to receive an honorarium from general revenue as remuneration for work performed which is occasional in character and either so laborious or of such special merit as to justify a special reward except when special reasons which should be recorded in writing, exist for a departure this provision, sanction to the grant or acceptance of a honorarium should not be given unless the work has been undertaken with the prior consent of the local government and its amount has been settled in advance.

During audit of the office of Secretary, Finance Department, Government of Sindh, for the financial year 2023-24, it was observed that Rs. 214.313 million was paid as honorarium to various officers and officials. This payment raised several concerns, as the honorarium, approved for budget preparation, was extended to all staff, even though only 13 sections were responsible for budget-related tasks. The distribution appeared discriminatory, with some employees receiving up to 18 basic pays while others received only 2, without any clear justification. Furthermore, no extraordinary work or merit was demonstrated to warrant these payments, and the honorariums were granted without consideration of employee grades. The failure to follow government rules and procedures reflects a lack of systematic control and financial discipline within the department. The details are given at **Annex-4 of Chapter-12**.

Audit concluded that the honorarium was paid to employees without justified eligibility and special merit to justify special reward.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. DAC directed the management to settle the para in case of honorarium paid up to 07 basic pay as the same was approved by the cabinet; however, the recovery beyond the approved payment is to be made and verified from Audit. The management provided the SAP report of employees who received honorarium exceeding seven times their basic pay. The report indicates that the concerned officers/officials received both honorarium and cash awards from the

Finance Department as per budget allocation, and both were booked under account head A01273, which has been verified. However, the SAP statement also reveals that some officers received an additional honorarium amounting to Rs. 7.517 million from other departments, which is yet to be recovered. In the absence of the recovery of Rs. 7.517 million, as directed by the DAC, the matter remains unresolved.

Audit recommends recovering the excess honorarium from officers who received additional payments from other departments. Additionally, the Finance Department should enforce strict adherence to government rules and procedures, ensuring that honorariums are only granted to eligible employees based on clear justification and merit.

(DP#62/AIR#10)

12.5.10 Irregular repayment of loan instalment on annual basis – Rs 3500.000 million

As per the APPM section 11.5.1.2 regarding the Accounting Procedure for processing of Receipts and Payments of loans and other liabilities, the following key controls shall be observed when processing receipts and repayments of loans:

- Cash transactions arising from loans should be identified against the proper receipt and payments heads, giving reference to the concerned Federal or Provincial Government ·
- Reconciliation of loan liability records of AG/AGPR with EAD/MoF, in relation to domestic and external debt ·
- Reconciliation of loan receipts and repayment transactions between AGPR/AG and EAD/MoF records ·
- Reconciliation of loan liability records of AG/AGPR with other concerned ministries and departments in relation to recognized liabilities

During audit of the office of Secretary, Finance Department, Government of Sindh, for the financial year 2023-24, it was observed that a payment of Rs 3,500.00 million was made to the Federal Government as part of the rescheduling of a loan installment. A detailed examination of the recovery sheet revealed that this payment comprised of Rs 1,000.00 million allocated in lieu of the principal amount and an additional Rs 2,500.00 million on account of interest payments. Audit noticed with concern the disproportionate interest payment, which is 2.5 times of the principal

amount, foreseeing potential irregularities in the interest calculation or loan terms. In accordance with standard audit procedures, Audit team requested comprehensive documentation and a detailed breakdown to substantiate the basis for this rescheduled payment. However, the management of the Debt Management Unit (DMU) was unable to provide any adequate justification, supporting documentation, or evidence that would validate the legitimacy and accuracy of this transaction.

The lack of transparency and supporting documentation raises concerns about the appropriateness and compliance of the financial arrangements made in this rescheduling.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. The DAC directed that in-house deliberations be conducted to address the questions raised. Decisions made during these discussions should be documented, and the matter should be escalated to relevant forums to reduce the debt. Progress and outcomes should be shared with Audit. Management provided in house meeting 20th October, 2024 regarding the discussion RBOD-I & III transfer of funds to Government of Sindh meanwhile the same was intimated to the Finance and WAPDA regarding the same matter which has been verified. Management provided the minutes of meeting regarding the in house which showed the decision and the same has been verified. The relevant forum was intimated through letter but there is no any mentioned regarding the reducing the debt hence para could not be verified. Further the reconciliation letter was issued to the Chief Engineer WAPDA Sukkur and the reply with documents received from them but no any initiatives were taken to reduce the debt which is outstanding since 1990 and increasing the interest on these fixed loans on RBOD-I & III which is serious concern and day to day increasing interest could be harmful for the GoS which may be given full attention to resolve this matter. Hence para remains unverified. Management failed to produce Progress and outcomes with Audit. Hence para could not be verified.

Audit recommends ensuring transparency in loan rescheduling, reviewing disproportionate interest payments, prioritizing debt reduction, and complying with DAC directives while providing necessary documentation for verification.

(DP#88/AIR#3)

12.5.11 Master data changes of 73 original pensioners without justification – Rs 43.636 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 District Accounts Office, Naushero Feroze, for the financial year 2022-23, it was observed that an amount of Rs 43.636 million was paid to the 73 pensioners whose Master Data was changed with original pensioners record/particulars. Further, the pensioner files and other record was also not produced to audit for authentication.

Audit is of the view that changes in personal data without justification and documentary evidence found irregular and unjustified.

The matter was reported to the management in May 2024, DAC was held on 14-10-2024. The management replied that extension in time for verification of Master Data changed in SAP system may be granted to verify from the original files/records available in this office. DAC directed to submit revised reply within 15 days but DAO Naushahro Feroze for AIR#28 failed to furnish the revised reply.

Audit recommends immediate verification and authentication of the changes made to the Master Data of 73 pensioners using original records and files, ensuring proper justification and documentation. Additionally, strict controls should be implemented to prevent unauthorized changes to pensioner data in the SAP system.

(DP#43/AIR #28)

12.5.12 Excess payment on account of pension – Rs 7.009 million

According to Appendix 18-A of Sindh Financial Rules, “Every Government servant should realize fully and clearly that he will be held personally responsible for

any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on. The part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During audit of the office of District Accounts Office, Badin for the financial year(s) 2021-22 & 2022-23, while scrutinizing the SAP pension roll data, it was observed that excess payment of Rs 7.009 million was paid to the pensioners due to double payment. The details are given at **Annex-5 of Chapter-12**.

Audit is of the view that lapse on part of department indicates the improper watch and weak internal controls.

The matter was reported to management in April 2024. During the DAC meeting held on October 14, 2024, the DAC directed management to provide the relevant records to audit for verification. However, the required documents, including promotion orders for all employees to confirm that no duplicate payments were made, were not furnished. Consequently, verification could not be concluded.

Audit recommends investigating doubtful double/excess payments, recovering the overpaid amounts, and strengthening controls, including automated validation checks, to prevent future irregularities.

(DP#07/AIR# 11)

12.5.13 Non production of record– Rs 3,568.001 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General’s Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit on the accounts of various offices of Finance Department, Government of Sindh, for the financial years 2021-22 to 2023-24, the supporting record of Rs 3,568.001 million was not produced to audit for scrutiny. The details are given at **Annex-6 of Chapter-12**.

Audit is of the view that nonproduction of supporting record for audit is a serious lapse on the part of management. In this way management does not extend cooperation with audit. This non-cooperative attitude results in waste of precious time and later on workload of Audit department is also accumulated.

The matter was reported to management in April & October 2024. DAC meeting was held on October 14, 2024. The DAC directed the management to produce the relevant record for verification. During the verification process, DAO Hyderabad (AIR#1) failed to furnish, DAO Matiari (AIR#36) replied that detailed records were available, yet only partial documentation, such as MIS reports and registers of pensions paid, was provided, resulting in incomplete verification. Similarly, DAO Jamshoro (AIR#19) explained that SAP system restrictions prevented generating previous bank credit advice and submitted a single-page payroll summary, which could not be authenticated without supporting documents. The Secretary Finance Department (AIR#01) replied that all records were available but quoted the bulky nature of the records and the ongoing consolidation of the Annual Audit Report 2024-25 as reasons for deferring verification to the next audit. The DAC meeting for the Project Director, Supporting Public-Private Partnership Investments in Sindh Province, Karachi, to discuss AIR#03, 04, 07, 11, 14, and 06, was not convened.

Audit recommends that responsibility for non-production of record should be fixed and action be taken against the responsible besides ensuring production of record for examination by Audit.

(DP#28 ,60 &100)

12.5.14 Unjustified payment of family pension – Rs 2,727.099 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 on the accounts of following offices of Finance Department, Government of Sindh, for the financial year 2022-23, it was observed that family pension of Rs 2,727.099 million was paid to the pensioners for the IDs of late officials for which the payroll/ payments were not made prior to demise and creation of new IDs. However, the original pensioner file, service statement, LPC, divorce/ death certificate, heir ship, disability certificate and evidence of drawl of pay of pensioners (self) before demise were not produced to audit.

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Particulars	Amount
1	District Accounts Office, Dadu	1	Family pension for the IDs for which payroll/payments were not made.	1,529.012
		9	Family pension without divorced/ death certificate.	1.779
		10	Family pension of Muhammad Bux to Unjustified heirs Mst. Reena / Reema Solangi	1.267
2	District Accounts Office, Naushahro Feroz	25	Family pension for the IDs for which payroll/payments were not made	1,192.935
		6	Unjustified family pension to unjustified heirs	1.117
		31	Unjustified payment of family of pension without disability certificate.	0.989
Total				2,727.099

Audit is of the view that the creation of new ID’s and family pension without documentary evidence indicates weak internal controls prevailing in department.

The matter was reported to management in May 2024. DAC meeting was held on October 14, 2024. The DAC directed to produce record to audit for verification. DAO Dadu for AIR#01 did not furnish relevant documents (Pension sanction authority’s approval for IDs with the prefix “late” and Family Registration Certificates issued by NADRA). Further for AIR#09 the reply was not submitted to DAC for decision. For AIR#10, the dismissal order for Mr. Muhammad Irfan Solangi, dated 16-05-2023, was submitted, citing his termination for illegally adjusting 115 cases, causing a loss of Rs. 44.760 million; however, the order does not address Audit observation adequately, and question regarding delay in pension stoppage on dated

31-12-2023, requiring further explanation and recovery of misappropriated amounts. DAO Naushahero Feroz did not submit relevant records for verification.

Audit recommends verifying family pension payments and ensuring proper documentation, such as original files and certificates, to confirm compliance. Additionally, strict controls should be implemented to prevent unauthorized payments.
(DP#36)

12.5.15 Irregular payment on account of GP Fund – Rs 2,579.028 million

As per para 4.14.1 of APPM “Proper controls shall be followed in the maintenance of permanent accounting records associated with the payroll, GP fund and pension payment processes described in this chapter. These permanent accounting records shall be updated on an as required basis.

During audit on the accounts of following offices of the Finance Department, Government of Sindh, for the financial year 2021-22 and 2022-23, it was observed that payment of Rs2,579.028 million was paid to employee of different departments/offices on account of GP fund without observing codal formalities and having complete documentations. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
1	District Accounts Office, Sanghar	12	Relevant documentations were not attached.	1,123.220
2	District Accounts Office, Kambar	8	Payment without observing codal formalities	516.443
3	District Accounts Office, Shaheed Benazirabad	18	Relevant documentations were not attached.	385.065
4	District Accounts Office, Thatta	5	Payment without observing codal formalities	367.458
5	District Accounts Office, Shikarpur	12	Relevant documentations were not attached.	147.264
6	District Accounts Office, Matiari	6	Payment of GP Fund Final payment/non-refundable advance without observing codal formalities	18.070
7	District Accounts Office, Sukkur	7	Payment without proper pre-audit	17.913

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
8	District Accounts Office, Thatta	6	Undue payment of GP Fund Permanent Advance	3.595
9	District Accounts Office, Sanghar	35	Manual transfer of GP Fund balances	-
Total				2,579.028

Audit is of the view that due to non-availability of relevant documentations shows weak internal controls.

The matter was reported to the management in May 2024. DAC meeting was held on October 14, 2024. The DAC directed to produce record to audit for verification. Replies from DAOs regarding GP Fund payments (AIR#12, AIR#8, AIR#18, AIR#05, AIR#6, AIR#07, AIR#35) revealed partial compliance. They replied that extensive records were available at their offices and could not be produced due to voluminous and requested to cover same during future audits. However, DAO Sanghar, Kamber & Matiari provided limited case files for which the verification remained inconclusive. DAO Thatta & Hyderabad failed to furnish key records such as balance sheets, credit statements, and ledgers as well. The DAO Shikarpur for AIR#12 provided five different cases involving IDs 10399686, 10383856, and 10747335, along with photocopies of the Service Certificate, Retirement Order, Sanction Order, Computerized Recalculation Sheet, and Genuineness Certificate, which were duly verified. However, the Credit Statement, Broadcast Sheet, and Service Statement were not furnished. As a result, the verification process could not be concluded

Audit recommends verifying the GP fund payments and ensuring compliance with codal formalities and complete documentation.

(DP#39)

12.5.16 Irregular payment of arrears of pay & allowances – Rs 2,110.757 million

According to Para 123 Sindh of Financial Rule, “a treasury officer cannot entertain the claim of pay and allowances of a Government servant if it has not been preferred within six months of their becoming due, without any authority from the

Accountant General. Similarly, an Accountant General cannot audit a claim which is more than one year old unless he is authorized by a competent authority to investigate the claim”.

During audit of various District Accounts Offices, Finance Department, Government of Sindh for the financial year 2021-22 to 2022-23 it was observed that the payment of Rs 2,110.757 million was paid to various employees on account of arrears of pay & allowances without observing rules. The details are given at **Annex-7 of Chapter-12**.

Audit is of the view that payment of arrears in absence of above essential record/information indicates weak pre-audit mechanism prevailing in District Accounts Offices, which may result into misappropriation of government funds.

The matter was reported to the management in April and October 2024. DAC meeting was held on October 14, 2024. The reply of the management was discussed in DAC. The DAC settled the para subject to verification of record and producing relevant record duly countersigned. The DAO Ghotki (AIR#22) failed to provide documents countersigned by AFS (Admn/SR), leaving the para unverified. DAO Badin (AIR#22) provided records for employees under the Education Department, but documents for other employees were not submitted, resulting in incomplete verification. DAO Thatta (AIR#33) did not submit a reply, leaving the para unverified. DAO Dadu (AIR#13) replied that records were voluminous and deferred verification to the next audit. DAO Larkana (AIR#2) submitted approvals for only 57 employees out of 1,779, leaving the para unverified. DAO Tando Allahyar (AIR#16) verified 15 cases of new hiring IDs, but remaining documents were missing. DAO Sukkur (AIR#22) failed to furnish required records for verification. DAO Tando Muhammad Khan (AIR#1) verified 436 Education Department cases, but other records were not produced, leaving verification incomplete. DAO Hyderabad (AIR#2) provided limited approvals, leaving most records unverified. DAO Naushahero Feroz (AIR#14) did not provide records, leaving verification pending. DAO Umerkote, in response to AIR#05, stated that the original records were vast and voluminous, making it impractical for them to provide the complete set of original documents. As an alternative, the management submitted attested photocopies of selected documents, including certain bills, FO2s, and FD permission letters. These photocopies were

subsequently reviewed and verified to ensure their authenticity and alignment with the original records. However, the verification could not be concluded till verification of all bills and unless all the record be furnished for verification. Secretary finance department with respect to AIR#38 produced seven different bills for employees, namely Mr. Sohail Akhtar (Private Secretary), Fayaz Jatoi (Secretary), Gohar Masroor (SO), Ghulam Ali Soomro (AS), Sanaullah Brohi (DPO), Muhammad Mushtaque Bhatti (SO) and Muhammad Yameen (SO), along with copies of due-drawn statements, Finance Department permissions, and notifications out of 32, which have been verified. However, the bills/records for 25 other applicants were not provided for audit verification. Regarding the case of Muhammad Asghar Memon, Finance Secretary, the management produced a notification from the Finance Department and a pay slip for August 2023, which remained in the P&D Department. This documentation is insufficient to comply with Audit observation. In the absence of the required records, the verification could not be concluded

Audit recommends verifying the payments of arrears of pay and allowances and ensuring compliance with relevant rules and procedures. Additionally, strict controls should be implemented to prevent unauthorized or irregular payments in the future.

(DP#01,31&93)

12.5.17 Irregular payment of pension without relevant documentations and details – Rs 814.548 million

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

During audit on the accounts of following offices of the Finance Department, Government of Sindh, for the financial year 2021-22 & 2022-23, it was observed that an amount of Rs 814.548 million was paid on account arrears of pension without having relevant documentations. The details are given as under.

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
1	District Accounts Office, Nausheroferoz	13	Changed the name in family pension case without death certificate, heirship certificate or Family Registration Certificate (FRC).	0.259
		30	Arrear of pension without updating old / invalid NIC number	16.718
2	District Accounts Office, Tando Allahyar	15	Arrears of pension without important documents CNIC, No marriage, life certificate etc).	47.060
3	District Accounts Office, Mirpurkhas	6	Arrear of pension without approval of Finance Department.	100.447
4	District Accounts Office, Dadu	30	Payment of arrears of pension without approval of FD	611.905
		40	Payment of pension arrears without PPO & Service book	1.638
5	District Accounts Office, Thatta	2 & 25	Payment of pension arrears without complete documentations and byway of splitting up of sanctions	23.787
		22	Payment of pension arrears without proving real heirs	4.145
6	District Accounts Office, Matiari	26	Payment of pension arrears without genuine claim	8.589
Total				814.548

Audit is of the view that payment of arrears in absence of above essential record/information indicates weak pre-audit mechanism prevailing in District Accounts Offices, which may result into misappropriation of government funds.

The matter was reported to management in May 2024. DAC meeting was held on October 14, 2024. The DAC directed to produce record to audit for verification. The verification process for various DAOs remains inconclusive due to their failure to provide necessary records and documentation. DAO Naushahero Feroz (AIR#13) cited misplaced records due to office relocation and provided insufficient copies for verification, while for AIR#30, relevant documents were not furnished, and pension verification was deferred. DAO Tando Allahyar (AIR#15) and DAO Dadu (AIR#30, #40) failed to provide required records, submitting irrelevant screenshots instead, leaving audit observations unresolved. DAO Thatta (AIR#2, #25) admitted recoveries for double pension arrears but provided no evidence or supporting bank documents,

and for AIR#22, failed to obtain required sanctioning authority approval for pension payments or furnish relevant records. DAO Mirpurkhas (AIR#6) justified arrears payments without Finance Department approval but missing sanctioning authority approvals were noted. DAO Matiari (AIR#26) told that he had initiated recoveries but did not furnish evidence.

Audit recommends verifying the pension arrears payments and ensuring all relevant documentation, such as death certificates, heirship certificates, CNICs, and approvals, is obtained and validated. Strict controls should also be implemented to prevent payments without proper documentation or approvals in the future.

(DP#38)

12.5.18 Un-justified creation of IDs and making payments – Rs 43.093 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 on the accounts of following offices of Finance Department, Government of Sindh, for the financial years 2021-22 and 2022-23, it was observed that payment of Rs 34.093 million were made to various employees/pensioners against un-authorized IDs. The details are as under:

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
1	District Accounts Office, Thatta	28	Payment to identical pensioners having two-IDs on same bio-data	37.563
2	District Accounts Office, Naushahroferoze	7	ID of M. Jameel and family pension paid to M. Jurial	0.856
3	District Accounts Office, Khairpur	3 & 5	Dual IDs for identical CNIC	3.940
4	District Accounts Office, Naushahroferoze	8	ID of Mst. Haleeman and family pension was paid to Mst. Bisma	0.734

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
5	District Accounts Office, Matiari	34	Appointments of other provinces persons and creating IDs without relevant documentations	0
6	District Accounts Office, Larkana	22	Dual IDs for identical CNIC	0
Total				43.093

Audit is of the view that negligence on the part of management for creation of unjustified IDs indicates weak internal controls in the organization.

The matter was reported to the management in month of May, 2024. DAC meeting was held on October 14, 2024. DAO Thatta for AIR#28 did not submit reply despite DAC directions. However, replies were received from other DAOs, with varied levels of compliance. DAO Naushahero Feroz (AIR#7) provided pension records for Mr. Jamil Arain, explaining a typographical error in SAP ID creation, but the issue of change of principal pensioner remains unresolved. Similarly, DAO Naushahero Feroz (AIR#8) submitted correspondence with NADRA for Family Registration Certificate verification, but the process remains inconclusive due to NADRA's non-response. DAO Khairpur (AIR#3) reported inactive IDs created during SAP implementation but did not furnish the required records for verification, while for AIR#5, the DAO stopped dual salary payments and initiated recovery through correspondence, though full recovery is still pending. DAO Matiari (AIR#34) submitted a certificate confirming no unauthorized data punching, but relevant documents were not provided, leaving the matter unresolved.

Audit recommends verifying payments against unauthorized IDs and ensuring proper documentation. Additionally, implement strict controls to prevent duplicate or unjustified IDs and strengthen internal oversight.

(DP#42)

12.5.19 Unjustified recruitment of underage and overage staff – Rs 8.630 million

According to Rule 12 (1) of Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974, “A candidate for appointment by initial recruitment must

possess the educational qualifications and experience and be within the age limit laid down for that appointment”.

During audit of following District Accounts Offices, Finance Department, Government of Sindh for the financial year 2021-22 & 2022-23, it was observed that in various departments appointments either overage of 45 years or underage of 18 years were found, which clearly pointed out that undue favor was extended towards appointments. However, it was also observed that the date of appointment of new officials was not correctly recorded while creating the ID's. The details are given as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	District Accounts Office, Jamshoro	2022-23	8	Payment to pensioners to under-age appointments	7.040
02	District Accounts Office, Sukkur	2022-23	13	Recruitment of 28 overage employees	1.590
03	District Accounts Office, Umerkote	2022-23	1	Appointment of 97 Underage Staff	0.00
			2	Appointment of 92 Overage Staff	0.00
04	District Accounts Office, Badin	2021-22 & 2022-23	13	Wrong date of Appointment in Newly created ID's	0.00
05	District Accounts Office, Shikarpur	2022-23	22	Opening of new ID's of over and above the age requirement	0.00
Total					8.630

Audit is view of that appointment of underage/overage employees is clear violation of government rules and regulations.

The matter was reported to management in April and May, 2024. DAC meeting was held on October 14, 2024, the DAC directed that a fact-finding inquiry be initiated by the I.G. Treasuries. For AIR#1 and AIR#2 (DAO Umerkot), AIR#13 (DAO Badin & DAO Sukkur), AIR#08 (DAO Jamshoro), and AIR#22 (DAO Shikarpur): Appointments were justified with references to relevant departmental guidelines, notifications, and corrections in Master Data using FO-2 forms. Supporting documents such as pay slips, recruitment approvals, and age relaxation notifications were

provided. However, none of the DAOs submitted the required inquiry reports as directed by DAC; therefore, the verification could not be concluded.

Audit recommends investigating overage and underage appointments and incorrect recording of dates to ensure compliance. Additionally, implement strict controls to prevent favoritism and ensure accurate documentation.

(DP#08&45)

12.5.20 Recovery of overpayment made to Manager Data center for absent period – Rs 0.660 million

As per Para-11 of General Financial Rules Volume-I, each head of department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.

During audit of the office of Secretary, Finance Department, Government of Sindh, for the financial year 2023-24, it was observed that on 18th March 2024, the SDPO of ERU unit-initiated correspondence that Data Manager was not willing on the revised package and was not attending the office duties and reporting to Chief Information Officer of Information Management Unit. However, on official correspondence file, the CIO assured on 20th March 2024 that the officer was neither attending his office nor responding phone calls. Therefore, he may not be paid salary as well as arrears. Despite such facts, his monthly salary for the month of March 2024 and April 2024 was disbursed. Subsequently, this caused loss to public exchequer which may be recovered.

Audit is of the view that the negligence of the management resulted overpayment to the employee during his absent period.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. The DAC directed that recovery be made and get it verify from audit. The management produced a reversed entry through the Bank as per AG Sindh for Rs. 0.305 million, which has been verified. However, evidence of reversal entries or recovery for the full period, including March 2024 and April 2024,

has not been provided. The balance recovery of Rs. 0.354 million may be made from the concerned officer; until then, the para remains unresolved.

Audit requires recovery of excess payment made to employee, a thorough review be made by management to unearth all such cases and take actions against defaulters under intimation to audit.

(DP#77/AIR#32)

12.5.21 Irregular payments through DDO account – Rs 2,314.923 million

As per Rule-303 of Central Treasury Rules, “A 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.”

During audit on the accounts of various offices of Finance Department, Government of Sindh, for the financial years 2021-22 to 2022-23, it was observed that an amount of Rs 2,314.923 million was paid under various heads of accounts through DDO account instead of being directly credited to the actual payee / vendor accounts. The details are given at **Annex-8 of Chapter-12**.

Audit is of the view that due to payment from DDO account, authenticity of expenditure could not be verified and chances of misappropriation of public funds are not ruled out.

The matter was reported to the management in April and May 2024, and DAC meeting held on October 14, 2024, the DAC directed stoppage of DDO payments and also directed the production of acknowledgment certificates signed by beneficiaries to confirm payments were made to genuine vendors and the submission of records regarding deduction of due taxes. However, during verification, none of the offices mentioned in Annexure provided acknowledgment receipts or evidence of tax deductions. DAO Jamshoro, for AIR#11, furnished acknowledgment certificates signed by beneficiaries, which were verified, but failed to produce records confirming that the deducted taxes were deposited into the treasury.

Audit recommends halting DDO account payments and ensuring payments are directly credited to payees' accounts. DAOs must provide acknowledgment certificates and tax deduction records for verification to prevent misappropriation of funds.

(DP#27&40)

12.5.22 Expenditure without inviting open tender – Rs 11.034 million

Rule 17(1) & (2) of Sindh Public Procurement Rules, 2010 as amended in March 2019 states that procurement over three hundred thousand 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 office of District Accounts Officer, Sujawal for the financial year 2022-23, it was observed that payment of Rs 11.034 million was allowed on procurement of medicines without inviting the open tender. Due to non-invitation of tender govt. could not achieve the economic rates.

Audit is of the view that improper pre-audit of bills can lead to significant financial risks, including depriving public procurements from healthy competition and lack of accountability.

The matter was reported to the management in April, 2024. During DAC meeting held on October 14, 2024, the DAC directed to issue show-cause to DAO Sujawal because of failure applying pre-audit checks. The progress on the issuance and outcome of the show-cause notice, as well as compliance measures, was not shared with audit for verification. Without evidence of corrective action and adherence to DAC directives, the matter remains unresolved.

Audit recommends issuing show-cause notices to the concerned DDO for failing to invite open tenders. DAOs must ensure proper procurement procedures are followed to avoid financial risks and provide evidence of corrective actions and compliance with DAC directives.

(DP#12/AIR#01)

12.5.23 Irregular Refund of local debt – Rs 6,710.870 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority

During audit of the office of Secretary, Finance Department, Government of Sindh, for the financial year 2023-24, it was observed that a principal repayment of Rs 2,735.486 million, along with an interest payment of Rs 3,975.384 million was made to the Federal Government. However, significant documentation gaps were identified. Notably, there was no Memorandum of Understanding (MoU) or loan agreement available between the Federal Government and the Provincial Government of Sindh to verify the loan terms and the purpose for which the funds were originally availed, particularly since these loans dated back to 1994-95. As a result, the authenticity of the repayment and the actual loan amount could not be confirmed. Furthermore, the required reconciliation of loan amounts was not provided, raising further concerns about the accuracy and validity of these financial transactions.

Audit also found discrepancies in the interest rates applied to various loan tranches, yet no agreement or documentation was available to confirm the legitimacy of these rates. Furthermore, a progress statement showing the total principal repayments and interest payments to date was not available, which hindered Audit's ability to assess the repayment progress and overall financial obligations.

The absence of these critical documents raises significant concerns about transparency and accountability in managing these cash development loans.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. The DAC directed that in-house deliberations be conducted to address the questions raised. Decisions made during these discussions should be documented, and the matter should be escalated to relevant forums to reduce

the debt. Progress and outcomes should be shared with Audit. In compliance with DAC directives an in-house meeting was held on 20th October, 2024 regarding the discussion RBOD-I & III transfer of funds to Government of Sindh. The minutes of such meeting were shared with audit. Further the reconciliation letter was issued to the chief engineer WAPDA Sukkur and the reply with documents received from them but no initiatives were taken to reduce the debt which is outstanding since 1990 and increasing the interest on these fixed loans on RBOD-I & III, therefore the verification could not be concluded.

Audit recommends Finance Department secure loan agreements and MoUs to verify repayment authenticity, reconcile loan amounts and interest rates, and document repayment progress. Steps should be taken to reduce outstanding debt and prevent further interest buildup. Full compliance with DAC directives is essential, and all relevant records must be provided for verification.

(DP#87/AIR#5)

12.5.24 Unjustified Retention and Excess Deposits - Rs 2,109.292 million

According to Sr# i & xv of General Instructions of Assan Assignment Procedure (Local Currency) 2020 issued by Controller General of Accounts, Government of Pakistan, Islamabad on 26-10-2020 circulated by Finance Department, Government of Sindh, Karachi vide letter No. FD/SO(RES-VI)5(204)/ 2019-20 dated 23-11-2022, “.... The unspent balance at the close of financial year shall be surrendered by respective offices as per government instructions, otherwise it shall be treated as lapsed. Cash withdrawal or transfer of funds to any bank account is not allowed....”. According to Sr # 2 (e) of instructions to PAOs, “.... the PAO shall submit a certificate to the Finance Division on half yearly basis that public money has not been transferred from Assignment Account to any other bank account”.

During Audit of the office of the Project Director for Supporting Public-Private Partnership Investments in Sindh Province, Karachi, for the financial year 2023-24, it was observed that an opening balance of Rs. 1,132.600 million was already available in 38 Escrow accounts as of July 1, 2023. Additionally, Rs. 1,522.411 million was deposited into these Escrow accounts operated by Sindh Bank on behalf of the

Government of Sindh through the Education & Literacy Department and various Concessionaires. However, this deposit was made without a proper need assessment, as only Rs. 723.745 million was released, despite the fact that the opening balance was already sufficient to meet the requirements. These deposits, intended as Quarterly Annuity Payments, were to be transferred to the Project Accounts within three business days upon receipt of the Independent Auditor's Certificate and a cheque from the Education & Literacy Department. The additional deposit led to an unjustified retention of Rs. 2,109.292 million in the Escrow accounts, which should have been surrendered at the end of the financial year. The delay in the release of funds and the retention of excess amounts were deemed unjustified.

(Rs in Million)

Opening Balance 01-07-2023	Deposits During the year 2023-24	Released Amount During FY 2023-24	Closing Balance 30-06-2024
1,132.600	1,522.411	723.745	2,109.292

Audit is of the view that the unjustified retention of funds in Escrow Accounts and the delayed release of funds to Project Accounts reflect poor fund management and regulatory non-compliance. These issues risk causing project delays, resource misallocation, and a lack of financial accountability, ultimately undermining the project's overall effectiveness.

The matter was reported to the management during the month of October 2024. The DAC was not convened by the management.

Audit recommends assessing fund needs before deposits, surrendering excess funds promptly, ensuring timely payments, and strengthening financial compliance for transparency.

(DP#102/AIR#12)

12.5.25 Irregular payments to unjustified/irrelevant vendor – Rs 1,407.149 million

According to Article 84 of Audit code, it is an essential function of 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 on the accounts of following offices of the Finance Department, Government of Sindh, for the financial year 2021-22 & 2022-23, it was observed that an amount of Rs 1,407.149 million was drawn by various cost centers in favor of irrelevant vendors instead of actual vendors/payees. Thus, the payment made to the irrelevant vendors seems to be doubtful and irregular. The details are given as under.

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
1	District Accounts Office, Sanghar	21	Payment of commutation & gratuity without providing details of department/DDO cost center	669.026
2	District Accounts Office, Khairpur	11	Vendor payments to the Govt. employees	374.206
3	District Accounts Office, Mirpurkhas	21	Payment of cost of investigation to employees instead of actual vendors	351.731
4	District Accounts Office, Larkana	10	Payment of POL to irrelevant vendors	7.35
5	District Accounts Office, Hyderabad	26	Payment of utility charges to irrelevant vendors	2.989
6	District Accounts Office, Matiari	11	Procurement of Diet items to irrelevant vendor	1.847
7	District Accounts Office, Mirpurkhas	2	Using multiple accounts for single employee	0
Total				1407.149

Audit is of the view that while making payments, Auditors responsible for checking bills and other necessary relevant documents, did not observe the codal formalities in violation of rules. Hence, it is apprehended that the payments were suspected in connivance with the personnel concerned of both the offices.

The matter was reported to the management in the months of August 2024, DAC was held on 14-10-2024. The DAC reviewed audit observations across various DAOs and issued directives. DAO Sanghar (AIR#21) and DAO Matiari (AIR#11) were directed to submit replies for decisions. DAO Khairpur (AIR#11) reported non-receipt of annexures but failed to provide sufficient evidence during verification. DAO Mirpurkhas (AIR#21) claimed adherence to SOPs for police investigation payments but failed to produce supporting documents for verification, leaving verification incomplete. DAO Larkana (AIR#10) provided invoices for POL payments but failed to submit FBR NTN numbers, hindering verification. DAO Hyderabad (AIR#26)

admitted errors in payment classifications and assured corrective measures, but these were inadequately implemented. DAO Mirpurkhas (AIR#2) refuted claims of duplicate payments, with SAP data confirming compliance for two employees, while verification for others remains pending.

Audit recommends ensuring payments are made to actual vendors, complying with financial rules, strengthening verification, and providing complete documentation for pending verifications.

(DP#41)

12.5.26 Non / Less deduction of Government taxes – Rs 1,158.368 million

According to Para 153 (1)(a), (b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/ contractors w-e-f 01-07-2015. As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%. 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 contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

During audit of various offices of Finance Department for the financial year up to 2023-24, it was observed that amount of Rs 1,158.368 million under various taxes (i.e. Income Tax, Sindh Sales Tax on Services, General Sales Tax) was less/not deducted which resulted into loss to government. The details are given at **Annex-9 of Chapter-12**.

Audit is of the view that due to non-deduction of due taxes, the government sustained financial loss. It is further noted that generally tax deduction is not being focused during Pre-Audit.

The matter was reported to management in April and May 2024. DAC meeting was held on October 14, 2024, DAC directed that the para would stand until the full recovery of the amount in question. DAOs who had initiated recovery were directed to produce records for audit verification. The issue of non or less deduction of government taxes highlighted several DAOs' failure to provide sufficient recovery evidence, leaving verification incomplete. DAO Ghotki (AIR#23) referred to SAP auto-booking and vendor filer status but failed to provide recovery proof. DAO Sujawal (AIR#05) requested annexures for recovery but did not submit evidence. DAO Umerkot (AIR#10, #11) and DAO Badin (AIR#01, #02) replied that SAP system deducts automatically but submitted irrelevant documents, disregarding DAC directives. DAO Hyderabad (AIR#7, #8, #9, #11, #12, #23) replied that the matter was under litigation and scrutiny but did not substantiate recovery efforts. DAO Tando Muhammad Khan (AIR#12, #13) and DAO Shikarpur (AIR#28) partially addressed the matter but left recoveries incomplete. DAO Larkana (AIR#04, #09, #15, #17, #18, #19, #11) submitted irrelevant vouchers, while DAO Tando Allahyar (AIR#5) and DAO Mirpurkhas (AIR#13, #14) replied to procedural constraints and outdated SAP rates without presenting recovery evidence. DAO Kamber (AIR#2, #10) initiated recovery but failed to provide tangible results. The Secretary Finance Department provided import-related undertakings but did not submit necessary physical documents, leaving Audit unresolved.

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

(DP#15,57&75)

12.5.27 Unjustified refund of security deposit – Rs 701.812 million

According to Para 205 of GFR Volume-I states that “Before a refund of any kind, otherwise in order, is allowed, the original demand or, as the case must be traced and a reference to the refund should be so recorded against the original entry in the cash book or other documents as to make the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should, if possible, be taken back and destroyed and a note of the repayment recorded on the counterfoil of the receipt.

During audit on the accounts of following offices of the Finance Department, Government of Sindh, for the financial years 2021-22 & 2022-23, it was observed that the payment of Rs 701.812 million was refunded to various contractors on account of security deposit without verification of their credit balances into account. However, there was no mechanism of keeping record of credit amount of security deposit into SAP system.

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Amount
1	District Accounts Office, Matiari	2022-23	15	329.327
2	District Accounts Office, Sujawal	2021-22 & 2022-23	24	178.231
3	District Accounts Office, Jamshoro	2022-23	9 & 17	74.884
4	District Accounts Office, Thatta	2021-22 & 2022-23	11	72.756
5	District Accounts Office, Tando Allahyar	2022-23	4	46.614
Total				701.812

Audit is of the view that refunding security deposits to contractors without verifying their credit balances and lacking a mechanism to record these amounts indicates poor financial controls and chances of errors or fraud.

The matter was reported to management in April and May 2024. DAC meeting was held on October 14, 2024. The DAC directed the management to communicate the para to concerned quarters. In compliance with the DAC decision, the DAO Sujawal for AIR#24 issued letter No. DAO/Sujawal/Admn/3737 dated 11-12-2024, to all Executive Engineers/Divisional Account Officers, requesting the submission of the relevant reply. However, as the reply was still awaited. The DAO Thatta for AIR#11 & DAO Matiari for AIR#15 did not submit reply for DAC decision, whereas the DAO Jamshoro for AIR#9 & 17 & DAO Tando Allahyar for AIR#4 did not comply with the decision of DAC, hence the verification could not be concluded.

Audit recommends implementing a system to record security deposit balances and ensuring verification before refunds. DAOs must comply with DAC directives and improve financial controls to prevent errors or fraud.

(DP#26&55)

12.5.28 Non-crediting of tax revenues/receipts – Rs 61.863 million

Income Tax Ordinance-2001 makes mandatory on withholding agent to collect/deduct income tax at source at prescribed rate notified from time to time with modifications/amendments. Section 191 stipulates that “any person who without reasonable excuse fails to comply with the obligation to collect or deduct tax, having collected or deducted fails to pay tax, fails to furnish the monthly and annual statements of tax collected or deducted is treated as having committed an offence punishable on conviction with a fine or imprisonment for a term not exceeding one year, or both.” As per rule 41 & 41(a) of Sindh Financial Rules, “It is the duty of the controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to public account and the amount collected into the treasury or otherwise accounted for and compare them with the statement of recovery furnished by the Accountant General to see that the amount reported as collected have been duly credited in the public account”.

During audit on the accounts of following offices of Finance Department, Government of Sindh, for the financial years 2021-22 to 2022-23, it was observed that an amount of Rs 61.863 million was realized on account of Income Tax, General sales tax & Sales Tax on Services (where applicable), but the same was not deposited/credited into government account. The details are given as under:

(Rs. in Million)				
Sr . #	Name of Office	AIR Para #	Observation	Amount
1	District Accounts Office, Thatta	9	Short deposit of income tax into government account	48.849
2	District Accounts Office, Matiari	10	Short deposit of income tax into government account	13.014
Total				61.863

Audit is of the view that unauthorized retention of government money indicates maladministration on part of DAOs as tax receipts should have been paid to FBR in stipulated time.

The matter was reported to the management in May, 2024. The management of both offices did not submit replies. DAC was held on 14-10-2024. The DAC

directed above mentioned DAOs to submit reply. However, both DAOs did not submit replies till finalization of this report.

Audit recommends ensuring that all tax collections, including Income Tax, GST, and Sales Tax on Services, are promptly deposited into the government account to comply with financial regulations.

(DP#58)

12.5.29 Unjustified allowing payment under tax refund head – Rs 4.043 million

According to General Financial Rule-20 “It is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account They should accordingly arrange to obtain from their subordinates monthly accounts and returns in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statements treasury credits furnished by the Accountant General, to see that the amount, reported as collected have been duly credited in the Public Account.

During audit on the accounts of following offices of the Finance Department, Government of Sindh, for the financial year 2022-23, it was observed that payment of Rs 4.043 million was allowed to the supplier/service charged under account “Tax refund” against government rules. It is pertinent to mention here that from G/L account G-12714 payment can only be made to income tax authorities. Therefore, payments from the head G-12714 to suppliers stand irregular and unjustified.

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Irregularities	Amount
1	District Accounts Office, Sanghar	7	Payment of tax to various contractors/suppliers instead of Deputy Commissioner Inland /Tax authorities	3.768
2	District Accounts Office, Naushahro Feroz	24	Payment from income tax to various vendors / contractors	0.275
Total				4.043

Audit is of the view that allowing payment from revenue head shows serious lapse on the part of management, which indicates improper watch, and weak administrative and financial controls.

The matter was reported to management in April and May 2024. DAC meeting was held on October 14, 2024. DAO Sanghar replied that no payments were made to contractors or suppliers through the SAP system, except to the Deputy Commissioner Inland/Tax authorities, addressing reverse entries of Rs. 3.768 million. DAO Naushahro Feroze replied that pre-audit of development payments is handled by the Divisional Accounts Officer and the Executive Engineer of the respective department, requesting the DAC to shift the para for their justification. The DAC directed to produce record to audit for verification but both offices failed to produce the relevant documentation for verification.

Audit recommends ensuring that payments from the income tax account are made only to tax authorities, in accordance with government rules. DAOs must improve financial controls and promptly provide the required documentation for verification to prevent irregular payments.

(DP#54)

12.5.30 Suspicious payment to 628 pensioners – Rs 237.047 million

As per NAM Training Manual PIFRA, Appendix D Function Codes, List No. 07, Organization Units 00000001 to 00000039 codes are for Federal Government, 80000001 to 80000025 Baluchistan, 80000001 to 60000027 KPK, 20000001 to 20000040 Punjab, 40000001 to 20000030 for Sindh Government Departments.

During forensic audit of the pensionary benefits disbursed by the District Accounts Office, Hyderabad, for the financial year 2020-21, it was observed that an amount of Rs 237.047 million was paid to 628 pensioners through DCS system. The IDs were created for the said pensioners, but the IDs lack accompanying details or records, including the identification of the respective office or department. The Ministry code was filled with dummy code i.e., 9999999. No record / pensioner files were produced regarding these cases.

Audit is of the view that in the absence of aforesaid record, audit could not ascertain transparency in said payments.

The matter was reported to the management in May, 2024 but no reply was received.

Audit recommends inquiry into the matter and provision of complete record to audit.

(AIR#11)

12.5.31 Distribution of work / pension payments by unauthorized officials – Rs 383.678 million

As per Finance Department letter No. FD(TR)12(60)/2013 dated 10th October 2023, Job Description / responsibilities (ix) No pre audit work will be assigned to the senior computer operator.

During forensic audit of the pensionary benefits disbursed by the District Accounts Office, Matiari for the financial year 2020-21, it was observed that pension payments of Rs 383.678 million were made under Punching IDs of DPAs / senior computer operators in contravention of the directives of Finance Department, Accountant General Sindh Karachi, and Controller General of Accounts, Islamabad, as detailed below. Further, it was also observed that individuals lacking authorization had been assigned tasks related to pension management, including processing payments, facilitating transfers to the Direct Credit System (DCS), and altering master data of pensioners. Notably, these tasks are not delineated within the job descriptions of the personnel involved as senior computer operators, raising questions regarding the propriety and oversight of pension operations at the DAO.

(Rs. in Million)

Sr .#	Name	Personnel	Designation	Period	Amount	Work Assigned
01	Waseem Ahmad Bughio	10761975	DPA	2020-21	260.777	Pre audit of Pension other than Education with payroll
02	Raza Muhammad Abbassi	10764138	DPA	2020-21	122.901	Pension, Education, PWD Irrigation, Local fund audit, Anti-corruption & all LPR
Total					383.678	

Audit is of the view that processing of pension payments and pre audit of regular payments with unauthorized IDs is serious negligence on part of management.

The matter was reported to the management in month of May 2024, but no reply was received.

Audit recommends inquiry in the matter and stoppage of use of IDs by unauthorized persons.

(AIR#22)

12.5.32 Suspicious payment of salary and pension in dormant bank accounts – Rs 373.537 million

As per minutes of meeting of Reconciliation of Pensioners' Data on regular basis and pension disbursement mechanism vide letter dated 9th September, 2022, Clause 12 (vii) The Accounts Offices (AG Sindh and DAOs) shall prepare statement of pension payments made into dormant accounts of pensioners from the date of dormancy and ensure recovery from the bank concerned and endorse a copy of the same to the Group Chief NBP/Senior Vice President NBP or respective focal person of concerned bank in Head Office. And clause 12 (xiii) Accounts Offices (AG Sindh and DAOs) will reconcile and take necessary action on the report received from DIG Treasuries & Accounts and intimate action taken on each discrepancy identified by him with days positively.

During forensic audit of pensionary benefits disbursed by the following District Accounts Offices for the financial year 2020-21, it was observed that a total sum of Rs 373.537 million was disbursed in 1,091 dormant bank accounts on account of pension. However, the pensioner files and position of recovery / action taken was not provided to audit for scrutiny.

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	No. of Bank accounts	Amount
1	DAO Dadu	02	344	131.268
2	DAO N-Feroze	02	201	68.542
3	DAO Hyderabad	26	450	170.695
4	DAO Matiari	10	48	1.212
5	DAO Jamshoro	02	48	1.820
Total				373.537

Audit is of the view that due to non-availability of record/pensioners files, audit could not authenticate continuous payment of salaries/pension in dormant bank accounts.

The matter was reported to the management in May 2024, but no reply was received.

Audit recommends inquiry into the matter.

12.5.33 Doubtful payment made to ineligible family pensioners – Rs 2,148.018 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 part of any other Government office to the extent to which it may be shown that he contributed to loss by his own actions or negligence”.

During forensic audit of pensionary benefits disbursed by the following District Accounts Offices for the financial year 2020-21, it was observed that the payments of Rs. 2,148.018 million was made to the pensioners who were not eligible to draw pension due to the reasons given below.

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	No. of Pensioners	Observations	Amount
1	DAO, Dadu	24	1,809	- Payments were made to 1,809 pensioners with newly created IDs starting with word ‘Late’ before the name of employee. - Original pensioner file, service statement, LPC / evidence of drawl of pay of pensioners (self) before demise, etc. was not provided.	783.951
		17	01	An amount of Rs 161,552 was paid on ID # 10544607 Noor Khatoon W/o Late Ghulam Ali. After the death of Noor Khatoon, the payment of monthly pension was made to Mst. Bushran who is not legal heir.	0.161
2	DAO, N-Feroze	01		It was observed that the payments of Rs 1,029.225 million was made to the pensioners with newly created IDs starting with word ‘Late’ before the name of employee.	1,029.225

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	No. of Pensioners	Observations	Amount
				Original pensioner file, service statement, LPC / evidence of drawl of pay of pensioners (self) before demise, etc. was not provided.	
3	DAO Hyderabad	17	05	It was observed that the family pension payment of Rs1.684 million was made to the son of pensioners who were not eligible as they attained the age of 24 years. Thus, payment made was inadmissible as per pension rules.	1.684
4	DAO Hyderabad	22		- It was observed that the payments of Rs 332.475 million was made to the pensioners with newly created IDs starting with word 'Late' before the name of employee. - Original pensioner file, service statement, LPC / evidence of drawl of pay of pensioners (self) before demise, etc. was not provided.	332.475
5	DAO Hyderabad	31	01	It was observed that the pension payment of Rs0.683 million was made to son instead of widow of the deceased employee/pensioner; thus, payment was made in contradiction to the above rules and stands inadmissible.	0.683
Total					2,148.018

Audit is of the view that the payment to ineligible pensioners indicates possible deliberate intention for misuse of government funds.

The matter was reported to the management in May, 2024 but no reply was received.

Audit requires inquiry into the matter besides fixing of responsibility against the person(s) at fault.

12.5.34 Unjustified Deletion of Credit Advice to Banks at District Accounts Office

As per Appendix-II of Sindh Financial Rules Volume-I and 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 forensic audit of pensionary benefits disbursed by the District Accounts Office, Matiari, for the year 2020-21, it was observed that despite directives from the Controller General of Accounts, a Credit Advice to the bank had been deleted from the system. Furthermore, PDF copy of the said Credit Advice was available, indicating a blatant violation of established rules and procedures.

Audit is of the view that non-maintenance of record as per the directives of the Controller General of Accounts, is violation of the above rule.

The matter was reported to the management in month of May, 2024 but no reply was received.

Audit recommends investigation into the matter besides strict compliance of rules.

(AIR#14)

12.5.35 Un-justified pension and regular payment of salary to suspicious pensioner – Rs 8.678 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 forensic audit of pensionary benefits disbursed by the District Accounts Office, Matiari for the financial year 2020-21, it was observed that an amount of Rs 8.678 million was paid as pensionary benefits and salary to Miss Saima, Primary School Teacher (Personnel #10459771), despite significant irregularities. Alterations in her employee biodata were identified using two user IDs (10701486-Mr. Faqeer

Muhammad and 10701460-Waseem Ahmed Bughio), including changes in her date of birth (from 06.03.1980 to 06.03.1975), father's name (from Hakim Ilahi Bux to Khamiso Khan), and CNIC number (from 41303-1454826-0 to 41201-5949374-4), all without approval from the Accountant General. Audit also noted that she was appointed on ad-hoc/contract basis on 04.08.2008 for three years, yet her record showed a regular appointment from 04.08.1994, creating a discrepancy in her service history. She was initially appointed in District Hyderabad (cost center HD6255) and terminated on 01.08.2011, but later rejoined on 01.05.2017 in District Dadu (cost center DD 0197), with rapid promotions from BPS-09 to BPS-16 within five years before retiring on 01.11.2020. Her original date of birth (06.03.1980) indicated she was underage (14 years) at the time of appointment, and it was altered to 06.03.1975 to meet age requirements. Payments of Rs 1,659,149 and Rs 1,877,988 were made as salary adjustments during service and after retirement, respectively, while the personal file and DCS record for her pension case were not produced, raising serious concerns about the integrity of data and payments.

Audit is of the view that pension case was finalized with deficiency/ alteration in the record. Hence, payment of salary/ pension stands unjustified.

The matter was reported to the management in month of May, 2024 but no reply was received.

Audit recommends inquiry into the matter and adoption of comprehensive internal controls mechanism to detect and deter fraud/alteration.

(AIR#16)

12.5.36 Fictitious payment to pensioners without any record – Rs 40.100 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 forensic audit of pensionary benefits disbursed by the District Accounts Office, Jamshoro for the year 2020-21, it was observed that amount of Rs 40.100 million was disbursed to 34 pensioners. The payments stand fictitious due to lack of essential personal identification details i.e., case files, ledger entries and Pension Payment Order (PPO) documents as reported by the DAO office, Jamshoro to Finance Department. Further, the monthly pension for these individuals was stopped in December, 2023 and no re-activation claims from pensioners/ department were received.

Audit is of the view that prevalence of weak internal controls and negligence by management, fictitious payment of monthly pension without any record /details was made.

The matter was reported to the management in the month of April, 2024 but no reply was received.

Audit recommends inquiry to fix responsibility and adoption of comprehensive internal controls mechanism to detect and deter fraud/alteration.

(AIR#01)

12.5.37 Misappropriation of arrears of pension funds – Rs 330.584 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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”. According to Rule 5.3 of General Financial Rules read with Rule 7 of Treasury Rules regarding revenues and other receipts of the Government, “it is the primary duty of the officers concerned to see that dues of Govt. correctly and promptly assessed, quickly realized and immediately deposited into Govt. treasury.”

During the forensic audit of pensionary benefits disbursed by the District Accounts Office, Hyderabad, for the financial year 2020-21, it was found that

Rs 330.584 million was paid to pensioners for arrears of pension. Notably, these arrears were paid multiple times both in the fiscal year 2020-21 and in previous years. This duplication of payments resulted in a significant financial loss to the government.

Audit is of the view that the repeated payments of pension arrears signify a serious lapse in internal controls and could lead to financial loss.

The matter was reported to the management in April, 2024 but no reply was received.

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault besides taking remedial measures to avoid multiple payments.

(AIR#04)

12.5.38 Suspicious payment of pension through multiple pension IDs - Rs. 20.011 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 forensic audit of pensionary benefits disbursed by the District Accounts Office, Hyderabad, for the financial year 2020-21, it was observed that an amount of Rs 20.011 million was disbursed to the pensioners having multiple / more than one personal numbers. The disbursement of monthly pension to same pensioner through more than one ID put the public exchequer at huge financial loss.

Audit is of the view that an undue favour was extended to persons by creating multiple IDs for dual payments.

The matter was reported to the management in May, 2024 but no reply was received.

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault besides taking remedial measures to avoid creation of multiple IDs.
(AIR#10)

12.5.39 Unauthorized disbursement of funds from three user IDs – Rs 223.858 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 forensic audit of pensionary benefits disbursed by the District Accounts Office, Hyderabad, for the financial year 2020-21, it was observed that an amount of Rs 223.858 million was disbursed on account of pension related payments from three user IDs, which were not disclosed in the certificate provided by the District Account Officer, Hyderabad. Due to non-disclosure of user IDs, the disbursement made was unauthorized and suspicious. The complete details are tabulated below:

(Rs. in Million)	
User ID	Amount Disbursed
10712964	112.340
16718251	110.413
34488561	1.105
Total	223.858

Audit is of the view that the non-disclosure user IDs indicates disbursement of doubtful payments and misuse of government funds.

The matter was reported to the management in May, 2024 but no reply was received.

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault.

(AIR#35)

12.5.40 Unauthorized pension payment to 813 male pensioners having Even CNIC number – Rs 763.078 million

As per NADRA, CNIC first Part, 1st number represent the province of Citizen, 2nd Number Division, 3rd number District, 4th number Tehsil, 5th number Union Council, second Part and middle part of the CNIC number consist of seven digits, which is split from hyphens (-) represent the family code of Pakistani Citizen. In third part last and the lonely digit after the hyphen represent sex or gender. For a man, odd digits are used, while even digits are used for women.

During forensic audit of pensionary benefits disbursed by the District Accounts Office, Dadu, for the financial year 2020-21, it was found that 813 IDs were improperly used for male pensioners, resulting in payments of Rs. 763.078 million. These payments were made using CNIC numbers with digits having even number, which are specifically allocated to female citizens.

Audit believes that the use of incorrect CNIC numbers indicates weak financial and internal controls at the District Accounts Office.

The matter was reported to the management in May, 2024 but no reply was received.

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault besides strengthening of internal controls system.

(AIR#01)

12.5.41 Suspicious payment to 52 pensioners whose record/data is not traceable – Rs 37.388 million

According to Rule-23 of Sindh Financial Rules, Volume-I, “Every payment including repayment of money previously lodged with government for whatever

purpose, must be supported by vouchers setting forth full and clear particulars of the claim.”

During forensic audit of pensionary benefits disbursed by the District Accounts Office, Dadu for the financial year 2020-21, it was observed that a total sum of Rs 37.388 million was disbursed to 52 pensioners through DCS system, which also included arrears amounting to Rs 9.554 million. Notably, these pensioner IDs were generated between 2016 and 2019, lacking any documentary evidence, even the name of originating office or department, thereby raising concerns regarding their legitimacy and documentation.

Audit is of the view that the payments without sufficient documentary evidence indicates financial indiscipline and weak internal controls.

The matter was reported to the management in May, 2024 but no reply was received.

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault.

(AIR#05)

12.5.42 Doubtful disbursement of pension benefits to employees having invalid biodata - Rs 2,239.442 million

According to Rule 5.3 of General Financial Rules read with Rule 7 of Treasury Rules regarding revenues and other receipts of the Government, “it is the primary duty of the officers concerned to see that dues of Govt. correctly and promptly assessed, quickly realized and immediately deposited into Govt. treasury.”

During forensic audit of pensionary benefits disbursed by District Accounts Office, Dadu, for the financial year 2020-21, it was observed that the payment of Rs 2,239.442 million on account of pension benefits were made to pensioners of the district whose date of death, retirement and date of appointment was disclosed as “00.00.000”. Audit could not authenticate the appointment, death and retirement for eligibility of the employee / pensioner towards obtaining of pension benefits. No steps

were taken against the users who input invalid, misleading and unauthentic data in SAP system.

(Amount in Rupees)			
Sr. #	Description	no. of cases	Amount
1	Without date of death	4,563	2,123.510
2	Without date of retirement	16	8.791
3	Date of appointment	135	107.141
Total			2,239.442

Audit is of the view that the payments made to pensioners without ascertaining the date of appointment, retirement and death was unjustified.

The matter was reported to the management in May, 2024 but no reply was received.

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault.

(AIR#21)

12.5.43 Doubtful manual payment of Gratuity – Rs 3.061 million

According to Article 84 of Audit code, it is an essential function of 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 forensic audit of pensionary benefits disbursed by District Accounts Office, Naushahro Feroze, for the financial year 2020-21, while scrutinizing the SAP General Ledger Account, it was observed that gratuity payments amounting to Rs 3.061 million was paid manually instead of pension roll to various pensioners which stands unjustified (details below).

(Rs. in Million)								
Sr.#	Year	Profit	C.C	Doc. no	Doc. date	D.type	GL	Amount
1	2020	AG-NF	NX0000	1900233353	18-Nov-2020	KR	A04103	0.971
2	2020	AG-NF	NX0000	1900233654	18-Nov-2020	KR	A04103	0.919
3	2020	AG-NF	NX0000	1900235342	19-Nov-2020	KR	A04103	0.738
4	2020	AG-NF	NX0000	1900233442	18-Nov-2020	KR	A04103	0.432
Total								3.061

Audit is of the view that lapse on part of department indicates improper watch and weak internal controls.

The matter was reported to the management in May, 2024 but no reply was received.

Audit seeks justification in the matter and recommends adoption of comprehensive internal controls system.

(AIR#46)

Chapter - 13

Food Department

13.1 Introduction

The objective of the department is to run Wheat (Procurement and Sale) State Trading Scheme in a manner that food security is provided to common man. The Food Department's activities are mainly focused on:

- Procurement of wheat from growers during harvesting period at supporting price fixed by the Provincial Government,
- Opening of wheat procurement centres throughout the province at the provincial reserve centres/places with establishment of temporary bank booth to make payment to the growers on the spot,
- Handling and transportation of surplus wheat to the wheat deficit areas/non-procurement areas,
- Safe storage of wheat in covered godowns and to maintain revolving / strategic reserves of wheat in order to meet out shortage at the time of emergency,
- Release of wheat to flour mills and *chakkies* at the subsidized rate in order to trickle down the benefit to general public at an affordable/ reasonable price,
- Stabilise the wheat market price by directly intervening in the commercial market to mitigate the risk of hoarding by maintaining equilibrium.

(Rs. in Million)

Sr No .	Description	Total Nos	Aud ited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	15	4	9,364.477	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

13.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
322,338.356	1,409.000	13,416.254	(13,416.254)	(586.403)	323,160.953	172,230.263	(150,930.690)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 150,930.690 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
353,000.000	375,068.000	143,111.297	(231,956.703)

Revenue estimates were increased upto 6% in revised estimate. Actual receipt were 38% of revised estimate.

13.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 92,613.249 million were raised as a result of this audit. This amount also includes recoverable of Rs 107.634 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	58,655.053
2	Irregularities	
A	<i>Procurement related irregularities</i>	95.000
3	Others	
A	<i>Operational Inefficiency</i>	33,439.309
B	<i>Internal Control Weakness</i>	423.887

13.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 9.80%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	9	7	7	0	100
2	1998-99	8	3	0	3	-
3	1999-2000	7	6	0	6	-
4	2001-02	9	0	0	0	-
5	2004-05	19	16	1	15	6.3
6	2005-06	22	17	1	16	5.9
7	2006-07	11	11	0	11	-
8	2007-08	12	9	0	9	-
9	2008-09	15	11	0	11	-
10	2009-10	8	8	0	8	-
11	2010-11	0	0	0	0	-
12	2014-15	22	14	1	14	
13	2016-17	8	0	0	0	-
Total		150	102	10	93	9.80

13.5 AUDIT PARAS

13.5.1 Non-Production of auditable record - Rs 58,655.053 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of the following offices of Food Department, Government of Sindh, it was requested to provide Auditable record of Rs 58,655.053 million. The record was requisitioned for the financial years 2018-19 to 2022-23. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved.

(Rs.in Million)					
Sr.#	Name of entity	Financial Year	AIR Para #	Particulars	Amount
1	District Food Controller, Larkana	2020-21 to 2022-23	01	Non-Production of record	21,271.326
2	District Food Controller, Khairpur	2021-22 to 2022-23	01		16,819.250
3	District Food Controller, Shikarpur	2018-19 to 2022-23	01		9,886.869
4	District Food Controller, Malir, Karachi	2020-21 to 2022-23	01		7,221.276
5	Deputy Director food Karachi	2023-24	01		3,081.282
6	District Food Controller, Mithi	2022-23	01		254.897
7	District Food Controller, Naushahro Feroze	2021-22 to 2022-23	01		120.153
8	District Food Controller, Tando Allahyar	2021-22 to 2022-23	01		-
Total					58,655.053

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during the months of October, 2023 to April, 2024. DAC meeting was held on 10-02-2025. Wherein the management replied that the record is available for audit. The DAC directed the management to initiate disciplinary action against the person(s) responsible for not providing record during audit. However, no progress was reported by the department till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last five (05) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules.

(DP#14&29)

13.5.2 Non-achievement of target of wheat procurement – Rs 32,024.072 million

As per policy Food Department, Government of Sindh, Karachi letter No.SO/(W)-7(30)2022-23 dated 20 February 2023, a target of 85,000 M. Tons wheat had been fixed for the DFC Sukkur for procurement of wheat from Crop 2022-23. The department has declared 25 wheat procurement centers for purchase of targeted quantity of 85,000 MT.&As per the decision of the Sindh Cabinet taken in the meeting held on 09.02-2023 for fixing wheat procurement target. A target of 1.40 M M. Tons wheat has been fixed for the Sindh Province for procurement of wheat from Crop 2022-23 The department has declared approximately 500 wheat procurement centers for purchase of targeted quantity of 1.4 MMT.

During audit of following offices of Food Department, Government of Sindh for the financial year 2020-21 to 2022-23, it was observed that wheat procurement target was fixed by the Government for the crop of respective years, but the local offices failed to procure wheat against set target, resulting into less achievement of targets of Rs 32,024.072 million. The details are given as under:

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	District Food Controller, Jamshoro	2020-21 to 2022-23	07	26,493.180
2	District Food Controller, Sukkur	2022-23	01	4,219.320
3	District Food Controller, Umerkot	2020-21 to 2022-23	07	1,311.572
4	District Food Controller, Hyderabad	2020-21 to 2022-23	06	-
Total				32,024.072

Audit is of the view that non-achievement of wheat procurement target was due to weak administration and poor management. Due to non-achievement of wheat procurement target, the province is facing worst shortage of wheat and escalation in prices in open market.

The matter was reported to the management during the month of February, March & May, 2024. DAC was held on 10-02-2025, wherein the District Food Controllers replied that during the year 2022-23 higher open market prices led to growers selling wheat privately rather than tendering it to the government in districts like Sukkur, Jamshoro, Umerkot, and Hyderabad. As a result, procurement targets were not met. Despite these challenges, no financial loss to the government exchequer occurred across all districts. The DAC directed the department to produce records for verification. However, no record was produced to audit till finalization of this report

Audit recommends matter be investigated, and responsibility be fixed on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23, 2023-24, vide para number 9.5.10, 12.5.17 & 12.5.18, respectively having financial impact of Rs 40,459.314 million. Recurrence of same irregularity is a matter of serious concern.

(DP#06&18)

13.5.3 Unauthorized keeping of government wheat in private premises – Rs 1,279.199 million

As per Para 07 of policy guideline for wheat procurement policy guidelines 2022-23 issued by the section officer (Wheat), Government of Sindh, Food Department vide letter no FP-01(06)Wh: Proc:Policy/2023/389 Dated 24-03-2023, “procured wheat shall be stored properly keeping in view safety and security of wheat stocks, besides periodic fumigation” and “no wheat stocks should be kept in the premises of any private/flour mills/other private place without approval of the Government,” as per para-xxxii of policy guidelines.

During audit of office of the District Food Controller, Sukkur for the financial year 2022-23, it was observed from periodic physical verification report conducted by DFC, Shaheed Benazirabad that 12,791.99 metric tons of government wheat stocks valuing Rs 1,279.199 million were kept at private premises without the approval/permission of the competent authority. The details are given as under:

(Amount in Rupees)

Wheat Qty. in M.T	Crop Year	Rate per M.T	Amount
12,791.99 M.T	2022-23	100,000	1,279,199,400

Audit is of the view that keeping heavy wheat stocks in private flour mills/stores in open spaces makes it easy to be stolen, miss-appropriated and chances for replacement of old wheat stock with new.

The matter was reported to the management during the month of March 2024. The DAC was held on 10-02-2025, wherein the management replied that during wheat procurement campaign 2022-23, no wheat stocks were stored at private places. The places mentioned in the said physical verification report were declared WPCs and has been mentioned in DR-I Sukkur office and communicated to the higher ups / competent authority. The DAC directed the department to look into the matter and share the report with the Audit. However, no progress was reported by the department till finalization of this report.

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

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, vide para number 9.5.22, respectively having financial impact of Rs 836.006 million. Recurrence of same irregularity is a matter of serious concern.

(DP#09/AIR#04)

13.5.4 Shortage of wheat & PP Bags stock – Rs 265.880 million

According to Rule-113 of Sindh Financial Rules, Volume-I, "All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible government officer who should see that the quantities are correct and their quality is good, and record a certificate to that effect." Also, according to Para-88 of Sindh Financial Rules 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 office of the District Food Controller, Jacobabad, Food Department Government of Sindh for the financial years 2021-22 & 2022-23, it was observed that huge shortage of jute bags/ PP bags and wheat stock at different centers

worth Rs 265.880 million was found, the same shortage was reported by DFC Jacobabad in his visit reports of PRC Garhi Khairo and PRC Thul. The detail is given as under:

(Rs. in Million)			
Sr. #	Para Description	AIR Para #	Amount
1	Shortage of wheat stock at PRC Garhi Khairo	4	57.500
2	Shortage of wheat stock at centres of district Jacobabad	12	108.380
3	Shortage of 20,000 PP bags	14	100.000
Total			265.880

Audit is of the opinion that due to shortage of reported wheat, chances of loss and shortages in stock available could not be ruled out.

The matter was reported to the management during the month of March 2024. DAC was held on 10-02-2025, wherein, the management replied that there were concerns regarding shortages of wheat and PP bag stocks across multiple centers. The office at Sr#1 replied that no confirmed shortage was found, and the actual situation would be clarified once the stock is cleared. The office at Sr#2 replied that the management identified a shortage of Rs. 108.380 million, with a case of 33.800 MT sent to Anti-Corruption for investigation, while other centers showed no confirmed shortage. Office at Sr#3 replied that no shortage was found, as stocks matched the book balance. The DAC directed the department to conduct a fact-finding inquiry and share the report with the Audit. However, no progress was reported to the audit till finalization of this report.

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

(DP#05)

13.5.5 Un-authorized procurement of wheat from private traders instead of growers – Rs 95.000 million

As per wheat procurement policy guidelines crop 2022-23 issued vide No. SO(W)-7(30)2022-23 dated 23rd February, 2023 of Food Department, Government of Sindh, guideline # (i), the wheat shall be procured from growers on first come first serve basis at the declared wheat procurement center.

During audit of office of the District Food Controller, Sukkur for the financial year 2022-23, it was observed that wheat amounting to Rs 95.00 million was purchased from various flour mills instead of growers in violation of government's

wheat policy. It seems that DFC and District Management failed to facilitate and motivate the growers to sale their wheat directly to Food Department instead of brokers/traders.

Audit is of the view that procurement from private traders instead of growers shows lack of management interest & weak internal control. Procurement of wheat at-large by brokers/traders is resulting into shortage of wheat and escalation in prices due to hoarding of wheat by traders/brokers and insufficient wheat stocks in the possession of Food Department.

The matter was reported to the management during the month of March 2024. DAC was held on 10-02-2025, wherein the management replied that during 2022-23 wheat procurement drive, the government's support price was Rs. 4000/40 kg, while the open market rate was higher. Growers were reluctant to sell wheat, leading to a crackdown on hoarders. Wheat procured by the flour mills was captured to meet the target. Field officers conducted raids on illegal hoarding. The DAC directed the department to conduct an inquiry into the matter and share the findings with the audit for verification. However, no progress was reported till finalization of this report.

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

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 & 2022-23, vide para number 9.5.30 & 12.5.11, respectively having financial impact of Rs117.815 million. Recurrence of same irregularity is a matter of serious concern.
(DP#27/AIR#06)

13.5.6 Loss due to shortage of wheat bags – Rs 69.985 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 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”.

Further, according to Food Department Government of Sindh Policy Monitoring system physical verification of stock wheat stock is carried out from different districts of field officers on quarterly basis four times in a year.

During audit of office of the District Food Controller, Sukkur for the financial year 2022-23, it was observed from physical verification report conducted by DFC, Shaheed Benazirabad that there was difference in figures of quantity between store stock register and quantity found on physical verification resulting in total shortage of wheat of 1042 (100 kg) and 11913 (50 kg) bags amounting to Rs 69.985 million. However, no action was taken against the officials involved in defalcation/shortages and recovering the amount of shortage. The details are given as under:

(Rs. in Million)

Sr. #	Name of Center	Particulars	Bags Qty.	Qty. in M.T	Rate per M.T	Amount
1	WPC Salehpat	Bags (100 kg)	1042	104.2	100,000	10.420
		Bags (50 kg)	5914	295.7	100,000	29.570
2	WPC Sangrar	Bags (50 kg)	217	10.85	100,000	1.085
3	WPC Hussain Kalwar	Bags (50 kg)	766	38.3	100,000	3.830
4	WPC Mahesiro	Bags (50 kg)	5016	250.8	100,000	25.080
Total						69.985

Audit is of the view that shortage of government wheat during physical verification of stock was due to gross negligence and ineffective safety measures. Due to shortage of government wheat, government sustained loss.

The matter was reported to the management during the month of February, 2024 to March, 2024. DAC was held on 10-02-2025, wherein the management replied that the shortage highlighted by the District Food Controller Shaheed Benazirabad, as the inspecting officer at various centers, could not be substantiated. Three out of four centers i.e. WPC Hussain Kalwar, WPC Mehesiro, and WPC Sanghar were cleared without any shortage. Regarding the stock at WPC SalehPat, it is available as per the book balance, as confirmed by the recent physical verification conducted by the District Food Controller Mirpurkhas. The DAC decided to verify the daily reports (DR-I) along with release orders for the disposal of wheat to godowns. However, no record was produced till finalization of this report.

Audit recommends inquiry into the matter for fixing responsibility.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 & 2022-23, vide para number 9.5.4 & 12.5.2, respectively having financial impact of Rs2,297.876 million. Recurrence of same irregularity is a matter of serious concern.

(DP#28/AIR#08)

13.5.7 Issuance of wheat to non-functional flour mills – Rs 66.053 million

According to Article 84 of Audit code, it is an essential function of 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. **READ WITH** Rule 23 of General Financial Rules, Volume-I, states that “Every Government Officer should realize fully and clearly that he would be held 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 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 office of the District Food Controller, Hyderabad for the financial year 2021-22 and 2022-23, there are 12 registered Flour Mills with DFC Hyderabad. According to DFC records, three of these mills remained non-operational for a considerable time. Despite their inactive status, these mills received 8838.8 metric tons of subsidized wheat. Additionally, the Storage & Enforcement Officer (S&EO) for the Hyderabad Region reported to the DFC Hyderabad that Sunway Roller Flour Mill Hyderabad had been closed since long. However, DFC Hyderabad had released a significant quantity of wheat (1768.5 metric tons) to this non-operational mill during the fiscal year 2022-23. Due to compromised controls, subsidized wheat was issued to a non-functional mill. The allocated wheat could potentially be diverted and sold in the open market at a higher price for profit instead of grinding.

Audit is of the view that issuance of wheat to non-functional flour mills is questionable chances of misuse of wheat cannot be ruled out.

The matter was reported to the management during the month of February 2024 to May 2024. The DAC was held on 10-02-2025, wherein the management replied that, based on policy, wheat grinding verification was done through electricity bills. M/s D.M and M/s Sunway Roller Flour Mills submitted their bills, while M/s Preet Roller Flour Mills failed to provide evidence, leading to the suspension of their wheat quota. The DAC directed the department to inquire into the matter and report the findings to audit for verification. However, no progress was reported by the department till finalization of this report.

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

Note: The issue was reported earlier also in Audit Reports for Audit Year 2022-23, vide para number 12.5.4, respectively having financial impact of Rs 42.715 million. Recurrence of same irregularity is a matter of serious concern.

(DP#24/AIR#05)

13.5.8 Non-recovery of misappropriated wheat stock from Food Inspector – Rs 27.210 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 office of the District Food Controller, Umerkot for the financial years 2020-21 to 2022-23, it was observed that a Food Inspector (BPS-12) was posted as Incharge PRC Kunri by the Food Department. Whereas the name of official was under trial in Anti-corruption court Hyderabad in misappropriation of 9,070 bags of wheat stock amounting to Rs27.210 million @ mill /PRC Al-saeed Flour mill Kot Ghulam Muhammad District Mirpurkhas. However, the management of the local office did not recover the misappropriated amount so far. The focal person did not provide detail of misappropriation of wheat stock and correspondence record i.e., letter for intimation to higher authorities & trial etc but only remarks were found in column that amount of Rs27.210 million was misappropriated & was under trial. The detail is given as under:

Rs. in Million			
Name	Designation	Total quantity of wheat bags misappropriated	Amount involved
Mr. Muhammad Yousuf	Food Inspector	9,070	27.210

Audit is of the view that the non-recovery of the misappropriated wheat amount showed lack of financial & administrative control of the management.

The matter was reported to management in March 2024. DAC was held on 10-02-2025, wherein the management responded that Mr. Muhammad Yousuf Arain, a Food Inspector, was penalized with compulsory retirement for misappropriation but was reinstated by the Services Tribunal. In 2023, the mill management deposited Rs. 13.710 million through challans, and Rs. 13.500 million remains pending for recovery.

The DAC directed the department to produce the judgement of restoration along with the recovery record. The verification should include the original recovered amount and the remaining amount. However, no record was produced till finalization of this report.

Audit recommends immediate recovery from the concerned and fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 & 2022-23, vide para number 9.5.2 & 12.5.23, respectively having financial impact of Rs 2,733.194 million. Recurrence of same irregularity is a matter of serious concern.

(DP#26/AIR#01)

13.5.9 Non-realization of outstanding dues – Rs 22.035 million

As per rule 19(1) Sindh Food Authority “No person shall use any place for food business except under the prescribed registration and possessing of a valid license” As per rule 36 Sindh Food Authority “If a food operator manufactures, sells, offers for sale, stores or distributes or imports any food without the prescribed registration or license, he shall be liable to imprisonment for a term which may extend to one year and or fine which may extend to five hundred thousand rupees or with both”.

During audit of following offices of Food Department, Government of Sindh for the financial years 2020-21 to 2022-23, it was observed that the outstanding dues on account of issuance of license and penalties of Rs 22.035 million was not recovered from the various FBOs (Food Business operator/ Atta Chakkies). The details are as under:

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Director General, Sindh Food Authority, Karachi	2021-22 to 2022-23	10	21.582
2	District Food Controller, Umerkot	2020-21 to 2022-23	14	0.453
Total				22.035

Audit is of the view that due to non-realization of receipts, the Government sustained financial loss which indicates prevalence of poor internal controls.

The matter was reported to management in March 2024. DAC was held on 10-02-2025, wherein the management replied for AIR 10 that there was a shortfall in realizing outstanding dues for license fees and penalties amounting to Rs. 21.582 million. Efforts are being made to recover dues from Food Business Operators who

have changed their business or moved premises, with assurances of improved measures. As for AIR 14 the management stated that statements confirming the renewal and expiration dates for 2020-21, 2021-22, and 2022-23 show that the chakkies lifting wheat have valid Food grain Licenses from the Food Department. The DAC directed the department to recover the amount, including any leftover amount, and justify the non-recovery of the leftover amount. However, no record was produced till finalization of this report

Audit recommends effecting recovery of outstanding dues from the concerned.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2023-24, vide para number 12.5.3, respectively having financial impact of Rs 4,249.143 million. Recurrence of same irregularity is a matter of serious concern.

(DP#10)

13.5.10 Non / less deduction of various taxes – Rs 106.110 million

As per Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a 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- (a) for the sale of goods; (b) for the rendering of services; (c) on the execution of the contract, other than a contract for the sale of goods or the rendering service, shall, at the time of making the payment , deduct tax from the gross amount payable at the rate specified in division III of part III of the first schedule. 9% tax shall be deducted from non-filer. 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 23-01-2008, that 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. The Services provided or rendered by person engaged in contractual execution of work or furnishing supplies is taxable within the meaning of Section 3(1) of the Sindh Sales Tax Act. The rate of services provided or rendered by persons engaged in contractual execution of work or furnishing supplies mentioned at Tariff No. 9809.00 during the financial year 2021 is 13%.

During audit of following offices of Food Department, Government of Sindh for the financial years 2020-21 to 2022-23, it was observed that Income Tax, General Sales Tax & Sindh Sales Tax on Services amounting to Rs 106.110 million were less/non-deducted. The details are given as under:

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Director, Food, Karachi	2022-23	02	Non deduction of GST	69.691
			06	Non recovery of Income Tax	28.696
			32	Short deduction of GST	0.209
			31	Less deduction of SST	0.145
			33	Non deduction of various taxes	0.094
02	Director General, Sindh Food Authority, Karachi	2021-22 & 2022-23	17	Non/less deduction of GST	4.533
03	District Food Controller, Umerkot	2020-21 & 2021-22	02	Less deduction of IT & SST	2.190
04	District Food Controller, South Karachi	2020-21 to 2022-23	05	Less deduction of IT on salaries	0.552
Total					106.110

Audit is of the view that due to non / less deduction of taxes; government sustained a financial loss in shape of short collection of revenue.

The matter was reported to the management during the month of February, 2024 to March, 2024. The DAC was held on 10-02-2025, wherein the management replied that the taxes have been recovered. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends efforts may be made for affecting recovery of various taxes, besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2021-22 & 2022-23, vide para number 9.5.18 & 12.5.15, respectively having financial impact Rs 21.925 million. Recurrence of same irregularity is a matter of serious concern.

(DP#13&23)

13.5.11 Non-deduction of stamp duty - Rs 1.524 million

According to Sub: 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 following offices of Food Department, Government of Sindh, for the financial year 2021-22 to 2022-23, it was observed that contract amounting to

Rs 435.944 million was 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 1.524 million. The detail is as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount	Stamp duty
1	Directorate Food Karachi	2022-23	10	Purchase of Waterproof Tarpaulins	409.950	1.434
2	District Food Controller, Umerkot	2020-21 to 2022-23	13	Transportation Charges	25.994	0.090
Total					435.944	1.524

Audit is of the view that management did not perform its duties properly by non-realizing of stamp duty.

The matter was reported to the management during the month of February & March, 2024. DAC was held on 10-02-2025, wherein the management replied that the agreement with the Transport Contractor was executed for the time period from 1st March to 28th February of every year for the work of transportation assign to him and not on the basis of time-to-time partial payment made to him. The stamp duty will be recovered at the time of clearance of pending transportation dues and audit will be informed accordingly. The DAC directed the management to verify the recovery amount. However, no record was produced till finalization of this report.

Audit recommends recovery of stamp duty, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 & 2023-24, vide para number 12.5.16 & 12.5.11, respectively having financial impact of Rs 7.483 million. Recurrence of same irregularity is a matter of serious concern.

(DP#12&22)

13.5.12 Non-recovery of outstanding bardana – Rs 1.128 million

As per wheat policy of 2020-21 issued vide No. SO(W)-7(28)2020-21 dated 31.03.2021 of Food Department, Government of Sindh, policy guidelines for wheat procurement campaign crop 2020-21, (vi) Center Incharge will be held responsible for return of bardana from growers. No bardana will remain outstanding at the close of wheat procurement campaign. Outstanding bardana should be adjusted before the final

payment to the grower, in case of any outstanding, center incharge/ district food controller will be held equally responsible and will have to compensate.

During audit of office of the District Food Controller, Hyderabad for the financial year 2021-22 and 2022-23 it was observed that bardana were issued to various growers in previous wheat procurement campaigns. However, after the conclusion of the procurement process an amount of Rs 1.128 million was still outstanding on account of bardana. Wheat policy guidelines stipulate that no bardana should be outstanding at the end of the wheat procurement campaign. Otherwise, both the Center Incharge and the District Food Controller will be equally accountable and required to provide compensation. The details are given as under:

(Rs. in Million)

Sr. #	Description	Bardana Outstanding	Average Rate	Amount
1	Jute bags	2,043	170	0.347
2	PP bags	9,760	80	0.781
Total				1.128

Audit is of the view that due to non-recovery of outstanding dues from the growers on account of bardana, the financial loss was sustained.

The matter was reported to the management during the month of May, 2024. DAC was held on 10-02-2025, wherein the management replied that during the financial years 2021-22 and 2022-23, the quantity of bardana remained outstanding with the growers. Despite efforts by the Incharges of the centers, the growers did not return the bardana. In response, DFC Hyderabad issued notices to the Incharges of all centers for the recovery of the bardana. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit requires immediate recovery of outstanding bardana, besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2021-22, vide para number 12.5.11, respectively having financial impact Rs 59.635 million. Recurrence of same irregularity is a matter of serious concern.

(DP#21/AIR#02)

Chapter - 14

Forest & Wildlife Department

14.1 Introduction

The Forest & Wildlife Department is responsible for preservation of existing forests of the province of Sindh and Afforestation of forest lands for climatic, commercial and local needs. It also carries out research to develop new and improved species of plants and trees, suitable to the local climate and soil. Moreover, the Department also works for preserving endangered species of wildlife and constructing sanctuaries for them.

The forests of Sindh are being managed on the universal recognized principle of multiple land use system. The Forest Department also contributes to income generation for the government. In order to fill the gap of forest cover and to increase the fuel wood/ timber, fodder and livestock, various development schemes are being implemented depending on the availability of the resources. Besides normal forestry, development operations also focus on diversified fields like coconut plantation, sericulture, apiculture etc.

Core functions of the department include:

1. To increase the forests' covered area,
2. To provide substitutes to firewood in the wooded mountains,
3. To reduce political interference in the Forestry and Wildlife Departments,
4. To provide adequate control against flooding in the riverine areas,
5. To develop Policies for fragile Eco-systems,
6. To retrieve lands under encroachment,
7. To renovate and invigorate the institutions of RNR.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	183.776	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

14.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
4,949.586	53.920	1,226.169	(480.669)	(1,013.605)	4,735.401	4,679.216	(56.185)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 56.185 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
650.000	420.000	73.612	(346.388)

Revenue estimates were reduced upto 35% of revised estimate. Actual receipt was 18% of revised estimate.

14.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 586.047 million were raised as a result of this audit. This amount also includes recoverable of Rs 1.979 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. #	Classification	Amount
1	Non production of record	236.845
2	Irregularities	
A	<i>Management of Accounts with Commercial Banks</i>	255.887
3	Others	
A	<i>Operational Inefficiency</i>	31.180
B	<i>Internal Control Weakness</i>	62.110
C	Recovery	1.979

14.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 9.80%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	6	1	0	1	-
2	1998-99	12	2	0	2	-
3	1999-2000	21	7	0	7	-
4	2001-02	5	5	3	2	60
5	2004-05	12	11	2	9	18.2
6	2005-06	17	14	2	12	14.3
7	2006-07	08	3	0	3	-
8	2007-08	17	0	0	0	-
9	2008-09	9	0	0	0	-
10	2009-10	10	5	2	3	4.0
11	2010-11	6	4	0	4	-
12	2014-15	0	0	0	0	-
13	2016-17	0	0	0	0	-
Total		123	52	9	43	17.30

14.5 AUDIT PARAS

14.5.1 Non-production of record – Rs 236.845 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of the following offices of Forest & Wildlife Department, Government of Sindh, it was requested to provide Auditable record of Rs 236.845 million. The record was requisitioned for the financial years 2018-19 to 2022-23. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given as under.

(Rs. in Million)					
Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	DFO Afforestation Division, MPM, Ghotki	2018-19 to 2022-23	01	Complete Record	162.316
2	DFO Coastal Forestry Division, Karachi	2022-23	01	Complete Record	28.537
3	DFO Social Forestry Division-II, Karachi	2022-23	01	Complete Record	24.173
4	DFO Coastal Forest Division Left Bank @ Sujawal	2022-23	01	Complete Record	21.819
5	DFO Social Forestry-I, Karachi	2022-23	01	Complete Record	0
6	DFO Social Forestry, Sanghar	2022-23	01	Complete Record	0
Total					236.845

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last five (05) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#04)

14.5.2 Non-vacation of illegal encroachment of forest land 8,667 Acres

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of the office of the Divisional Forest Office, Afforestation Division Sukkur, for the financial year 2022-23, it was observed that illegal encroachment occurred on forest land measuring 8,667 Acres. Despite this encroachment, the department failed to take remedial measures to vacate the forest land. As a result, the encroachment remains un-cleared.

Audit is of the view that the department's lack of action to protect the forest land from illegal occupants reflects a disregard for its core responsibilities. This negligence reveals inefficiency on part of management to secure government resources and the resolution of public issues.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends vacation of encroached land through law enforcement agencies and conduct inquiry to ascertain negligence of the officers/officials for above lapse.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2022-23, vide para number 13.5.25. Recurrence of same irregularity is a matter of serious concern.

(DP#05/AIR#01)

14.5.3 Un-utilized balance lying in bank account – Rs 255.887 million

As per Rule-290 of Central Treasury Rules Volume-I, “No money shall be drawn from government treasury until and unless it is required for immediate disbursement or need. It is not permissible to draw money from the treasury in anticipation of demands or to prevent lapse of budget grant”.

During audit of the office of the Conservator Wildlife Management Department, Karachi for the financial year 2022-23, it was observed that an amount of Rs 255.887 million was remained unutilized as on 30-06-2023. Audit could not authenticate the huge available balance in current account without valid justification.

Audit is of the view that unjustified retention of funds indicates financial lapse and results in the blockage of funds.

The matter was reported to the management in February, 2024. The management replied that an amount of R 255.887 million pertains to fees paid by Arab dignitaries from 2018-19 to 2022-23. As per the policy directives given by Ministry of Foreign Affairs Government of Pakistan, the subject fees have been addressed under provincial legislation i.e Sindh Wildlife Protection Rules 2022 under Rule 75 sub-rule (6) the matter of establishment of the “fund” is under process. The reply is not tenable

as the funds have been lying un-utilized for a long time. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit demands investigation in the matter besides emphasizing proactive role of Secretary, Forest & Wildlife in regulating audit activity since initiation of field audit till convening DAC meetings and obtaining replies from the offices under his administration.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2022-23, vide para number 13.5.23, having financial impact of Rs 4.653 million. Recurrence of same irregularity is a matter of serious concern.

(DP#02/AIR#15)

14.5.4 Irregular cash payments from DDO account – Rs 32.865 million

As per Rule-303 of Central Treasury Rules, “A 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.”

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 the office of the Divisional Forest Office, Afforestation Division Sukkur, for the financial year 2022-23, it was observed that an amount of Rs 32.865 million was drawn in cash by the RFO for payment to the Labour Jamadars whereas neither any tender was floated, nor any contract agreement was signed. Further, no evidence of tax apportionments, i.e. copy of cheque to FBR, was placed with payment voucher.

Audit is of the view that cash payment through DDO account is a violation of rules and regulations as this practice may results in misappropriation of funds.

The matter was reported to the management in February, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit demands investigation in the matter besides emphasizing proactive role of Secretary, Forest & Wildlife in regulating audit activity since initiation of field audit till convening DAC meetings and obtaining replies from the offices under his administration.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2022-23 and 2023-24, vide para number 13.5.21 and 13.5.12 respectively, having financial impact of Rs 521.224 million. Recurrence of same irregularity is a matter of serious concern.

(DP#07/AIR#14)

14.5.5 Irregular transfer of funds from DDO account – Rs 29.246 million

According to Rule 23 of Sindh Financial Rules Volume-1, As a general rule every payment including repayment of money previously logged with Government for whatever purpose must be supported by the voucher setting forth full and clear particulars of the claim.

During audit of the office of the Conservator Wildlife Management Department, Karachi for the financial year 2022-23, it was observed that an amount of Rs 29.246 million was transferred to M/s Kohistan Conservancy. However, the bank statement of M/s Kohistan Conservancy was not available on record. Further, M/s Kohistan Conservancy had to incur expenditure for the development / welfare of the community from the revenue realized from hunting, but adjustment vouchers were not available on record.

(Rs. in Million)

Sr. No.	Cheque No.	Date	Vendor	Amount
1	149190620	26-06-23	M/s Kohistan Conservancy	4.102
2	149190619	19-06-23	M/s Kohistan Conservancy	4.101
3	149190615	16-06-23	M/s Kohistan Conservancy	4.101
4	149190614	13-06-23	M/s Kohistan Conservancy	4.101
5	149190613	09-06-23	M/s Kohistan Conservancy	4.101
6	149190612	13-04-23	M/s Kohistan Conservancy	4.370
7	149190610	22-03-23	M/s Kohistan Conservancy	4.370
Total				29.246

Audit is of the view that in the absence of adjustment vouchers financial propriety and probity against the funds utilized could be authenticated.

The matter was reported to the management in February, 2024. The management replied that in light of Sindh Wildlife Protection Act 2020, under section 44 “Community Based Trophy Hunting Program” special permit is issued on prescribed fee in which 20% is remitted in Government Treasury and 80% proceeds to community through their representative NGO that is M/s Kohistan Conservancy. The utilization report is carried out by community representative NGO, registered under Social Welfare Laws. The reply was not tenable in the absence of record of respective NGO (bank statement, utilization report / adjustment vouchers, Registration documents and Audit Report of reputed Chartered Accountant Firm). Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit demands inquiry in the matter besides emphasizing proactive role of Secretary, Forest & Wildlife in regulating audit activity since initiation of field audit till convening DAC meetings and obtaining replies from the offices under his administration.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2023-24, vide para number 13.5.2, having financial impact of Rs 2.100 million. Recurrence of same irregularity is a matter of serious concern.

(DP#03/AIR#03)

14.5.6 Unjustified payment to labour Jamadar – Rs 29.200 million

According to Para 40-B Appendix 18-A (1) of SFR 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 office of the Divisional Forest Office, Afforestation Division Sukkur, for the financial year 2022-23, it was observed that a payment of Rs 29.200 million was made to various Labour Jamadars on account of development scheme without obtaining progressive report, CNIC of labour and muster roll of the same. Furthermore, third-party monitoring was not carried out and payment was made through cash instead of cross-cheques. Income tax was also not deducted at source.

In view of above, it seems that an undue favour was granted to labour Jamadar without completion of codal formalities.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit demands investigation in the matter besides emphasizing proactive role of Secretary, Forest & Wildlife in regulating audit activity since initiation of field audit till convening DAC meetings and obtaining replies from the offices under his administration.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2022-23, vide para number 13.5.30, having financial impact of Rs 343.748 million. Recurrence of same irregularity is a matter of serious concern.

(DP#08&09/AIR#11&13)

14.5.7 Non-recovery of taxes – Rs 1.979 million

According to Section 236A of Income Tax Ordinance, Advance tax at the time of sale by auction (1) Any person making sale by public auction or auction by a tender, of any property or goods (including property or goods confiscated or attached) either belonging to or not belonging to the Government, local Government, any authority, a company, a foreign association declared to be a company under sub -clause (vi) of clause (b) of sub-section (2) of section 80, or a foreign contractor or a consultant or a consortium or Collector of Customs or Commissioner of Inland Revenue or any other authority, shall collect advance tax, computed on the basis of sale price of such property and at the rate specified in Division VIII of Part IV of the First Schedule, from the person to whom such property or goods are being sold. As per Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a 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- (a) for the sale of goods; (b) for the rendering of services; (c) on the execution of the contract, other than a contract for the sale of goods or the rendering service, shall, at the time of making the payment , deduct tax from the gross amount payable at the rate specified in division III of part III of the first schedule.

During audit the office of the Divisional Forest Office, Afforestation Division Sukkur, for the financial year 2022-23, it was observed that an amount of Rs 1.979 million was not deducted at applicable rates on account of various taxes and duties while making payments to the vendors. The details are given as under:

(Rs. in Million)

(Rs. in Million)							
Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Expenditure	Rate of Tax	Amount
1	DFO, Afforestation Division, Sukkur	2022-23	3	Non-recovery income tax on lease money	13.323	Income Tax @ 10%	1.332
			6	Non-recovery of income tax on labour jamadar contractor	6.995	Income Tax @ 7.5%	0.525
			12	Non-realization of stamp duty	34.905	Stamp Duty @ 0.35%	0.122
Total					55.223		1.979

Audit is of the view that taxes and duties not deducted at applicable rates during vendor payments. It shows prevalence of weak internal controls within the entity.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit demands recovery of the due taxes besides emphasizing proactive role of Secretary, Forest & Wildlife in regulating audit activity since initiation of field audit till convening DAC meetings and obtaining replies from the offices under his administration.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2021-22, vide para number 10.5.8, having financial impact of Rs 22.417 million. Recurrence of same irregularity is a matter of serious concern.

(DP#10)

Chapter - 15

Health Department

15.1 Introduction

The main functions of the department under the Sindh Government Rules of Business, 1986 are:

1. To control medical drugs and dangerous drugs (Drugs Act & Rules),
2. To manage medical education, including medical schools, colleges, institutions for dentistry and medical social welfare projects,
3. Regulation of medical and other professional qualifications and standards; medical registration, including medical council; indigenous system of medicines; medical attendance on government servants; and levy of fee,
4. Pharmacy and nursing councils,
5. Prevention and control of infectious and contagious diseases; like tuberculosis, malaria, rabies, etc., Safety from adulteration of food stuffs and acquiring nutrition; vaccination and inoculation; and maternity and child welfare and primary health.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	106	57	89,107.884	42.723
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	4	4	3,385.450	-

15.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
272,168.030	17,904.080	81,216.406	(79,780.199)	(49,031.571)	242,476.745	226,337.996	(16,138.749)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 16,138.749 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
539.585	410.021	814.004	403.983

Revenue estimates were reduced upto 24% in revised estimate. Actual receipt were 199% of revised estimate.

15.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 78,916.235 million. This included Rs 6,405.421 million due to non-production of records, Rs 702.587 million fall under category of fraud / embezzlement, Rs. 14,858.523 million HR related irregularities, Rs 10,119.613 million procurement related irregularities, Rs 1,724.533 million on Management of accounts related irregularities, Rs 218.410 million on ineffective service delivery, Rs 8,195.534 million attributed to operational inefficiencies and Rs 407.796 million fall under record keeping & data accuracy. Additionally, weaknesses in internal controls accounted for Rs 36,283.818 million, while recoverable amounts stood at Rs 1,309.973 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	6,405.421
2	Reported cases of fraud, embezzlement and misappropriation	702.587
3	Irregularities	
A	HR/Employees related irregularities	14,858.523
B	Procurement related irregularities	10,119.613

(Rs. in Million)

Sr. No.	Classification	Amount
C	Management of Accounts with Commercial Banks	1,724.533
4	Value for money and service delivery issues	218.410
5	Others	
A	Operational Inefficiency	8,195.534
B	Record Keeping & Data accuracy	407.796
C	Internal Control Weakness	36,283.818

15.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 27.27%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	21	11	11	0	100
2	1998-99	16	11	0	11	-
3	1999-2000	23	3	0	3	-
4	2001-02	13	11	7	4	-
5	2004-05	36	36	19	17	52.8
6	2005-06	25	19	5	14	26.3
7	2006-07	8	5	0	5	-
8	2007-08	14	3	0	3	-
9	2008-09	13	7	0	7	-
10	2009-10	11	9	0	9	-
11	2010-11	20	20	0	20	-
12	2014-15	21	19	0	19	-
13	2016-17	0	0	0	0	-
Total		221	154	42	112	27.27

15.5 AUDIT PARAS

15.5.1 Non-production of record – Rs 6,405.421 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2021-22 to 2023-24, various auditable record amounting to Rs 6,405.421 million was not produced to audit for scrutiny. The details are given at **Annex-1 of Chapter-15**.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during February to November, 2024. During verification, the office at Sr.#11 (Executive Director, NICH) stated that the management has requested auditable records from relevant divisions and provided the response letters to Audit. Further, the funds were transferred to Pak PWD, utilized after observing codal formalities and audited by AG Sindh before utilization. The reply is not tenable as the relevant records were not produced to Audit. The office at Sr.#25 (Director General Health Services Sindh, Hyderabad), in response to AIR#08 replied that the items were sent to COD Karachi vide letter No.DGHSS/GN/BR/20659/64 dated 02-04-2024 and its evidence enclosed. The reply is not tenable as complete record was not provided. The remaining offices did not submit replies till finalization of report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last three (03) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01,105&168)

15.5.2 Control weakness leading to misappropriation / theft of cancer medicines – Rs 360.000 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 office of the Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi, for the financial year 2023-24, it was observed that cancer medicines worth Rs. 360.000 million were misappropriated through theft by couple of employees during the period from 17-02-2023 to 26-09-2023. This issue has also been highlighted in print media, which alleged that government-provided medicines are being stolen and not being distributed to needy patients.

It was observed that as per FIR No.160/2024 dated 20-06-2024), the Medical Superintendent had stated that other employees had also accompanied accused in above theft and further record of medicines is also being checked, the details of the same will be presented later-on. However, the same was not reported till the conduct of audit.

Furthermore, instead of appointing a qualified pharmacist, as pointed out in the Inquiry Report dated October 14, 2023, a dispenser and a staff nurse have been given charge of the medical store since 2017. Additionally, both officials were transferred to other departments only a few months after the incident was uncovered. The

management reported the case to the Health Department on May 29, 2024, more than seven months after the inquiry concluded. Aside from suspending the officials and filing an FIR with the police, the other relevant agencies such as Anti-Corruption, FIA, or NAB were not involved and no further actions were taken against the accused officials for eight months following the inquiry's completion. This raises concerns about the management's approach to handling such sensitive cases.

The primary control weakness lies in deficiencies within both the manual and computerized Hospital Management Information System (HMIS) for managing medicine records. The current system lacks effective mechanisms for tracking the receipt, distribution, and utilization of medicines, rendering it susceptible to errors, manipulation, and a lack of accountability. The hospital management has acknowledged this complexity and their lack of expertise in a letter dated June 28, 2024, addressed to the DIG of Police (Investigation) in Karachi, in which they requested the transfer of the case to the FIA for these reasons.

Audit uncovered significant control weaknesses in the hospital's inventory management system, particularly in light of the recent theft of medicines. These deficiencies not only pose risks of misappropriation but also undermine accountability and financial integrity. Prompt corrective actions are essential to address these issues, recovery of stolen medicines, restore trust, and ensure the effective management of healthcare resources.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit requests the hospital's management to prioritize addressing this control weakness and provide regular updates on the corrective actions taken to recover the loss of medicines, mitigate this issue and prevent further incurrence of such incident in future.

(DP#169/AIR#01)

15.5.3 Misappropriation of government revenue - Rs 33.097 million

Rule-41 (a) of Sindh Financial Rules, Volume-I states that, “the departmental controlling officer should see that all the sums due to government are regularly received and checked against demands and that they are paid into the treasury. They should accordingly arrange to receive from their sub-ordinates accounts and returns claiming credit for so much paid into the treasury and compared with them the figures in the statements supplied by the comptroller”. As per instruction contained in treasury rules read with General Financial Rules, the government money realized in any head of account should have been reconciled with District Accounts Officer / Treasury Officer concerned in order to verify the fact that the government money had been credited into relevant head of account.

During audit of office of the Executive Director, Jinnah Postgraduate Medical Centre, Karachi, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that an amount of Rs 119.971 million shown credited in government account, out of which an amount of Rs 86.873 million was reconciled from Treasury and amount of Rs 33.097 million remained unreconciled. The management has made correspondence with the concerned Bank regarding missing challans describing that amount was not accounted for in Treasury office, Karachi. The Bank neither responded to the letters nor was reason of non-credit of amount in government treasury conveyed. The details are as under:

(Rs. in Million)		
Office	Amount	Difference
JPMC (shown credited)	119.971	--
Treasury	86.873	33.097
SAP data	70.890	49.081

Audit is of the view that amount in question has been misappropriated by Bank personnel or by collusion of both offices i.e. Bank and local office.

The matter was reported to the management in the month of February, 2024. The management, in its reply, stated that an amount of Rs 26.999 million was not accounted for in Treasury Office Sindh and a complaint was lodged against concerned branch regarding reconciliation of deposited challan but no action was reported. Thus, the verification remains inconclusive.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends inquiry into the matter and fixing of responsibility on person(s) at fault besides taking other remedial measures.

(DP#03/AIR#17)

15.5.4 Recovery of salaries from absconding officers / officials - Rs 43.584 million

Rule-41 (a) of Sindh Financial Rules, Volume-I states that, “the departmental controlling officer should see that all the sums due to government are regularly received and checked against demands and that they are paid into the treasury.

According to clause 9(7) of Civil Servants (Efficiency and Discipline) Rules, 2020, “The inquiry officer or the inquiry committee, as the case may be, shall complete the inquiry within sixty days or, within such an extended period which the authority may allow on the request of inquiry officer or Inquiry Committee, as the case may be, for reasons to be recorded and shall submit his or its report to the authority within seven days of the date of completion of inquiry. The inquiry report must contain clear findings as to whether the charge or charges have been proved or not proved and specific recommendations regarding exoneration or imposition of minor or major penalty or penalties upon the accused.”

During audit of various offices of Health Department, Government of Sindh, for the financial year 2023-24, it was observed that payment of salary amounting to Rs 43.584 million was allowed in favour of medical officers and other employees who remained absent from their duties for a long period of time. The details are at **Annex-2 of Chapter-15**. It was further noted that neither their pay was stopped, nor any efforts were made to recover the paid amount and no disciplinary action was initiated against them.

Audit is of the view that due to non-taking action against absconder reflect weak internal control with formations.

The matter was reported to the management during August, 2023 to November, 2024. During verification, the offices at Sr.# 03, 04, 05, 06, 07, 08, & 09 stated that the case for final decision is pending in Health Department and monthly salaries has been stopped and the recovery will be made accordingly. The replies are not tenable as the recovery has not yet been made except for Rs. Rs 0.620 million by JPMC. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends action to be taken against absconders & recovery be made under intimation to audit.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 and 2023-24 vide para number 14.5.41 and 14.5.2 respectively having financial impact of Rs 1,227.897 million. Recurrence of same irregularity is a matter of serious concern.

(DP#4,109&179)

15.5.5 Non-stopping of salary who has been removed from Service – Rs 7.963 million

Rule-41 (a) of Sindh Financial Rules, Volume-I states that, “the departmental controlling officer should see that all the sums due to government are regularly received and checked against demands and that they are paid into the treasury. According to Rule-23 of General Financial Rules, Volume-I, states that “Every Government Officer should realize fully and clearly that he would be held 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 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 office of the Medical Superintendent, Taluka Hospital Kotri, District Jamshoro, Health Department, Government of Sindh, for the financial year 2022-23, it was observed upon reviewing the personal file of Senior Medical Officer, that the officer had been removed from service through Letter No. SO-IV(H)

Seniority/2020 dated 19.09.2022. The grounds for his removal were absenteeism from duty since long time, and a show cause notice had been served on 09.11.2020. Despite removal from service, his salary has not been stopped neither from the date of his prolonged absence nor after the issuance of the removal order on 19.09.2022. The details are given as under.

(Rs. in Million)		
Details	Monthly Salary (As of 30.06.2023)	Amount
Dr. Siraj-ul-Haq (Senior Medical Officer BS-18) Absent Period w.e.f 09.11.2020 to 19.09.2022 - 22 months approx.	Rs 0.204	4.492
Removal Period w.e.f 19.09.2022 to 29.02.024 - 17 months approx.		3.471
Total		7.963

Audit is of the view that failure to stop salary payments, following the issuance of the removal order, not only signifies financial irregularity but also exposes weakness of the internal controls.

The matter was reported to the management in the month of February, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends immediate cessation of salary disbursement and recovery of excess payments besides initiation of accountability proceedings against the persons at fault.

(DP#07/AIR#20)

15.5.6 Misuse of funds on procurement of medicines – Rs 48.580 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of Medical Superintendent, Taluka Hospital, Kotri, Jamshoro, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that an amount of Rs 48.580 million was incurred on purchase of medicines (Qty 3,007,214) for 150 bedded hospitals having 04 wards. According to the list provided by hospital only 4,472 patients were admitted in the whole year and consumption of medicine could not be shown by the hospital. The detail of medicine purchased during the year are as follow:

(Rs. in Million)			
Cost Centre	Description	Qty	Amount
JO-0064	85% Centralized	2,448,364	41.775
	15% local Purchase	558,850	6.805
Total		3,007,214	48.580

Audit is of view that expenditure of medicine seems to be doubtful due to non-availability of consumption and patient's record.

The matter was reported to the management in the month of March, 2024. Subsequently, on 15.07.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply from concerned entity / PAO was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends provision of utilization of medicines and a thorough investigation into the matter for fixing of responsibility against persons at fault. Additionally, strict internal controls should be implemented to ensure transparency and compliance in future procurements.

(DP#02/AIR#01)

15.5.7 Loss due to missing medicines / diet – Rs 304.941 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, "Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it

may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that medicines amounting to Rs 304.391 million were found procured but the same were found missing / unrecorded in the stock registers. Due to non-recording of these medicines in the stock registers, chances of misuse and theft cannot be ruled out. Moreover, Dietary articles worth Rs 0.550 million (based on the cost of the selected sample items) were shown as issued. This issuance is highly questionable, as the patients had already been discharged due to the Eid holidays, and the need for dietary supplies during this period does not align with the records; thus, chances of misuse and theft cannot be ruled out. The details are at **Annex-3 of Chapter-15**.

Audit is of the view that the management has put loss to government due to misleading record of diet.

The matter was reported to the management during August, 2023 to October, 2024. During verification, the office at Sr.#01 (VBD, Hyderabad), for AIR#05, 06, and 11 stated that items were recorded into Stock Register. The department provided copies of the stock register with entries of the items. The office at Sr.#02 (Hepatitis Prevention & Control Program) stated that the purchase of Medicine for the year 2022-23 was entered in the relevant stock register and the identified stock of tablet is entered and utilized by the main store. The replies are not tenable as consumption account with indents or requisitions for supplies were not provided, therefore, the verification could not be concluded. The office at Sr.#03 (PMC hospital, Nawabshah), consumption record and receiving and other required record for clarification is provided. The department did not provide relevant record for verification. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit requires investigation in the matter besides fixing of responsibility against the persons at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 and 2023-24 vide para number 14.5.7 and 14.5.5 respectively having financial impact of Rs 240.816 million. Recurrence of same irregularity is a matter of serious concern.

(DP#106&170)

15.5.8 Lack of action against the cases of bogus degrees / certificates

The Sindh Civil Servants (Efficiency & Discipline) Rules, 1973 vide SGA&CD letter No. SOVII (S&GAD)-1/123/73 dated 08.09.1973. 3. Grounds for penalty.-Where a civil servant, in the opinion of the authority- (a) is inefficient or has ceased to be efficient; or (b) is guilty of misconduct; or (c) is corrupt, or may reasonably be considered corrupt because- (i) he is, or any of his dependents or any other person through him or on his behalf is, in possession (for which he cannot reasonably account) of pecuniary resources or of property disproportionate to his known sources of income; or (ii) he has assumed a style of living beyond his ostensible means; or (iii) he has persistent reputation of being corrupt; or (d) is engaged, or is reasonably suspected of being engaged, in subversive activities.

During audit of office of the Executive Director, National Institute of Child Health, Karachi, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that following two officers were identified for producing bogus degree / certificate. These officers are still drawing salaries and had not yet been penalized. The details are as under;

Sr. #	AIR Para #	Particulars
1	19	No action taken against Mr. Arshad Hussain Domki against Deputy Executive Director for his bogus degree of M.P.H
2	41	No action taken against Mr. Malik Zaryab Tiwana, receptionist for producing bogus certificate of Matriculation.

Audit is of the view that a serious lapse in integrity concerning two officers who were found to have submitted fraudulent degrees or certificates was revealed but despite this discovery, these officers continue to receive salaries without facing any penalties for their fraudulent actions. This failure to address the misconduct not only undermines the credibility of the institution but also raises concerns about accountability and adherence to ethical standards.

The matter was reported to the management in the month of March, 2024. The management, in response to Sr#1 replied that no Honorable Member of Provincial Assembly Sindh raised such kind of question regarding Dr. Arshad Hussain Domki's degree as stated by Audit team. However, Enquires & Anti-Corruption Establishment and Health Department required information about the same in 2017. It is pertinent to mention here that the case has been closed / filed. The reply is not tenable due to non-submission of relevant record. In response to Sr.# 2 replied that the Director Health Services Karachi / Chairman Inquiry Committee chaired only 01 meeting of the Inquiry Committee and reviewed personal file particularly Board of Secondary Education Karachi letter dated 20-01-2023 through which Matric Marks Sheet was declared as bogus and a letter dated 02-07-2024 has been forwarded to Health Department for early finalization of inquiry. The entity accepted the contention of audit.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends inquiry in the matter forthwith.

(DP#16)

15.5.9 Mis-procurement of articles – Rs 3,316.467 million

According to Rule 48 of Sindh Public Procurement Regulatory Authority (SPPRA) Rules 2010 titled 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. According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, "Principles of Procurements - 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 various offices of Health Department, Government of Sindh for the financial years 2019-20 to 2023-24, it was observed that an expenditure of Rs 3,316.467 million was incurred on purchase of various articles like specific /

generic consumables, vaccines/medicines, diet articles, etc without observance of SPPRA rules. The details are at **Annex-4 of Chapter-15**.

Audit is of the view that there was failure of the management to follow SPPRA Rules resulted in non-achievement of competitive rates and thus bringing about loss to government exchequer. The whole expenditure stands irregular due to violation of SPPRA rules.

The matter was reported to the management during August, 2023 to November, 2024. The office at Sr.#11 (Executive Director, SMBB Institute of Trauma, Karachi), in its reply, stated that relevant record procurement plan, CRC committee and bid evaluation documents provided. The office at Sr.#15 (Executive Director, SIPMR), in response to AIR#07 stated that both the vendors have not been participated in any tender process yet and they are working on RFQ and are separate / independent. In response to AIR#05, the management replied that the bid of M/s. Noor Muhammad & Sons was rejected due to less submission of bid security. Furthermore, the Bid / Offer of M/s. VORSON Private Limited was rejected due to deficiencies including non-compliance of Clause 2.11 of 2 “, non-workable rates quoted. The replies are not tenable as the required evidence was not attached in support of the reply.

The office at Sr.#13 (Civil Hospital, Mithi) stated that Contract of diet awarded to M/s Black Gold, 1st lowest bidder instead of first lowest M/s ABA Enterprises. The management has produced withdrawn letter of 1st lowest whereas 2nd lowest letter was not attached with the reply. Therefore, selection of 3rd lowest M/s Black Gold was irregular & unjustified. Hence, para was not verified. The formation at Sr.#18 (College of Nursing Jamshoro), in response to AIR#01 & 02 replied that due to logistical constraints in district Jamshoro and geological location, limited number of vendors are available as well as due to budgetary constraints, vendors who provide credit facility are selected for smooth functioning of office. The reply is not tenable as district Jamshoro is very close to Hyderabad City and variety of vendors are available.

The office at Sr.#17 (DHO, Korangi, Karachi), in its reply, stated that the complaint redressal committee was formed at the time of floating of tender; a letter is

enclosed in this regard. The reply is not tenable as evidence in support of reply was not provided.

The office at Sr.#20 (Executive Director, JPMC) stated that to update the bank account, necessary documents were sent to the AG office. However, the AG issued a new vendor number instead of updating the existing one. The department needs to provide records in this regard for further verification. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends that immediate corrective measures to address the non-compliance with SPPRA rules in procurement processes be initiated. This includes conducting a thorough review of procurement processes, providing training to relevant staff, establishing a monitoring mechanism, and recovering losses incurred due to non-compliance.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 and 2023-24 vide para number 14.5.68 and 14.5.18 respectively having financial impact of Rs 3,889.208 million. Recurrence of same irregularity is a matter of serious concern.

(DP#39,61&181)

15.5.10 Non-invitation of open tender - Rs 3,025.867 million

As per Rule-17 (1) & (2) of Sindh Public Procurement Rules, 2010, Procurement over three hundred thousand rupees and up to two million rupees shall be advertised by timely notification on the Authority's 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 various offices of Health Department, Government of Sindh, for the financial years 2019-20 to 2023-24, it was observed that an expenditure of

Rs 3,025.867 million was incurred without inviting open tenders. The details are at **Annex-5 of Chapter-15.**

Audit is of the view that the tenders were not invited for procurement of goods & repair services as a result, competitive rates were not obtained. In absence of competitive rates, chances of compromise on quality & payment of higher rates cannot be ruled out. Thus, the government was deprived from obtaining of most economic and competitive market rates.

The matter was reported to the management during August, 2023 to November, 2024. During verification, the offices at Sr.#01, 03, 06, 09, 11, 13, 14, 16, 19, 20, 22(AIR#16) replied that the purchases was made / M&R work was executed on need basis & on different dates by obtaining three quotations. The office at Sr #12 stated that the insurance of marine cargo and life insurance was awarded to well-known and financially sound firms at very low and economical rates. The office at Sr.#02 replied that the purchases were made against the previous tender. The offices at Sr.#04 & 07, 22 replied that the articles were purchased through tenders which could be verified. The replies are not tenable unless verification of original record and the amount of procurement exceeds the limit of quotations which requires invitation of (fresh) tenders. The office at Sr#11 provided irrelevant documents in support of reply which could not be verified.

The office at Sr.#23 (NICVD) replied in response to AIR#26 that emergency items, essential for public safety, are procured under an Emergency Declaration, fully compliant with SPPRA rules. In response to AIR#39, the management confirmed that invoices, delivery challans, and sales tax invoices were reviewed and approved by the internal audit department. In response to AIR#44, the management stated that all food items are procured via mess tenders, with no rate changes. In response to AIR#46, the management stated that some vouchers included tenders, though work wasn't managed by the Building Department. The expenditure was approved, but future building repair costs must follow proper tendering protocols and departmental oversight. The replies are not tenable as verification is required for tenders invited, procurement made under emergency & valid justification for procurement without inviting tenders. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends that all procurements above the prescribed threshold value are made through a transparent and competitive tendering process besides fixing of responsibility against the persons at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22 & 2022-23 vide para number 11.5.15 & 14.5.66 respectively having financial impact of Rs 3,292.724 million. Recurrence of same irregularity is a matter of serious concern.

(DP#46,127&182)

15.5.11 Irregular expenditure by split up – Rs 559.807 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.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2018-19 to 2023-24, it was observed that an expenditure of Rs 559.807 million was incurred on purchase of various items by way of split up to avoid invitation of tenders. Thus, the government was deprived from obtaining of most economical and competitive rates. The details are at **Annex-6 of Chapter-15**.

Audit is of the view that management made expenditure through splitting up as to avoid competitive process.

The matter was reported to the management during August, 2023 to November, 2024. During verification, the offices at Sr.#01, 02, 04, 06, 07, 08, 09, 12, 13, 14, 16, 17 & 21 stated that due to non-availability of total budgetary appropriation which did not fall under ceiling of tender, the purchases were made through quotations. Further, it was stated that the funds were spent during more than one financial year with different nature of articles, the health care items were essentially required, and procurements / repairs were made at different intervals as per need basis, ensuring there is no splitting. All procurements complied with SPPRA Rules, 2010, within the

limits of quotations, and were based on the demands. The replies are not tenable as tenders were not invited and purchases were made by split up of expenditure. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends adherence to procurement rules properly, investigate the matter besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22 & 2022-23 vide para number 11.5.26 & 14.5.70 respectively having financial impact of Rs 1,014.463 million. Recurrence of same irregularity is a matter of serious concern.
(DP#45,132&183)

15.5.12 Irregular purchase of articles beyond tender quantity – Rs 135.179 million

As per para 16 (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 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 following offices of Health Department, Government of Sindh, for the financial year 2023-24, it was observed that an expenditure of Rs 135.179 million was incurred on purchase of diet articles, medicines, etc. The actual procurement was made over and above the tendered quantity quoted in tendering process. According to the Sindh Public Procurement Rules, 2010 (amended), procuring more than the quantity specified in the bidding documents without proper

authorization is not permitted. While Rule 42 of the SPPRA allows for variation orders under specific conditions such as unforeseen circumstances - such variations are limited to a maximum of 15% of the original contract value. Any procurement beyond this permissible limit requires formal approval and adherence to the proper procedures. The details are as under.

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Director, Institute of Chest Diseases, Kotri	2023-24	03	Award of contracts beyond tender amount	88.519
			07	Excess procurement than the tender quantity	43.569
2	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	24	Excess procurement of medicine beyond tender amount	3.091
Total					135.179

Audit is of the view that the expenditure beyond tendered quantity indicates lapse in procurement controls and suggests possible non-compliance with SPPRA rules.

The matter was reported to the management during October & November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends that a thorough investigation be conducted into the excess procurement over tendered quantities, with recovery of any improper payments made. The responsible officials should be held accountable for non-compliance with the Procurement Rules.

(DP#184)

15.5.13 Irregular expenditure on purchase of medicines – Rs 5,324.958 million

As per Procedure / Rules for Sale of Drugs Rule#17 Sale at more than one place. – (1) If a person desires to sell, store, exhibit for sale or distribute drugs at more than one place, he shall apply for a separate license in respect of each place. (2) Provision of sub-rule (1) shall not apply in case the drugs are properly stored in a

godown, used only for storage of drugs and which meets the storage conditions and is enlisted along with its complete address on the license.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2021-22 to 2023-24, it was observed that an expenditure of Rs 5,324.958 was incurred on account of procurement of medicines / vaccines. Medicines were purchased from suppliers lacking drug sale licenses from the Pharmacy Council of Sindh, with short deliveries against work orders. Invoices and deliveries were made before issuing work orders, while key supporting documents, such as inspection reports, procurement plans, utilization records, requisitions, need assessments, batch numbers, stock registers, agreements, and performance securities—were missing. In some cases, the breakup of CRC and local purchases was unavailable, medicines were procured from one vendor while payments were made to another, and local purchases were made without tenders or discounts, bypassing joint inspections and drug testing. The details are at **Annex-7 of Chapter-15**.

Audit is of the view that due to above deviations, the expenditure so incurred could not be authenticated by audit.

The matter was reported to the management during August, 2023 to November, 2024. During verification, the offices at Sr.# 11, 16, 24, 33, 34, 37, 40, 41, 42 & 45 replied that all medicines / vaccines were procured with the consultation of doctors as per requirements and through Central rate contract after observing all codal formalities. The registers of medicines, inspection committee letters & consumption record is available. The office at Sr.#39 stated that the matter pertains to the District Accounts Office, Tando Muhammad Khan, as they handle pre-audit and cheque issuance. The replies are not tenable as no record is provided for verification. The remaining offices did not submit replies till finalization of report.

The para of office at Sr.#35 (THQ Manjhand) was approved as critical issue raised during audit by the office of Auditor-General of Pakistan. Subsequently, on 15.07.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

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

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 vide para number 14.5.30 having financial impact of Rs 4.860 million. Recurrence of same irregularity is a matter of serious concern.

(DP#41,125&194)

15.5.14 Irregular award of tender to government employee – Rs 28.522 million

As per SPPRA Rules 2010, the “Corrupt and Fraudulent Practices” means either one or any combination of the practices given below.

- i. “Fraudulent Practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

During audit of office of the Medical Superintendent, DHQ Hospital, Matiari, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that medicines and supplies worth Rs 28.522 million were procured from M/s AZ Enterprises, owned by a government employee working in the Taluka Education Office, Hyderabad (Personal No.10758006). This raises serious concerns about potential misappropriation and conflict of interest. The supplier received undue favor, continuously engaged in business without technical qualifications, proper licensing, or assessment of their drug sale license and authorized distribution. There was no verification of their status as an importer, manufacturer, or authorized dealer. This suggests potential paper transactions in view of the lack of store and stock records, and no consumption accounts for indoor, outdoor, and different surgical / medical wards.

Audit is of the view that the procurement process carried out by the Office raises significant red flags. The purchase of medicines and supplies worth Rs 28.522

million from a government employee's enterprise is highly irregular and suggests potential misappropriation in government funds.

The matter was reported to the management in the month of March, 2024. The management, in its reply, stated that there are no personal evaluation criteria to differentiate the vendor; hence, the letter has been forwarded to concerned department to take further necessary action. The department did not provide relevant record for verification.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends that a detailed investigation be conducted into the procurement of medicines to ascertain potential misuse and conflict of interest. Immediate action should be taken to verify the supplier's qualifications, licensing, and authorization to engage in drug sales.

(DP#05/AIR#01)

15.5.15 Irregular cash payments instead of cross cheques – Rs 35.544 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 various offices of Health Department, Government of Sindh, for the financial years 2021-22 to 2023-24, it was observed that an amount of Rs 35.544 million was drawn through cash / open cheques instead of crossed cheques. Furthermore, details / purpose of such payments duly supported with acknowledgement receipts were also not provided to audit. The details are at **Annex-8 of Chapter-15.**

Audit is of view that management has made payments through cash or open cheques instead of crossed cheques. This is violation of financial rules, and it is also against canons of financial propriety.

The matter was reported to the management during December, 2023 to November, 2024. The office at Sr.#01, in its reply, stated that in NICVD private account, the funds from executive clinics are deposited. All petty cash vouchers have been audited by the internal audit department and approved by the competent authority in compliance with SPPRA rules & office at Sr.#05 (PMC Hospital Nawabshah) stated that due to the presence of foreign students at this institute, their bank accounts were blocked based on foreign country regulations. Therefore, this office issued open cheques for stipends. However, no record was provided for verification by these formations. The office at Sr.#02 (Sindh Government Qatar Hospital) replied that UNICEF provided funds for the establishment of Kangaroo Ward and due to that the staff was hired and purchased furniture & other articles. The reply is not tenable as cash withdrawal is unauthorized and is not transparent process of payment. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends stoppage of payments through open cheques besides fixing responsibility against the person(s) at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22 vide para number 11.5.21 having financial impact of Rs 2.234 million. Recurrence of same irregularity is a matter of serious concern.

(DP#67,146&188)

15.5.16 Un-justified credit of heavy amount in DDO account - Rs 1,095.458 million

As per Office Memorandum issued by FD (Budget wing) vide No.F.2(1) BR-II/2007-88 dated 17.1.2012 Revised Accounting Procedure for Revolving Fund Accounts. (XV) "Cash payments or funds transfers from Assignment Accounts to any

DDO-account or any other account for the sake of onwards disbursement shall be strictly prohibited”.

During audit of office of the Executive Director, Jinnah Postgraduate Medical Centre, Karachi, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that an amount of Rs 1,095.458 was released by finance department for installation of one Robotic surgical unit at JPMC, for opening of LC, but amount was transferred from assignment account 1167298081 tilted “Jinnah Postgraduate Medical Center” to the DDO account of JPMC 4099282563 in National Bank of Pakistan, NICVD branch operated by co-signatories Executive Director and Accounts officer.

Audit is of the view that transfer of heavy amount from Assignment Account into DDO account renders the irregularities in the spending from public exchequer.

The matter was reported to the management in the month of February, 2024. The management, in its reply, stated that JPMC procured the Versius Surgical Robotic system from CMR Surgical, UK, exempted from customs duties and taxes. Necessary permissions for operating the LC transaction through the DDO account were obtained from competent authorities, and all protocols were followed. The department transferred the amount into the DDO account instead of making the payment directly to the vendor for the establishment of the Letter of Credit (LC) with the shipper. The clear permission available for transferring the funds into the DDO account was also not provided, hence, the verification could not be concluded.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends transfer of funds be investigated to ensure it aligns with the intended purposes and any deviations from standard financial procedures should be addressed besides taking remedial measures.

(DP#63/AIR#22)

15.5.17 Irregular release of Grant-in-Aid funds – Rs 33,754.20 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of office of the Secretary, Health Department, Karachi, Government of Sindh, for the financial year 2023-24, it was observed that an amount of Rs 33,754.20 million were released under Grant-in-Aid for disbursement to various health facilities without obtaining audited financial statements, funds utilization and monitoring reports, MoU and proper approvals, besides various irregularities and shortcoming in utilization of funds. The details are given at **Annex-9 of Chapter-15**.

Audit is of the view that due to above shortcomings; the releases of grants could not be authenticated by audit.

The matter was reported to the management in the month of August 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends disbursement of funds be investigated for non-compliance with the necessary requirements, including audited financial statements, utilization reports, MoUs, and proper approvals.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22, 2022-23 and 2023-24 vide para number 11.5.22, 14.5.90 and 14.5.32 respectively having financial impact of Rs 35,542.790 million. Recurrence of same irregularity is a matter of serious concern.

(DP#189)

15.5.18 Irregular payment through DDO account – Rs 457.490 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 drawal and disbursement of cash.”

During audit of various offices of Health Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that an expenditure of Rs 457.490 million was incurred, but the payments were made through DDO account instead of direct payment to relevant payees. The details are at **Annex-10 of Chapter-15**.

Audit is of the view that making payment through DDO account is a violation of rules and regulations that should be avoided at any cost because this practice results in misuse of funds and other misuse of authority that Government wants to stop.

The matter was reported to the management during December, 2023 to November, 2024. During verification, the office at Sr#01 (Shahdampur Institute of Medical Sciences) stated that Payments will be made directly to vendors through the Government Treasury instead of the DDO Director SIMS. However, no record was provided for verification. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends stoppage of such payments through DDO account with immediate effect, besides, fixing responsibility upon person(s) at fault for the negligence.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22, 2022-23 and 2023-24 vide para number 11.5.20, 14.5.80 and 14.5.23 respectively having financial impact of Rs 112.554 million. Recurrence of same irregularity is a matter of serious concern.

(DP#145&187)

15.5.19 Irregular retention of government funds – Rs 136.041 million

As per APPM at 3.3.12.6, all anticipated savings must be surrendered to the Government immediately as they are foreseen but no later than 15th May each year. Savings from funds provided after 15th May must be surrendered no later than 30th June. Stringent controls should be exercised in the spending of all potential or actual savings. According to Rule 290 of Treasury Rules Vol. I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2021-22 to 2023-24, it was observed that an amount of Rs 136.041 million was drawn from government treasury and kept into DDO bank account. The same was neither disbursed to actual payees nor surrendered as savings. The details are at **Annex-11 of Chapter-15**.

Audit is of the view that unauthorized retention of funds in DDO account is serious financial lapse that deprives many other government departments and functionaries which are earnestly in need of funds.

The matter was reported to the management during March to November, 2024. During verification, the office at Sr.#12 (Sindh Government Qatar Hospital) stated that the amount retained in DDO account pertains to fund received from Trust for Development Studies and Practices (TDSP) for training and stay of Midwifery

students. The office at Sr#4 (Shahdampur Institute of Medical Sciences) stated that bills were sent to the District Account Office Sanghar for payment via cross cheque. The amount remains in balance due to the late deposition of cheques by the firms. However, no record was provided for verification.

The office at Sr.#05 (Executive Director, SICHN) replied that the office had a bank balance of Rs. 10,259,338 due to unprocessed cheques issued to vendors and employees totaling Rs. 4,196,979. A request was made to the Finance Department for permission to clear these liabilities, but it was denied. Additionally, donations and zakat received in 2022-23 were temporarily kept in the main account due to the lack of a dedicated account, and these funds were transferred after the dedicated account opened in September 2023. The replies are not tenable as not supported with necessary records. The remaining offices did not submit replies till finalization of report.

Audit recommends immediate deposit of funds into government account besides fixing responsibility on a person(s) at fault.

(DP#147&216)

15.5.20 Suspicious transaction in DDO account – Rs 2.999 million

According to Rule-290 of Treasury Rules, Volume-I, “No money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand or to prevent lapses of budget grant”.

During audit of Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Health Department, Government of Sindh, for the financial year 2022-23, scrutiny of bank statement of DDO bank account revealed that funds to the tune of Rs 2,999,590 were credited to DDO Account # 4108685592 National bank of Pakistan (Orangi Township Branch) on 16.08.2022 through IBFT-Mobile app. As the bank account is a Govt. bank account, therefore, it is supposed to receive funds from A.G Sindh and any other Govt. agency through cheque. But in the said transaction, the funds were received from anonymous transferer, the record of which is not available in office.

Audit is of the view that above serious lapse on the part of management indicates improper controls in the department.

The matter was reported to the management in the month of December, 2023. The management, in its reply, stated that the funds in question were credited to DDO account for the establishment of a Kangaroo Ward. Due to the urgency and nature of the project, the transfer method utilized by UNICEF was via IBFT-Mobile app, ensuring swift disbursement of funds for the critical establishment of the Kangaroo Ward. The reply is not tenable as complete trail of these transactions along with method of transfer needs to be verified in the light of policies / rules besides utilization of funds on intended purposes.

The same was approved as critical issue raised during audit by the office of Auditor-General Pakistan. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends matter may be investigated to identify the source and resolve the lack of proper record. Future transactions should comply with government procedures, ensuring transparency and proper documentation.

(DP#66/AIR#37)

15.5.21 Unjustified excess payment of mobilization advance – Rs 1,251.966 million

As per SPPRA works regulation Rule 9.2 (2)(b) Mobilization Advance: Mobilization advance is extended to the contractors, up to 10% of contract cost stated in the letter of acceptance, usually for the projects worth Rs 2.500 million and above to enable them to make initial arrangements for starting work. Mobilization advance is allowed on the contracts where contract conditions provide for same, or the authority competent to accepting tender can allow the mobilization advance on the works subject to following conditions:

(iv) contractor shall pay interest on the mobilization advance at the rate of 10% per annum on the advance as prescribed in Sindh Financial Rules.

During audit of office of the Project Director, Children Hospital Sukkur (FAP), Health Department, Government of Sindh, for the financial years 2021-22 & 2022-23, it was observed that Mobilization advance @ 20% and 30% was paid instead of 10%. Hence excess mobilization advance of Rs 1,251.966 million was paid without justification / approval from competent forum. The details are given below.

(Rs. in Million)

(Rs in Million)							
Sr. #	Name of the Contractor / Supplier	Contract cost in US\$	Contract cost in rupees	Mob: Ad: Due	Mob: Paid @	Excess Rate	Excess Mob: Paid
1	M/s Samsung ILJIN Consortium - Construction and equipment / supplies	38.315	6,053.77	10%	30%	20%	1,210.754
2	M/s MAC-MIRAE-NEC Consortium - Design, BoQ and Supervision Consultant	2.64	417.12		20%	10%	41.212
Total							1,251.966

Note: Exchange conversion rate Rs158/- as per revised P.C.I

Audit is of the view that due to excess mobilization advance resulted loss of interest to Govt. & undue financial favor extended to consultant / contractor.

The matter was reported to the management in the month of September, 2023. The management, in its reply, stated that 30% mobilization advance paid on the recommendation of the EDCF Korean Government Exim Bank Anx-III. However, all work has been done satisfactorily. However, the record was not provided for verification.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends investigation with recovery of the excess payment besides fixing of responsibility on the persons at fault.

(DP#94/AIR#06)

15.5.22 Irregular expenditure on purchase of Plant & Machinery – Rs 1,008.061 million

As per Rule 17 “Methods of Notification and Advertisement” of Sindh Public Procurement Rules, 2010, provides that:

- (1) Procurements over three hundred thousand rupees and upto 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.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages”.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2019-20 to 2023-24, it was observed that an expenditure of Rs 1,008.061 million was incurred on the purchase of plant and machinery with several irregularities. The record of competitive bidding was not provided, genuine need assessments were not conducted, and the machinery remained unused and uninstalled at the time of the audit. Key supporting documents, including asset registers, warranty cards, indents, approvals, delivery challans, and inspection reports, were missing, and the machinery had not yet been delivered to the DHO, Kambar @ Shahdadkot. The details are at **Annex-12 of Chapter-15**.

Audit is of the view that drawl of funds under the head Plant and Machinery on abstract bill may result into loss to Government.

The matter was reported to the management during December, 2023 to November, 2024. During verification, the office at Sr.#03 (Executive Director, SMBB Institute of Trauma, Karachi), in response to AIR#25, stated that the expenditure was incurred on supply, installation, testing and commissioning of diesel generator with electric cables and panel and the payment was made after issuance of work order. The reply is not tenable as evidence of installation of equipment was not provided.

During verification, the offices at Sr.# 07, 08, & 09 stated that the purchases were made based on the actual needs and requirements of the hospital, in full compliance with SPPRA rules and on thorough assessments of hospital needs, with

relevant documentation maintained. The offices at Sr. # 11 & 12 replied that the Board decided to purchase vehicles to aid in the monitoring of both existing & future hospitals and branches and the vehicles were required for field activities of Directorate. The replies of the offices were not tenable as the management of office at Sr#07 accepted the deviation in procurement between release order & actual quantity procured and the other offices failed to provide the relevant record in support of its reply for verification. The remaining offices did not submit replies till finalization of report.

The office at Sr.# 7 (Sindh Government Qatar Hospital) and Sr.# 8 (Civil Hospital, Sanghar) was approved as critical issue raised during audit by the office of Auditor-General Pakistan. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

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

(DP#58,129&198)

15.5.23 Irregular expenditure on other services rendered – Rs 1,415.282 million

As per Government of Sindh, Finance Department, Karachi letter No: FD/B&E-I/Appointment/2(363)/2013-14 dated 25th September 2013, appointment of staff on contingency basis (3) No appointment are made against unsanctioned post and against sanctioned posts on contingency basis, without specific approval of Finance Department for each post. As per finance department letter No. FD(Exp: IX)/767/91(B)/Prov dated 23rd April 1996, “No appointment of work charge establishment/contingent paid staff be made without prior approval of Finance Department.”

During audit of various offices of Health Department, Government of Sindh, for the financial year 2023-24, it was observed that payments totaling Rs 1,415.282

million were made under “other services rendered” with several irregularities, including the continued employment of COVID staff despite no active cases, hiring of unqualified computer operators, absence of a competitive appointment process or approval from the Finance Department, and unavailability of appointment records. The details are at **Annex-13 of Chapter-15**.

Audit is of the view that recruitment process without approval of competent authority and without competitive process stands irregular, non-transparent and void ab initio.

The matter was reported to the management during July to November, 2024. The office at Sr.#26 (Executive Director, SMBB Institute of Trauma, Karachi) in response to para #18 stated that M/s Comvare was awarded repair and maintenance of Telephone Exchange system under “Other Services rendered” head. The reply is not tenable as expenditure was incurred from irrelevant head of account. The offices at Sr.#07 & 33 stated that relevant record i.e. attendance, performance report, posting orders of doctors, list of staff to whom uniform provided and record of number of visits is available. Further, they added that the funds were released from Finance Department for Covid-19 staff and no government orders were issued for discontinuation of said services. The reply is not tenable as relevant record was not provided with replies. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends justification besides fixing of responsibility against the persons at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 and 2023-24 vide para number 14.5.43 and 14.5.16 respectively having financial impact of Rs 1,730.280 million. Recurrence of same irregularity is a matter of serious concern.

(DP#196)

15.5.24 Non/Less-deduction of various taxes - Rs 842.432 million

According to Notification issued to 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 1/5th 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 18% 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., shall deduct advance tax at the time of making payments at the rate of 5.5% filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2019-20 to 2023-24, it was observed that an amount of Rs 843.057 million of income tax, GST and Sindh Sales Tax on services were not deducted at applicable rates while making payments to the suppliers / contractors. Thus, government sustained a loss of Rs 843.057 million. The details are at **Annex-14** of **Chapter-15**.

Audit is of the view that due to non / less recovery of taxes, government sustained loss. This indicates weak financial and administrative discipline in the department.

The matter was reported to the management during August, 2023 to November, 2024. During verification, the offices at Sr.# 04, 22, 29, 33, 36, 39, 40, 41 & 50 stated that the taxes are deducted as per applicable rates / FBR sections. The offices at Sr.# 01, 17, 19, 26, 32, 34, 42, 46 & 48 stated that the AG Sindh/DAO is authorized to deduct taxes at applicable rates. The offices at Sr.# 38(AIR#12) & 39 stated that letters have been issued for recovery and the recovery is under process. The offices at Sr.# 01, 33 & 45 stated that the imported items were purchased and at source deductions were made at the time of import & the health insurance services are exempted from taxes. The offices at Sr.# 03, 30, 35, 38 & 44 stated that the taxes are not applicable

due to special procedure abolished, general orders rescinded & tax tariff was not appropriate and due to that no tax was deducted. The replies are not tenable as no documentary evidence in support of replies were provided as well as other relevant record. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

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

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22, 2022-23 and 2023-24 vide para number 11.5.28, 14.5.107 and 14.5.30 respectively having financial impact of Rs 894.744 million. Recurrence of same irregularity is a matter of serious concern.

(DP#81,84,88,89,103,104,153,154,158,159&211)

15.5.25 Irregular procurement made on higher rates – Rs 730.635 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 Health Department, Government of Sindh, for the financial year 2023-24, it was observed that an expenditure of Rs 730.635 million was paid for purchases of drugs, medicines, medical items, etc at higher and different rates. This has resulted into loss to government. The details are at **Annex-15** of **Chapter-15**.

Audit is of the view that due to purchase of same articles at higher rates, the government sustained a loss.

The matter was reported to the management, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends investigation and recovery besides fixing of responsibility on the person at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22 and 2022-23 vide para number 11.5.18 and 14.5.6 respectively having financial impact of Rs 542.929 million. Recurrence of same irregularity is a matter of serious concern.

(DP#201)

15.5.26 Non-deduction of stamp duty - Rs 71.198 million

According to Sub: 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) paise per hundred rupees of the value of the agreement or against tender cost.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2019-20 to 2023-24, it was observed that contracts were awarded to various vendors / contractors, but Stamp Duty @ 0.35% was not deducted. Hence, due to non-deduction of stamp duty, the Government has sustained a loss of Rs 71.198 million. The details are at **Annex-16 of Chapter-15.**

Audit is of the view that management did not perform its duties properly by non-realizing of stamp duty. It has given undue favor by hoodwinking its responsibility.

The matter was reported to the management during August, 2023 to November, 2024. During verification, the offices at Sr.#01, 04, 13, 16, 30, 33, 34, 35, 37, 38, 40, 42, 45 & 47 stated that the contract agreements have been made and stamp duty has been recovered or been deducted at source from the bills at the time of payments. The replies are not tenable as the same were neither supported with contract agreement nor was evidence of recovery/at source deduction of stamp duty attached. The office at

Sr.#18 (Secretary Health Department) replied in response to AIR#20 that procurement were made to General Order Suppliers without formal agreement. The reply of the management is not tenable recovery of stamp duty is still awaited. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends recovery of the stamp duty besides ensuring that such lapses do not occur in future.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22, 2022-23 and 2023-24 vide para number 11.5.17, 14.5.142 and 14.5.21 respectively having financial impact of Rs 53.357 million. Recurrence of same irregularity is a matter of serious concern.

(DP#59,100,142&221)

15.5.27 Blockage of government funds – Rs 1,002.888 million

According to Rule-290 of Central Treasury Rules, Volume-I, “No money shall be drawn from government Treasury until and unless it is required for immediate disbursement or need. It is not permissible to draw money from the treasury in anticipation of demands or to prevent lapse of budget grant”

During audit of various offices of Health Department, Government of Sindh, for the financial year 2023-24, it was observed that an expenditure of Rs 1,002.888 million was incurred on purchase of medicines and machinery. The medicines were remained unutilized till close of financial year and the machinery were kept idle and not installed since its procurement. Thus, blockage of government funds was noticed and prevent general public from quality health services. The details are at **Annex-17** of **Chapter-15**.

Audit is of view that due to non-utilization of machinery and medicines; the management blocked government money which could have been utilized on other governmental purposes.

The matter was reported to the management during July to November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends investigation with action taken to ensure timely utilization or reallocation of funds. Measures should be implemented to prevent blockage of government funds and ensure that resources are used effectively to provide quality health services to the public.

Note: The issue was reported earlier also in Audit report for Audit Year 2023-24 vide para number 14.5.31 having financial impact of Rs 553.415 million. Recurrence of same irregularity is a matter of serious concern.

(DP#197)

15.5.28 In-efficient management practices to implement proper service delivery – Rs 218.410 million

According to Article 84 of Audit code, it is an essential function of 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. As per Para 11 of General Financial Rules Volume-I, “each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer”.

During audit of various offices of Health Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that an expenditure of Rs 218.410 million were incurred by the DDOs of Health Department, but the management failed to implement the efficient service delivery mechanism to extend satisfactory public health services to general public. The specific services not delivered / provided were detailed in **Annex-18** of **Chapter-15**.

Audit is of the view that due to inefficient and ineffective services delivery by management; the general public suffers a lot with different health issues required to be addressed on priority basis.

The matter was reported to the management during March to November, 2024. The office at Sr.#29 (DHO, Korangi), in its reply, stated that number of cases of screened out for Tuberculosis and District has less ratio of positive cases as compare to other Districts. Further, number of cases of screened out and District has less ratio of Malaria positive cases as compare to other Districts. They added that no any wards available for Orthopedic, Neurological and cardiology which is the policy matter. Moreover, this office has been continuously observed many programs. DHIS report are evident in this regard. The reply is not tenable as evidence in support of its reply was not provided. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends investigation to determine the reasons for the failure to implement an efficient service delivery mechanism besides measures should be taken to improve service delivery, ensuring that allocated funds are effectively utilized to provide satisfactory public health services.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 vide para number 14.5.83 having financial impact of Rs 5,714.731 million. Recurrence of same irregularity is a matter of serious concern.

(DP#69&186)

15.5.29 Irregular expenditure on diet charges – Rs 670.585 million

According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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”. 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 Health Department, Government of Sindh, for the financial year 2023-24, it was observed that an expenditure of Rs 670.585 million was incurred on diet charges with multiple irregularities. Procurement was made using previous year’s tenders instead of inviting fresh ones, and excess expenditure of Rs 1.72 million was incurred at the Institute of Chest Disease, Kotri, beyond patient requirements. Diet services were provided without the recruitment of a dietician, and records of patient inflow, outflow, and stay duration were not produced. Diet articles were purchased in bulk rather than regularly to ensure freshness, and essential supporting documents such as diet charts, acknowledgments from ward in-charges, stamp duty deductions, delivery challans, and consumption accounts were missing. The details are at **Annex-19 of Chapter-15**.

Audit is of the view that there was failure of the management to follow SPPRA Rules resulted in non-achievement of competitive rates and thus bringing about loss to government exchequer. The whole expenditure stands irregular due to violation of SPPRA rules.

The matter was reported to the management during July to November, 2024. The offices at Sr.#10 & 12 stated that the relevant record i.e. record of patients provided with diet, Diary Chart, inspection report, and acknowledgement, etc is available for verification. The reply is not tenable as relevant record, in support of reply, was not provided. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends justification besides fixing of responsibility on the persons at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22, 2022-23 and 2023-24 vide para number 11.5.26, 14.5.104 and 14.5.35 respectively having financial impact of Rs 1,123.946 million. Recurrence of same irregularity is a matter of serious concern.

(DP#202)

15.5.30 Non-recovery of outstanding dues / excess payments – Rs 39.855 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 of competent authority for their adjustment must be sought.”

During audit of various offices of Health Department, Government of Sindh, for the financial year 2023-24, it was observed that an amount of Rs 39.855 million was neither deducted nor deposited in government account on account of rent of various facilities like Bank, canteen, medical stores, interest on mobilization advance, etc as well as electricity charges for the period under audit. Moreover, the fees from defaulting students and payment made to deputationist (deputed to other institute but paid salaries from parent office), etc was also not recovered. Thus, the government dues was not recovered. The details are at **Annex-20** of **Chapter-15**.

Audit is of the view that due to non-recovery of outstanding dues / undue payments, the government sustained loss. The management extended undue favor to the concerned parties.

The matter was reported to the management during February to November, 2024. During verification, the office at Sr.#06 (SIPMR) replied that almost 50% of the outstanding fees have been recovered from the students. The delay in deposit of fees was allowed to the needy students on humanitarian grounds. The reply is not tenable as the fees still remains outstanding and evidence of recovery was not provided. The office at Sr.#07 (Sindh Government Qatar Hospital) replied that Honorable Court gave

judgment in favor of hospital management. The canteens and stores in hospital premises are now closed. The office at Sr.#08 (NICH) replied that due to court case, monthly rent/fees is not being collected since date of expiry of contract. They added that agreement was made between M/s. Pharmax and federal government about 30 years ago; hence, copy of the tender is not available. The reply is not tenable as the evidence of closure and rent recovery is not provided.

The office at Sr.#11 (Sindh HealthCare Commission), in support of AIR #15, replied that the Directorate of Anti-Quackery SHCC recovered 69% of penalties during FYs 2021-22 and 2022-23, showing significant recovery despite limited manpower. In response to AIR#23, the management replied that the Directorate of Complaints imposed Rs. 6.1 million in penalties on various healthcare establishments, out of which only Rs. 2.05 million i.e., 34% has been recovered. The recovery has been delayed due to ongoing legal cases, payment extensions, and non-compliance by some establishments. In response to AIR#27, the management replied that the BoC was absent from 23rd July 2022 to Sept 2023, approximately fourteen months, therefore the sealing process was carried out conditionally by the CEO. The replies are not tenable as complete recoveries were not affected and no record was provided for verification.

The office at Sr#11 (Shahdadpur Institute of Medical Sciences) stated that Agreements with the canteen contractor and Pharmacy (Medical Store) have been executed long ago (copy attached). Letters have been issued to the contractors to deposit the rent up to date in the office of the Director SIMS. The department did not provide relevant record for verification. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends recovery besides fixing of responsibility against the persons at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22, 2022-23 and 2023-24 vide para number 11.5.31, 14.5.120 and 14.5.34 respectively having financial impact of Rs 273.936 million. Recurrence of same irregularity is a matter of serious concern.

(DP#86,157&223)

15.5.31 Irregular expenditure on repair of office building – Rs 802.951 million

According to Sr. # 9 (ii) of Second Schedule under Rule-3 (Part-II) “Powers common to all Departments and Officers” of Sindh Delegation of Financial Powers and Financial Control Rules, 2019, “Officer in Category-I” has powers of administrative approval for maintenance and repair works of residential and non-residential buildings executed by Works & Services Department and charged to Building Department, Works Department upto Rs 2.000 million subject to the condition that the repair and maintenance works of more than Rs. 10,000,000 (Rupees Ten Million) in respect of independent unit of residential, or non-residential buildings, shall be carried out through development scheme”.

During audit of various offices of Health Department, Government of Sindh for the financial years 2021-22 to 2023-24, it was observed that Rs 802.951 million was spent on the repair and maintenance of office buildings with multiple irregularities. Non-scheduled items were executed without approval from the standing rate committee, and no work was completed within the original estimates, resulting in repeated revisions and misuse of delegated authority. Competitive processes were not followed for expenditures exceeding the original bid price. A liability of Rs 30.000 million was created, and final payments were made for works in progress. Escalation was granted without basic price indices, and K-electric was not preferred for electrical work at Civil Hospital Karachi. Civil work at Lyari Medical College was unjustifiably completed within one day. Key supporting documents, including monthly accounts, contractor ledgers, security deposits, and repair registers, were missing, and a check measurement for Rs 10.534 million was not conducted. Additionally, works were executed in excess of the permissible 30% limit. The details are at **Annex-21** of **Chapter-15**.

Audit is of the view that the management extended undue favor to the vendor due to payment of rent without proper assessment and rent / lease document stands irregular.

The matter was reported to the management during December, 2023 to November, 2024. During verification, the office at Sr.#03 (SIUT, Karachi) stated that an excess payment was made for execution of extra items of works which were essential for the hospital building, and the Director SIUT approved the expenditure under the powers delegated by the SIUT Act, 1991. The department has not obtained prior approval for excess items allowed beyond the permissible limit of 30%. The verification could not be concluded. The remaining offices did not submit replies till finalization of report.

The formation at Sr.#03 (SIUT, Karachi) para AIR#12 was approved as critical issue raised during audit by the office of Auditor-General Pakistan. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends justification of the matter with recovery of misused funds and accountability for non-compliance. Future projects should follow approved procurement processes, including competitive bidding, proper approvals, and documentation, ensuring adherence to limits and regulations.

(DP#49&200)

15.5.32 Irregular procurement through Central Rate Contract – Rs 329.129 million

As per Rule 04 of SPP Rules “Principles of Procurements” - 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. According to Rule 11(1) of SPP Rules 2010 “Mandatory Provision of Procurement

Plan - All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements”.

During the audit of various offices of the Health Department, Government of Sindh, for the financial year 2023-24, it was observed that procurement of medicines and lab test kits amounting to Rs 329.129 million through the Central Tendering process by the Secretary, Health Department, was flawed. The Secretary was not the designated procuring agency and lacked a procurement budget, rendering the tender process unauthorized. Purchases were made without finalizing the tendering process for FY 2023-24, and no monitoring report from the Procurement Monitoring & Inspection Cell was available. Key procurement requirements, such as bid security, earnest money, and its return, were unsupported by records, and no procurement plan was prepared. The department failed to calculate estimated bid amounts, determine procurement needs, or meet mandatory planning requirements. Additionally, the Secretary did not directly procure the goods/services, contravening SPP Rule-4, and single bids may have been accepted in violation of Rule-48. The details are given as under;

(Rs. in Million)

Sr.#	Name of office	Financial Year	AIR Para #	Amount
1	District Health Officer, Keamari	2023-24	07	120.878
2	District Health Officer, Sukkur	2023-24	12	73.540
3	Deputy Director General (Vector Borne Diseases) Sindh, Hyderabad	2023-24	02	46.459
4	Medical Superintendent, Shah Bhattai Hospital, Hyderabad	2023-24	06	37.795
5	Medical Superintendent / Civil Surgeon Services Hospital, Hyderabad	2023-24	01	31.471
6	Medical Superintendent Sindh Government Hospital, Paretabad Hyderabad	2023-24	02	18.986
Total				329.129

In view of above it could not be ascertained that procurement made through adopting Central Rate Contract system ensure fairness & transparency and effective timely procurement in the respective health care facility.

The matter was reported to the management during July to November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends strengthening internal controls to ensure observance of prevailing procurement rules.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 vide para number 14.5.67 having financial impact of Rs 1,917.791 million. Recurrence of same irregularity is a matter of serious concern.

(DP#206)

15.5.33 Irregular procurement of medicines having low Shelf life – Rs 56.685 million

According to Para-3 of the Letter No.SO(M&I)2-1/2015-16(Main)CPC Government of Sindh Health Department (Procurement Monitoring & Inspection cell Dated:15-09-2015 “The date of manufacturing of the Drugs and Medicines Expiry thereof batches numbers must be printed in Red on labels of bottles / containers / packages / vials / ampoules / bags etc. The shelf life for National Manufacturer’s and imported Drugs / Medicines & allied items should not in any case be less than 70% at the time of supply / receipt.

During audit of various offices of Health Department, Government of Sindh, for the financial year 2023-24, it was observed that the medicines having low shelf life / near to expiry were procured and available in the stock for Rs 56.685 million. The said stock was required to be replaced with fresh stock but the same was not made. The usage of medicines after expiry could harm the precious human lives and could demote the goodwill of government entities. The details are at **Annex-22 of Chapter-15.**

Audit is of the view that the medicines having low shelf life could harm to lives and may be replaced as per rules to avoid wastage of government money.

The matter was reported to the management during February to November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends inquiry besides fixing of responsibility against the persons at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 and 2023-24 vide para number 14.5.85 and 14.5.19 respectively having financial impact of Rs 421.270 million. Recurrence of same irregularity is a matter of serious concern.

(DP#55/218)

15.5.34 Suspicious expenditure against diet charges – Rs 20.570 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 office of the Medical Superintendent, Sindh Government Qatar Hospital, Orangi Town, Karachi, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that an expenditure of Rs 20.570 million was incurred on procurement of mutton of 16,589 Kg @ 1,240/Kg. under the head of account of diet charges. On review of the Stock register of diet items, it was observed that 16,589 kg was consumed in meal at one time per day during the financial year 2022-23. As per given data of indoor patient by the hospital management, there were 27,847 in-door patients during the financial year.

Audit is of the view that the ratio between mutton consumed / produced, and number of patients was unreasonable and is up to 1.4 kg to 3.2 kg per meal for one patient, which raises doubts.

The matter was reported to the management in the month of December, 2023. The management, in its reply, stated that the quantity of mutton and indoor patients, mentioned in para, was not correct. The copy of stock register for the month of July, 2022 is attached which clarified the correct number of patients in July, 2022 was 5252, quantity of mutton consumed was 1313 Kg and Ratio per meal for one patient was 0.25 Kg. as per data the department consumed 16,589 kgs mutton at the rate Rs 1240 per KG. Total 27847 number of indoor patients in 2022-23, and the ratio between mutton and patient 1.4 kg to 3.2 kg per patient is unjustified. The department did not provide details and justification of consumption of mutton per patient with support of patient's diet chart suggested by the concerned doctor/dietician. The verification could not be concluded.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends justification and investigation of the consumption patterns for accuracy. Future procurements should align with actual patient numbers and proper documentation.

(DP#06/AIR#38)

15.5.35 Unjustified payments of high salary to employees – Rs 14,675.318 million

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

During audit of the office of Executive Director, National Institute of Cardiovascular Diseases, Karachi, Health Department, Government of Sindh, for the financial years 2021-22 & 2022-23, it was observed that an amount of Rs 14,675.318 million was paid to employees on account of salary without any justification and without maintaining working & sanctioned strength. Moreover, the relevant pay and

service record of the officials were also not provided to audit for scrutiny. The details are as under:

Sr. #	AIR Para #	Particulars	(Rs. in Million)		
			Salaries, Pension & Allowances		
			2021-22	2022-23	Total
01	20	Higher posts and high salary on dual categories were allowed i.e. Govt. Basic Pay Scales and Market based salary as additional allowances without approval of Finance Department & without any criteria for fixation of pay. Different rates of salary were allowed on same post and scale for various employees	7,135.718	7,539.599	14,675.318
02	22	Frequent / regular appointments of various employees and Payment of pay & allowances without maintaining sanctioned & working strength			

Audit is of the view that the Govt. has sustained extra burden due to high salary, which indicates prevalence of weak financial discipline and internal controls.

The matter was reported to the management in the month of March, 2024. The management, in response to para at Sr.#01 stated that the NICVD is governed by a Board chaired by the Chief Minister of Sindh, defended their employment structure, stating it ensures competitive salaries and benefits to attract top talent, modeled after SIUT and other prominent organizations. The reply is not tenable as required clarification of drawal of salary payments against both government's pay scales and market rates and approval from the legislature was not provided. Moreover, the record was also not provided. In response to para at Sr.#02, the management emphasized their adherence to regulations and transparency in recruitment processes, approved by the Governing Body. They stated that all recruitment processes follow strict codal formalities, and the sanctioned staff strength is consistently documented and presented to auditors. The reply is not tenable as supporting record was not provided in support of reply.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends justification with a review of employee strength and provision of relevant records for audit.

Note: The issue was reported earlier also in Audit report for Audit Year 2021-22 vide para number 11.5.7 having financial impact of Rs 223.698 million. Recurrence of same irregularity is a matter of serious concern.

(DP#116/AIR#20)

15.5.36 Unauthorized advance payment to contractor – Rs 102.242 million

According to Rule-290 of Central Treasury Rules, Volume-I, no money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand, or to prevent lapses of budget grant.

During audit of Executive Director, Sindh Institute of Child Health and Neonatology (SICHN), Karachi, Health Department, Government of Sindh, for the financial years 2020-21 to 2022-23, it was observed that payments of Rs 102.242 million were made to suppliers in advance for procurement of machinery / lifesaving medical devices during June-2022. The advance payment was made on supplier's invoices / delivery challan without dates. However, payments were made in the month of June-2022 in advance to avoid lapse of funds in violation of government rule.

Audit is of the view that making advance payment to supplier in the closing month of June clearly indicates that funds have been drawn to avoid lapse.

The matter was reported to the management in the month of April, 2024. During verification, the management stated that due to procedural delays, the funds for 3rd & 4th quarters were released on 19.05.2022. Subsequently, the tendering process for procurement of machinery and life-saving medical devices was initiated. It is essential to note that ventilators and incubators are imported and are critical equipment for saving lives of children. Therefore, it was need of the hour to procure these life saving medical devices to start quality healthcare services as soon as possible. Upon receiving of 100% bank guarantee from the bidder, the payments were released and

aforementioned equipment was received and bank guarantee was returned after completion of all codal formalities. The reply of the management is not tenable no record is provided for verification.

The same was approved as critical issue raised during audit by the office of Auditor-General Pakistan. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends production of adjustment record besides taking remedial measures.

(DP#134/AIR#09)

15.5.37 Variation of amount in Financial Statements – Rs 199.507 million

Under Para 7.4.1.4 of Accounting Policies and Procedures Manual provides that the key controls to be followed in the production of financial reports are as follows:

- i. Proper review of financial information at DAO level must take place prior to the consolidation and reporting of monthly accounts. This includes reconciliation of accounting records with other services (e.g., banks, DDOs) and internal verification of accounting records and totals.
- ii. The consolidated monthly accounts, Annual Accounts and the Combined Annual Accounts shall maintain proper audit trail, in which summarized balances can be traced to general ledger and source transaction details.

During audit of office of the Program Director, Sindh Integrated Health and Population Project, Karachi, Health Department, Government of Sindh, for the financial year 2023-24, it was observed that the variation of Rs 199.507 million was identified in closing balance, expenditure amount and carry forward amount of financial statements. The variation needs proper reconciliation to work out any material misstatement. The details are as under;

(Rs. in Million)

Sr. #	Closing balance 2023-24		Expenditure FY 2022-23		C/Balance carry forward O/Balance		Variation
	As per Bank	As per FS	2022-23	2023-24	2022-23	2023-24	
1	WB 3,127.591	WB 3,312.052	36.338	31.323	2,822.317	2,832.348	
2	IsDB 1,095.591	IsDB 1,095.591					
	4,223.182	4,407.643	36.338	31.323	2,822.317	2,832.348	199.507

Audit is of the view that due to variation in account balances, the figures disclosed cannot be authenticated.

The matter was reported to the management but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends reconciliation besides fixing of responsibility on the person(s) at fault.

(DP#208/AIR#09)

15.5.38 Unjustified payment of PG stipends to government employees / Doctors – Rs 56.548 million

According to Rule 23 of General Financial Rules, Vol-, “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 office of the Executive Director, Jinnah Postgraduate Medical Centre, Karachi, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that certain officials and doctors were found receiving double salary or stipend, both from the health department and the local office. It's worth emphasizing that stipends or remunerations are typically designated for students, excluding government employees. This discrepancy underscores a breach in protocol,

as stipends are only admissible to postgraduate students, not to those already employed within the government sector. The details are as under.

(Rs. in Million)

From PG stipends	From House officers stipend	From TRMOs remuneration	from Covid funds	Total
39.459	3.052	7.845	6.192	56.548

Audit is of the view that proper verification was not made before appointment / selection of the candidates, which resulted in undue payments.

The matter was reported to the management in the month of February, 2024. The management, in its reply, stated that the list of officials/doctors who have drawn double salary and stipend was not provided. Any such payments, if made, will be recovered from the officials/doctors. The reply is not tenable as relevant record was not provided for verification.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends investigation and recovery besides fixing responsibility against the persons at fault.

(DP#22/AIR#33)

15.5.39 Non-supply of equipment after closure of project – Rs 48.502 million

According to Article 84 of Audit code, it is an essential function of 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. According to Rule-290 of Central Treasury Rules, Volume-I, “No money shall be drawn from government Treasury until and unless it is required for immediate disbursement or need. It is not permissible to draw money from the treasury in anticipation of demands or to prevent lapse of budget grant”

During audit of office of the Project Director, Children Hospital Sukkur (FAP), Health Department, Government of Sindh, for the financial years 2021-22 & 2022-23, it was observed that despite completion of project, different equipment costing to Rs 48.502 million was not supplied by contractors without any justification. The details are given below.

(Rs. in Million)

Sr. #	Name of Equipment	Qty	Unit Rate US\$	Total Cost in US \$	Amount
1	Electro Encephalogram	1	23,510	23,510	7.053
2	Electro Mayography	1	34,445	34,445	10.333
3	Ultrasound Portable	2	17,000	34,000	10.200
4	Body Storage for dead bodies	2	30,587	61,174	18.352
5	Body Tray	8	562	4,496	1.349
6	Morgue Transport Stretcher	1	4,049	4,049	1.215
				161,674	48.502

(*) Conversion rate =Rs 300 per US\$

Audit is of the view that due to non-supply of equipment timely & despite completion of project, shows weak internal controls in the formation.

The matter was reported to the management in the month of September, 2023. The management, in its reply, stated that the project has not closed yet and is expected to close on 30th June 2024 as per the ADP book. All the mentioned equipment, which was in shipment, has now been delivered. However, the relevant record was not provided.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends serious efforts be made for obtaining equipment from supplier besides penalizing him for delay supplies.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 and 2023-24 vide para number 14.5.101 and 14.5.41 respectively having financial impact of Rs 1,324.071 million. Recurrence of same irregularity is a matter of serious concern.

(DP#99/AIR#22)

15.5.40 Drawl of funds on fake delivery challans and inspection report – Rs 1.550 million

As per Para – 11 of G.F.R. Volume – I each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.

During audit of office of the Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that the payment of Rs 1.550 million was made on pre-receipt invoice without receiving the delivery of the equipment. Surprisingly, the payment was processed using the pre-receipt invoice, but the delivery challan and joint inspection report were attached to the bill. The details are as under:

(Amount in Rupees)				
Sr. #	Machinery	Qty. purchased	Rate	Amount
1	PFN Instrument set	1	1,550,000	1,550,000

Audit is of the view that this indicates that a bogus payment was made using fake delivery challans and inspection reports.

The matter was reported to the management in the month of December, 2023. The management, in its reply stated that there was an error in the documentation provided, leading to the misunderstanding regarding the nature of the invoice. Contrary to the initial observation, the payment was not made on a pre-receipt invoice. Instead, the invoice was issued after the delivery of the machinery/equipment, and a joint inspection was duly conducted.

In support of the reply, the department provided copies of the records, which reveal that invoice and delivery date was 02nd June 2023, and payment was made through AG Sindh vide cheque No.4986400 dated 14th June 2023. The record shows that payment was made after delivery of the item(s). Further, the department has provided a letter of the vendor M/s RECH International for rectification as receipt invoice typed by mistake as pre-receipt invoice. The correction was made after the close of the financial year. Hence the reply is not considerable.

Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO / entity.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends inquiry in the matter and any improper payments be recovered. Future payments should only be processed upon delivery and proper documentation, including delivery challans and inspection reports.

(DP#13/AIR#06)

15.5.41 Irregular payment of stipend to house job officers - Rs 75.110 million

As per Rule-34 of Sindh Financial Rules, Volume-I, “the D.D.O. is responsible to conduct the reconciliation of figures of receipt with concerned treasury so as to authenticate that the sums deposited have actually been passed on to the Government Account.” According to Article 84 of Audit code, it is an essential function of 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 office of the Medical Superintendent, Liaquat University Hospital, Hyderabad, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that an expenditure of Rs 75.110 million was incurred on payments of stipend to the students of MBBS. Payments included the sums which were disbursed to the students who failed in MBBS, yet stipend was paid to them in absence of any government policy / approval and sums which were paid in advance in the closing month of June 2023 without provision of adjustment as per actual days attended. These payments suggest that undue favour was extended.

(Rs. in Million)

Sr. #	AIR Para #	Particulars	Amount
1	60	Payment of stipend to house job officers who failed in final year examination without justifying the payment with the support of policy or rules.	29.878

(Rs. in Million)

Sr. #	AIR Para #	Particulars	Amount
2	65	Payment of stipend was made before closure of June 2023 without even evaluating their attendance. Their absences were not taken into account despite attachment of biometric attendance reports in the bills of some officers.	45.232
Total			75.110

Audit is of the view that payments of stipend to failed students and advance payments suggest that there exists undue favoritism.

The matter was reported to the management in the month of March 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit requires effecting recovery from the concerned and ensuring no stipends are paid to failed students.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 vide para number 14.5.47 having financial impact of Rs 289.599 million. Recurrence of same irregularity is a matter of serious concern.

(DP#20)

15.5.42 Doubtful utilization of eye lenses – Rs 6.261 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority. Read with Rule-113, all materials received should be examined, counted and they should be kept in charge of responsible government servant who should be required to give a certificate that he actually received the materials and recorded them in his appropriate stock register.

During audit of office of the Medical Superintendent, Anwar Paracha Government Hospital, Sukkur, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that management of the entity incurred expenditure amounting to Rs 6.261 million on purchase of 279 intraocular lens for Eye surgery / operation. However, during visits of the hospital Operation Theater was not found functional and only OPD service was given to the patients. Moreover, detail of utilization of the eye lenses patient was not available for authentication.

(Amount in Rupees)

Supplier	Supply Order	Cheque #	Invoice No. & Date	Qty.	Rate	Amount
Name of Item: Intraocular Lense						
M/s. Sky Pharma	1220 / 25	4782148 / 02-06-23	SP22-23-264-66 / 03-06-2023	40	15,714	628,560
	1826 / 30			30	15,714	471,420
	1231 / 35			10	15,714	157,140
M/s. Faraz Associates	1215 / 79	4782139 / 02-06-23	SI-00213,14,15 / 02-06-2023	22	26,500	583,000
	1236 / 40			22	26,500	583,000
				30	26,500	795,000
M/s. Faraz Associates	N/A	4709848 / Nil	SI-00163 / 11-03-23	110	26,500	2,915,000
M/s. Sky Pharma	N/A	4779916 / Nil	215 / 17-04-2023	10	4,990	49,900
				5	15,714	78,570
Total				279		6,261,590

Audit is view of that in the absence of detail record the said expenditure is unjustified and audit could not authenticate the same.

The matter was reported to the management in the month of March, 2024. The management, in its reply, stated that eye surgery was started in March, 2021 after shifting of eye faculty from GMC Hospital Sukkur. The Phaco surgery is being done twice a week. The department did not provide relevant record for verification.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit seeks justification in the matter besides fixing of responsibility against the person(s) at fault.

(DP#112/AIR#8)

15.5.43 Non-maintenance of cash book - Rs 208.289 million

According to Para-16.3.3.1 of APPM, “the accounting records (manual or computerized) which need to be kept by the Drawing and Disbursing Officer include the following:

- Cash book (or equivalent)
- Contingent payment register
- Commitment register
- Payroll/establishment Register
- Receipt register
- Financial asset register
- Budget head register.

During audit of office of the Medical Superintendent Taluka Hospital Sinjhor, Health Department, Government of Sindh, for the financial years 2021-22 & 2022-23, it was observed that an expenditure of Rs 208.289 million was incurred on various heads of account, but the cash book was not maintained. The DDO did not certify the expenditure incurred. Detail is given as under.

(Rs. in Million)				
Sr. #	Financial Year	Pay	Contingency	Total
1	2021-22	90.816	15.836	106.652
2	2022-23	84.802	16.837	101.637
Total				208.289

Audit is of the view that the incurrence of expenditure and then payment without maintaining cash book was serious violation of rule.

The matter was reported to the management in the month of April, 2024. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO and entity.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends maintenance of cash book besides fixing of responsibility on the person(s) at fault.

(DP#151/AIR#12)

15.5.44 Un-authorized allotment / retention of government vehicles by outsiders / Ex-officer – Rs 6.143 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority. Rule-88 of Sindh Financial Rules, Volume-I provides 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 various offices of Health Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that various vehicles of secretary office were allotted to the officers / officials who were not the employees of secretariat. However, they were employees of the subordinate offices of Health Department. Moreover, the expenditure of Rs 6.143 million was also incurred on the vehicles allocated to outsiders. The details are at **Annex-23 of Chapter-15**.

Audit is of the view that un-authorized allotment of vehicles including repair was and undue favor and put extra financial burden on government exchequer.

The matter was reported to the management, during February & March, 2024. During verification, the management at Sr. # 01 (National Program for Family Planning and Primary Health Care) replied that the correspondence as well as all possible efforts has been for recovery of vehicles, but no vehicle is returned yet. The department did not recovered vehicles along with recovery of the rent on un-authorized retention of government vehicles. The office at Sr.# 03 (Hepatitis Prevention & Control Program) submitted that one vehicle registration No: GS-0571 is returned to

this office. The department failed to provide detail of vehicle handing over and taking over. Further no efforts regarding recovery of other vehicles were made. The remaining offices did not submit replies till finalization of report.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends early recovery of vehicles including repair expenditure besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 vide para number 14.5.174. Recurrence of same irregularity is a matter of serious concern.

(DP#10,113&233)

15.5.45 Unauthorized utilization of hospital electricity in residential units

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority. As per rule 41 & 41(a) of Sindh Financial Rules, “It is the duty of the controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to public account and the amount collected into the treasury or otherwise accounted for and compare them with the statement of recovery furnished by the Accountant General to see that the amount reported as collected have been duly credited in the public account”.

During audit of office of the Medical Superintendent at Taluka Hospital, Pano Akil, Health Department, Government of Sindh, for the financial years 2021-22 and 2022-23, it was observed that there are 3 bungalows, 4 flats, and 9 quarters designated for residential staff. However, separate electricity meters were not installed for these residential units, resulting in their consumption being drawn from the hospital's

electricity meter. This unauthorized usage was beyond the scope of the hospital's intended utility.

Audit is of the view that these residential areas were being charged to the hospital's electricity meter instead of having separate meters installed, which imposed an additional financial burden on the government.

The matter was reported to the management in the month of April, 2024. The management, in its reply, stated that the letter has been issued to the concerned officers/officials for installation of separate meters of electricity immediately. The reply is not tenable as evidence of recovery was not provided.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends stoppage of this practice and effecting recovery from the concerned.

(DP#114/AIR#19)

15.5.46 Non-functional operation theatres

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit of following offices of Health Department, Government of Sindh for the financial years 2021-22 & 2022-23, it was observed that despite the presence of four operation theaters within the hospital premises, they were non-operational and closed during the physical visit. Additionally, expensive medical equipment was found deteriorating without being utilized. The salary draws of OT-technicians, attendants, and supporting staff persisted despite their non-engagement in operational activities.

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars
1	Medical Superintendent, Taluka Hospital Manjhand	2021-22 & 2022-23	11	1 Operation Theatre was non-operational
2	Medical Superintendent, DHQ, Tando Muhammad Khan	2022-23	27	4 operation theatres were found non-operational during physical visit by Audit and medical equipment was found deteriorating.

Audit is of the view that the non-operational status of four operation theaters alongside the deterioration of expensive medical equipment signifies a profound setback in the hospital's ability to provide critical medical services.

The matter was reported to the management during March to May, 2024. During verification, the office at Sr#2 stated that the new building of the health facility has not been properly handed over, resulting in a shortage of O.T equipment and human resources. Despite these challenges, the hospital continues to provide free surgical services for OBS, General Surgery, and urological cases. However, no record was provided for verification. No reply was received from other office.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends management should conduct a thorough assessment and create a clear action plan to restore the non-operational operation theatres.

Note: The issue was reported earlier also in Audit report for Audit Year 2022-23 vide para number 14.5.54 having financial impact of Rs 22.002 million. Recurrence of same irregularity is a matter of serious concern.

(DP#71&149)

15.5.47 Unjustified operations of different NGOs

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

functions of Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of office of the Executive Director, National Institute of Child Health, Karachi, Health Department, Government of Sindh, for the financial year 2022-23, it was observed that various NGOs were operating their functions within the hospital. However, the MOU, Government's permission, administration of NGOs in correlation to management of the hospital, budgetary provisions, & its utilization along with audited statement of accounts and activity agreement was not produced to audit for detail scrutiny. The detail of NGO's working within the hospital is as under:

- i. The SNC, working under PPP node of health department, provided security services within the hospitals, the steps taken were not evidenced in respect of security measures.
- ii. SADA welfare foundation- running blood bank and supporting Neonatal Unit at NICH. The license from Sindh Blood Bank Authority was not produced.
- iii. Child Aid Association
- iv. Rotary Club of Karachi Continental
- v. Children First the Society.

It is pertinent to mention here that this objection had earlier been raised in Audit reports for the years 2020-21 & 2021-22, but the management didn't take corrective measures. There might be other NGOs working within the NICH but the same were not disclosed by the management.

Audit is of the view that due to non-production of relevant record regarding authorized operations of NGOs, there could be chance of misuse of administrative powers to gain undue favors.

The matter was reported to the management in the month of March, 2024. The management, in its reply, stated that two NGOs have been supporting the National Institute of Child Health (NICH) for an extended period. The reply is not supported by evidence besides other requisite information was not provided for scrutiny.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

The same was approved as critical issue raised during audit by the office of Auditor-General Pakistan. Subsequently, on 15.07.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply from concerned PAO was received.

Audit recommends justification and ensuring MOUs, approvals, and financial records are available for audit and oversight.

(DP#243/AIR#21)

15.5.48 Unauthorized occupancy of government accommodation

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 following offices of Health Department, Government of Sindh for the financial years 2021-22 & 2022-23, it was observed that government residents i.e., bungalows and quarters of the concerned hospital were occupied by unauthorized persons, but no efforts were taken to vacate the same, due to which government may sustain loss of property of millions of rupees. Further department’s own staff was also deprived of such facility as well. The details are given as under:

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars
1	MS, District Headquarter Hospital Tando Muhammad Khan	2022-23	20	41 government accommodations illegally occupied by the unknown residents, DHO Employees and DHQ employees beyond their entitlements.
2	MS, Taluka Hospital, Rohri, Sukkur	2021-22 & 2022-23	15	03 Bungalows & 24 Govt. quarters allotted to employees of other offices
3	Civil Surgeon Civil Hospital, Mithi	2022-23	11	3 flats allotted to outside employees

Audit is of the view that despite the occupancy by unauthorized individuals, no measures were taken to evacuate them, posing a significant risk of property loss.

The matter was reported to the management in the month of May, 2024. During verification, the office at Sr.#01 stated that the higher authorities was informed about illegal and unlawful occupation of DHQ Hospital residential bungalows and quarters for legal action, but no action has been taken till date. The office at Sr.#02, stated that the letters for evacuation of the residencies have been sent to officers / officers concerned and house rent allowance, and 5% maintenance charges are being deducted. The evidence of the same was not available. Hence para was not verified. The management at Sr.#03 (Civil hospital Mithi) stated that Ex-Office superintendent BPS-17 of DHO Office (Retired) vacated the government quarter after receiving letter from Civil Surgeon. However, letters have been issued to various occupants to vacate the government accommodations, but status is same. Hence, para was not verified.

Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends vacation of bungalows / quarters forthwith.

(DP#14&115)

Chapter - 16

Home Department

16.1 Introduction

Home Department plays a pivotal role in devising the policy leading towards the maintenance of law and order and internal security of the province.

The departments attached with the Home Department are:

- (i). Police
- (ii). Civil Defence
- (iii). Prisons

Core functions of the department include:

1. All matters relating to eradication, prevention and control of crime,
2. Administration of justice, constitution and organization of courts, except the high courts, civil courts and special tribunals,
3. Procurement of arms, ammunition and military stores,
4. All matters of police establishment and administration,
5. Powers and functions as provided for in the Police Order-2002,
6. Civil Defence and air raid precaution,
7. Compensation for loss of property or life due to civil commotion or while on duty,
8. To collect fines,
9. Civil security schemes,
10. Liaison with civil armed forces, including Pakistan Rangers,
11. Provide evidence and oaths,
12. Extraditing and deportation,
13. Enforcement of provision of Provincial Motor Vehicles Ordinance, 1965, and the rules there under relating to control of traffic and inspection and checking of motor vehicles for the purpose of traffic control,
14. Liaison with defence authorities,
15. Matters related to public order and internal security,
16. Political intelligence and censorship,
17. Public amusement control over places, performances and exhibitions
18. Preventive detention and administration of press laws except regularity of publication of newspapers, periodicals and magazines,
19. Prosecution in respect of newspapers and other publications,
20. Registration of foreigners,

21. Recovery of missing persons,
22. Smuggling,
23. Daily situations report on crime, political and general situation.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	33	9	27,306.236	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

16.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
155,086.588	4,198.472	48,636.638	(48,636.638)	(6,943.234)	152,341.826	147,636.672	(4,705.154)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 4,705.154 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
4,085.000	3,690.000	2,612.228	(1,077.772)

Revenue estimates were reduced up to 10% in revised estimate. Actual receipt was 71% of revised estimate.

16.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 8,099.951 million. This included Rs 1864.561 million due to non-production of records, Rs 3.567 million HR related irregularities, Rs 3,726.286 million procurement related irregularities, Rs 782.260 million Management of accounts related irregularities and Rs 1698.044 million attributed to operational inefficiencies. Additionally, weaknesses in internal controls accounted for Rs 25.228 million, while recoverable amounts stood at Rs 1,598.733 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	1,864.561
2	Irregularities	
A	HR/Employees related irregularities	3.567
B	Procurement related irregularities	3,726.286
C	Management of Accounts with Commercial Banks	782.260
3	Others	
A	Operational Inefficiency	1,698.044
B	Internal Control Weakness	25.228

16.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 11.0%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	34	12	6	6	-
2	1998-99	20	4	0	4	-
3	1999-2000	23	11	0	11	-
4	2001-02	7	7	2	5	28.6
5	2004-05	11	6	2	4	33.3
6	2005-06	0	0	0	0	-
7	2006-07	12	8	0	8	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
8	2007-08	23	16	0	16	-
9	2008-09	24	14	0	14	-
10	2009-10	25	12	0	12	-
11	2010-11	02	0	0	0	-
12	2014-15	0	0	0	0	-
13	2016-17	0	0	0	0	0
Total		181	90	10	80	11

16.5 AUDIT PARAS

16.5.1 Non-production of auditable record – Rs 1,864.561 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of various offices of Home Department, Government of Sindh, it was requested to provide Auditable record. The record of Rs 1,864.561 million was requisitioned for the financial years 2019-20 to 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given at **Annex-1 of Chapter-16**.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during February to October 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that responsibility for non-production of record should be fixed and action be taken against the responsible besides ensuring production of record for examination by Audit.

(DP#01,51 & 88)

16.5.2 Loss to government due to missing/condemnation of arms and uniforms

As per Appendix-II of Sindh Financial Rules Volume-I and 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 office of the Superintendent of Police, Sujawal, for the financial year 2022-23, it was observed that 31 arms and 3 bulletproof jackets were stolen, causing a loss to the government. No inquiry was initiated against the responsible staff. Additionally, the whereabouts of 29 case property arms were not disclosed, and 2 arms and 80 rounds of ammunition were condemned but not disposed of or written off as per rules. Further loss was incurred due to the damage and condemnation of uniforms and arms. The details are given as under:

Sr. #	Description	Missing	Case property	Condemn
1	SMG 7.62 china	06	25	02
2	Rifle 7.62	-	02	-
3	Pistol 9MM	20	02	-
4	Rifle (G-3)	05	-	-
5	Bullet proof jacket	03	-	-
6	Cartridge 12 bore	-	-	80
7	KD Mazri Paint Shirt (Sets)	-	-	61
8	Beret cap Navy blue	-	-	86
9	Socks for Sindh Police	-	-	17
10	D.D.S. Boot	-	-	26
11	Mazri Cloth for lady police	-	-	82 Mtr
12	Cotton Niwar	-	-	82
13	White Shalwar Qameez for N/Q	-	-	2
14	Polo cap for traffic police	-	-	2
15	Iron Cot Frame	-	-	12
16	Mosquito Net	-	-	2

Audit is of the view that the failure to safeguard government assets and initiate inquiries reflects weak internal controls and negligence in asset management, resulting in financial loss.

The matter was reported to the management during June, 2024 but no reply was received. Despite written requests DAC meeting was not convened by PAO till the finalization of this report.

Audit requires inquiry into the matter, besides fixing of responsibility against the person(s) at fault.

(DP#89/AIR #01&02)

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 15.5.3 having financial impact of Rs 1.517 million. Recurrence of same irregularity is a matter of serious concern.

16.5.3 Non/less recovery of government dues – Rs 1,213.380 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 treasury.

During audit of various offices of Home Department, Government of Sindh for the financial years 2018-19 to 2022-23, it was observed that Rs 1,213.380 million remained outstanding from various receipts, including deployment of police guards, traffic fines, and other penalties. The management failed to take effective measures for recovery, leading to a significant revenue loss for the government. The details are given at Annex-2 of Chapter-16.

Audit is of the view that the non-recovery of outstanding dues reflects weak revenue collection efforts and poor financial management, adversely affecting government revenues.

The matter was reported to the management during February to April, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends expeditious recovery of outstanding government dues, besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 12.5.15, 16.5.17 and 15.5.20, respectively having financial impact of Rs 666.441 million. Recurrence of same irregularity is a matter of serious concern.

(DP#36,75, 79 & 96)

16.5.4 Irregular expenditure on procurement of Arms and Ammunitions – Rs 1,746.032 million

The According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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”. According to Rule 2(jj) of Sindh Public Procurement (SPP) Rules 2010, “Value for Money means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency’s requirements”.

During audit of the office of the Inspector General of Police, Sindh Karachi, for the financial year 2023-24, it was observed that arms and ammunition worth Rs 1,746.032 million were procured from M/s Wah Industries Limited and M/s Defense Science & Technology Organization with significant irregularities. These included the absence of an NOC from the Ministry of Defense, lack of an authorization certificate from Canik Superior Firearms for M/s Wah Industries Limited as the sole distributor in Pakistan, and missing certificates of originality for the procured items. Records of weapons issued to transferred, retired, or deceased officers were not provided, and no annual procurement plan was prepared. Additionally, procured items were not

accounted for in stock or consumption records, and unserviceable weapons were neither recorded in the stock register nor auctioned, with no auction records available. These issues indicate serious lapses in compliance and documentation.

Audit is of the view that these irregularities reflect inadequate documentation, weak internal controls, and non-compliance with procurement rules, which could result in financial and operational inefficiencies.

The matter was reported to the management during October 2024, but no reply was received. Despite written requests DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends that justification be provided for above irregularities, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 and 2023-24, vide para number 12.5.5 and 15.5.6, respectively having financial impact of Rs 767.426 million. Recurrence of same irregularity is a matter of serious concern.
(DP#98/AIR#03)

16.5.5 Irregular expenditure on procurement of uniform & liveries – Rs 1,574.856 million

The life of summer and winter uniform of Class IV Establishment was prescribed as 2 years and 3 years respectively vide Government of Sindh, Industries and Mineral Development Department letter No. SO-III/22-1/70 Karachi dated 03-01-1972. Further under Rules-298 of CTR Vol-I, the D.D.O is responsible for maintaining of Liveries register and for entry of Liveries in this register. Furthermore, the uniform clothes must be purchased from local market; the NOC must be obtained from Jail authorities according to Jail Department manual. According to Rule-23 of Sindh Financial Rules Vol-I signed acknowledgement receipt is required to be obtained from payees.

During Audit of the office of the Inspector General of Police, Sindh Karachi, for the financial year 2023-24, it was observed that Rs 1,574.856 million was spent on

uniforms and protective clothing with several irregularities. The procurement plan and bidding results were not uploaded on the SPPRA website, and the procurement committee comprised only police department members, violating procurement rules. Additionally, sales tax was not deducted from the bills, and stock verification revealed that most items remained unused, suggesting unnecessary purchases and blocking of public funds.

Audit is of the view that the incurrence of expenditure without observing financial propriety was due to poor management practices and weak internal controls. Thus, authenticity of the expenditure cannot be ascertained and there are chances of ill-utilization of government funds.

The matter was reported to the management during October 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends above irregularities may be clarified, besides fixing responsibility upon the persons at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22, vide para number 12.5.10 having financial impact of Rs 19.817 million. Recurrence of same irregularity is a matter of serious concern.

(DP#99/AIR#12)

16.5.6 Non/less recovery of various taxes – Rs 383.715 million

According to Para 153 (1) (a), (b) & (c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors. As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable. 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 23-01-2008, that 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. As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%.

During audit of various offices of Home Department, Government of Sindh for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 383.715 million was not deducted at applicable rates on account of various taxes and duties while making payments to the vendors. The details are given at Annex-3 of Chapter-16.

Audit is of the view that non/less recovery of government taxes sustained loss of revenue to government.

The matter was reported to the management during February to October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends that recovery may be affected, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 12.5.16, 16.5.24 and 15.5.17, respectively having financial impact of Rs 1,035.436 million. Recurrence of same irregularity is a matter of serious concern.

(DP#15,67&106)

16.5.7 Non-recovery of stamp duty – Rs 1.638 million

According to Rule 159 (a) of S.F.R. Vol-I, in the case of work or supply costing not less than Rs.100/- a contract should be made on written agreement, duly stamped and registered, so on that it can be maintained in the Court of Law in the event of dispute.

As per Para 22-A of Stamps Act, “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.

During audit of following offices of Home Department, Government of Sindh for the financial years 2019-20 to 2023-24, it was observed that an amount of Rs 468.078 million was paid to different vendors, but the formal contract agreement was not executed and the stamp duty @ 0.35% of the value of the works for Rs 1.638 million was also not recovered, which resulted in loss to the Government. The details are given as under.

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Contract Amount
1	Senior Superintendent of Police, Jacobabad	2022-23	17	POL from M/S PSO	91.809
2	Superintending Engineer, Police works, Karachi	2021-22 & 2022-23	16	Civil works	129.179
3	Deputy Inspector General of Police, Hyderabad	2019-20 to 2022-23	11	Civil works	15.661
4	Senior Superintendent of Police, Khairpur	2022-23	10	Various heads	130.516
5	Superintendent of Police, Sujawal	2022-23	24	POL charges, feeding, hire of vehicles & others	65.048
6	Assistant Inspector General of Police, Security (SSU), Karachi	2022-23 & 2023-24	10	Repair of transport	35.865
Total					468.078
0.35 % Stamp Duty					1.638

Audit is of the view that undue favor was extended to vendors by not executing contracts, which resulted loss of revenue.

The matter was reported to the management during February to October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends fixing of responsibility on the person(s) at fault, besides recovery of stamp duty.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 and 2023-24, vide para number 12.5.23 and 15.5.13, respectively having financial impact of Rs 3.260 million. Recurrence of same irregularity is a matter of serious concern.

(DP#29&107)

16.5.8 Non-invitation of open tender – Rs 20.045 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 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 following offices of Home Department, Government of Sindh for the financial years 2022-23 & 2023-24, it was observed that an expenditure of Rs 20.045 million was incurred under various heads without inviting tender. Due to non-invitation of tender the government was deprived of competitive rates. The details are given as under;

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Secretary, Home Department, Government of Sindh, Karachi,	2023-24	20	Hardware & other heads	17.775
2	Senior Superintendent of Police, Badin	2022-23	13	Hire of vehicles	2.270
Total					20.045

Audit is of the view that due to non-invitation of open tenders, government was deprived of most economical rates and also compromised transparency in execution of these works.

The matter was reported to the management during May & July 2024, but no reply was received. Despite written requests DAC, meeting was not convened by PAO till the finalization of this report.

Audit recommends compliance with prescribed rules, besides fixing of responsibility against the persons at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 and 2023-24, vide para number 12.5.8 and 15.5.7, respectively having financial impact of Rs 340.199 million. Recurrence of same irregularity is a matter of serious concern.

(DP#104)

16.5.9 Irregular payments through DDO account – Rs 392.599 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 various offices of Home Department, Government of Sindh for the financial years 2019-20 to 2023-24, it was observed that an expenditure of Rs 392.599 million was incurred through DDO account instead of direct payment to relevant payee. The details are given at Annex-4 of Chapter-16.

Audit is of the view that making payment through DDO account results misappropriation of funds and misuse of authority.

The matter was reported to the management during February to October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends fixing of responsibility on the person(s) at fault, besides stoppage of such practices in future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 and 2022-23, vide para number 12.5.17 and 16.5.5, respectively having financial impact of Rs 355.100 million. Recurrence of same irregularity is a matter of serious concern.

(DP#31,74&109)

16.5.10 Unauthorized retention of funds in DDO account – Rs 281.625 million

According to Rule 290 of Treasury Rules Vol – I, "No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not

permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

During audit of various offices of Home Department, Government of Sindh for the financial years 2019-20 to 2023-24, it was observed that an amount of Rs 281.625 million was shown as balance in DDO account as on June 30, 2023 and 2024. The same was neither disbursed to actual payees nor surrendered as savings. The details are given at Annex-5 of Chapter-16.

Audit is of the view that retention funds in DDO account at the close of financial year reflects weak financial & administrative control in the entity.

The matter was reported to the management during February to October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends immediate deposit of funds into government account and production of required record, besides fixing responsibility on a person(s) at fault for the negligence.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 12.5.14, 16.5.21 and 15.5.15, respectively having financial impact of Rs 163.602 million. Recurrence of same irregularity is a matter of serious concern.

(DP#30,72&110)

16.5.11 Un-authorized cash withdrawal from DDO account – Rs 68.646 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 various offices of Home Department, Government of Sindh for the financial years 2016-17 to 2023-24, it was observed that cash amounting to Rs 10.426 million was drawn from DDO bank accounts instead of payments through crossed cheques to concerned payees. The details are given at Annex-6 of Chapter-16.

Audit is of the view that cash disbursement is a serious violation, and hence, this reflects maladministration on part of the management.

The matter was reported to the management during February to October, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends stopping payment through cash forthwith.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24, vide para number 15.5.14, having financial impact of Rs 346.101 million. Recurrence of same irregularity is a matter of serious concern.

(DP#32,73&111)

16.5.12 Irregular transfer of funds – Rs 39.389 million

According to the Notification issued by the Govt. of Sindh, Finance Department vide No. B-2/78(P-II)/20, dated 30-11-1981, read with para-99 of G.F.R. Vol-I, that the fund allocated for one unit of appropriation cannot utilized from other head of account without prior approval of Govt. Authority / Finance Department.

During audit of office of the Inspector General of Police Sindh for the financial year 2023-24, it was observed that funds of Rs39.389 million were transferred from Inspector General of Police Bank Accounts to various Accounts without obtaining approval from competent authority. Moreover, reason / justification for such transfer were also not provided. The details are given as under;

(Rs. in Million)

Account No	Cheque No	Date	Transfer to Account No	Amount
PK85SIND0003014593381000	37721555	24.8.2023	PK85SIND0003014593381000	11.474
	41140806	27.9.2023	PK85SIND0003014593381000	11.403

(Rs. in Million)

Account No	Cheque No	Date	Transfer to Account No	Amount
	41140819	11.10.2023	0108 to 0301 Branch	1.000
	45187044	4.4.2024	Inter Branch from 0301 to 0306	2.000
	45187046	17.4.2024	Inter Branch from 0104 to 0301	2.500
	45187059	31.5.2024	Inter Branch from 0104 to 0301	1.000
PK12SIND000301081 6691000	40095937	10.7.2023	Inter Branch from 0301 to 0306	2.502
	40095936	11.7.2023	Inter Branch from 0102 to 0301	2.000
	40095941	21.7.2023	Inter Branch from 0405 to 0301	2.500
	40885561	24.7.2023	Inter Branch from 0108 to 0301	1.000
	43763058	31.1.2024	SSP Jacobabad	2.010
Total				39.389

Audit is of the view that transfer of funds was made without approval from competent forum which indicates weak internal controls in the department.

The matter was reported to the management during October 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit requires inquiry into the matter, besides fixing of responsibility on persons at fault.

(DP#112/AIR#23)

16.5.13 Unjustified abandonment of various running works – Rs 398.487 million

As per clause standard form of bidding documents SPRRA 2010 for procurement of works “If the Contractor abandons the Works, refuses or fails to comply with a valid instruction of the Engineer/Employer or fails to proceed expeditiously and without delay, or is, despite a written complaint, in breach of the Contract, the Employer may give notice referring to this Sub-Clause and stating the default. If the Contractor has not taken all practicable steps to remedy the default within fourteen (14) days after receipt of the Employer’s notice, the Employer may by a second notice given within a further twenty-one (21) days, terminate the Contract. The Contractor shall then demobilise from the Site leaving behind any Contractor’s Equipment which the Employer instructs, in the second notice, to be used for the completion of the Works at the risk and cost of the Contractor.

During audit of office of the Superintending Engineer, Police Works Sindh, Karachi for the financial years 2021-22 & 2022-23, it was observed that works valued at Rs 398.487 million were abandoned mid-way without completion. No expenditure was incurred in the current financial year, indicating that these works remained incomplete. The reasons for abandoning the works were not documented, which could lead to potential damage to existing structures, increased costs due to price escalation, and loss of government funds.

Audit is of the view that the abandonment of works without proper justification reflects weak project management and inefficient utilization of public funds, resulting in potential financial losses.

The matter was reported to the management in February, 2024; but no reply was received. Despite written requests DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends an inquiry to determine the reasons for the incomplete works, ensure timely completion, and assess accountability for delays. Measures should also be implemented to prevent further escalation of costs and protect government assets.

(DP#35/AIR#01)

16.5.14 Irregular payment on account of “Head money award/cash reward” - Rs 89.744 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 following offices of Home Department, Government of Sindh for the financial years 2021-22 to 2023-24, it was observed that Rs 89.744 million was paid as "Head Money Award/Cash Reward" to police officers and staff. However,

evidence of payment, acknowledgment receipts, and details of team members, including their names and designations, were not provided. Furthermore, records regarding criminals, head money fixation, convicted cases, investigation reports, and orders for investigation officers were missing. Justification for the entitlement of cash rewards was not available, and some rewards were given to officials posted in office branches without valid justification, raising concerns over the legitimacy of the payments. The details are given as under;

(Rs. in Million)				
Sr. #	Name of office	Financial Year	AIR Para#	Amount
1	Inspector General of Police Sindh Karachi	2023-24	17	50.842
			20	3.448
2	Additional Inspector General of Police, Karachi	2021-22 to 2023-24	15	35.454
Total				89.744

Audit is of the view that payment without observing proper rules and regulations is violation that indicates prevalence of weak financial control within the department.

The matter was reported to the management in October 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends provision of relevant record, besides fixing of responsibility against the persons at fault.

(DP#123)

16.5.15 Irregular transactions under head of account revenue deposits – Rs 21.660 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 office of the Senior Superintendent of Police, Sanghar for the financial year 2022-23, scrutiny of SAP data revealed that Rs 21.660 million was recorded as revenue deposits to various vendors/persons through General Ledger (GL) Account "G11215." However, the management provided a certificate stating that no revenue deposits or income were generated during the year. This discrepancy indicates that the management failed to address the issue with DAO Sanghar and reconcile the expenditure, which does not pertain to their office. The details are given as under;

(Rs in Million)

Cost Center	Document No	Document Date	G/L	G/L Descp	Vendor Name	Cheque No	Amount
SN0015	1900162626	29.09.2022	G11215	Revenue Deposits	Mr. Mir Muhammad	4596660	2.864
SN0015	1900162629	29.09.2022	G11215	Revenue Deposits	Mr. Ibrahim	4596665	3.214
SN0015	1900162631	29.09.2022	G11215	Revenue Deposits	Mr. Amir Bux	4596661	3.119
SN0015	1900162634	29.09.2022	G11215	Revenue Deposits	Mr. Meer Muhammad	4596662	3.119
SN0015	1900162636	29.09.2022	G11215	Revenue Deposits	Mr. Satal	4596663	5.012
SN0015	1900162662	29.09.2022	G11215	Revenue Deposits	Mr. Edal	4596664	4.332
Total							21.660

Audit is of the view that the discrepancy between SAP data and the management's certification reflects weak financial reconciliation and oversight. The failure to reconcile the revenue deposits with the DAO raises questions about the accuracy and reliability of financial records, potentially leading to misstatements or misuse of public funds.

The matter was reported to the management in March, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit requires provision of justification regarding revenue deposits under "G11215", besides taking remedial measures.

(DP#40/AIR# 04)

Chapter - 17

Human Rights Department

17.1 Introduction

Directorate of Human Rights was established in September 2008 with two divisional offices at Hyderabad and Sukkur. The aim is to address the issues related to human rights violations with full concentration. Composition of the Pakistani society especially in Sindh province is of heterogeneous nature where crime of different kinds takes place. During this period, the department has recorded about 22,202 registered complaints from overall Sindh which clearly show intensity of human right violations in Sindh. The case varies from the severity of cold blooded murder in the name of honor killing Karo Kari, Vani, Kidnapping, Sexual harassment, rape, children abuse, force marriage, acid thrown, burn cases, minority rights, child rights (child Labor, Domestic Labor, smuggling), human trafficking, property and family dispute, request for legal, financial and medical assistance. The mission of the human rights department, government of Sindh is to endeavor to ensure that the human rights of all people in the province fully realize and protect, in law, in policy and in practice. The department pursues its objectives vigorously and independently. It does its best to ensure that law and practice is in line with the highest international standards, measuring our law and practice against the standards set out in the constitution and in international human rights agreements. Directorate of Human Rights has been performing its duties with zeal, enthusiasm and sense of responsibilities since the beginning to get better result to provide Human Rights to deserving persons. In this regard, all possible efforts have been made at its level best to resolve the matter/cases reports against violation of Human Rights, which have been collected from newspapers, electronic media and persons who personally visited the office for resolving their problems. The Directorate of Human Rights along with two divisional offices in Sindh province at Hyderabad and Sukkur work smoothly and regularly on daily basis and the same reported/collected violation news/cases are forwarded by this office to concerned authorities for necessary action and asked for current position/action taken by them in the same connection.

Vision & Mission

The mission of the human rights department, government of Sindh is to endeavor to ensure that the human rights of all people in the province fully realize and protect, in law, in policy and in practice. The department pursues its objectives vigorously and independently. It does its best to ensure that law and practice is in line with the highest international standards, measuring our law and practice against the standards set out in the constitution and in international human rights agreements. Directorate of Human Rights has been performing its duties with zeal, enthusiasm and sense of responsibilities since the beginning to get better result to provide Human Rights to deserving persons. In this regard, all possible efforts have been made at its level best to resolve the matter/cases reports against violation of Human Rights, which have been collected from newspapers, electronic media and persons who personally visited the office for resolving their problems. The Directorate of Human Rights along with two divisional offices in Sindh province at Hyderabad and Sukkur work smoothly and regularly on daily basis and the same reported/collected violation news/cases are forwarded by this office to concerned authorities for necessary action and asked for current position/action taken by them in the same connection.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	281.338	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

17.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
684.888	-	34.806	(34.806)	(361.718)	323.170	323.020	(0.150)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 0.150 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	2.980	2.980

Revenue estimates were not fixed. However, receipts of Rs 2.980 million was realized.

17.3 Classified Summary of Audit Observations

Audit observation amounting to Rs 286.196 million was raised as a result of this audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	286.196

17.4 Comments on the Status of Compliance with PAC Directives

This department has been included in Audit Report 2020-21 first time.

17.5 AUDIT PARAS

17.5.1 Non-production of record – Rs 286.196 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During Audit of the following offices of Human Rights Department, Government of Sindh, it was requested to provide Auditable record vide requisition No. DGAS/PPC/Audit Program/2024-25 dated 20-09-2024 and dated 26-09-2024. The record was requisitioned for the Financial Year 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved.

(Rupees in Million)

Sr. #	Name of office	Financial Year	Particulars	Amount
1	Secretary, Human Rights Department, Karachi	2023-24	Complete record of expenditure	261.079
2	Directorate Human Rights, Karachi	2023-24	Enquiry report and details of process of cases of embezzlement either forwarded to Anti-Corruption and current status of Mr. Fazal Hussain Avesi, AS, Human Rights Department	25.117
Total				286.196

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management, in September, 2024, but the management did not reply. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last two (02) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01/AIR#01,01)

17.5.2 Non-Disposal of pending 2,358 cases

Article 84 of Audit code, it is an essential function of 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 office of the Directorate, Human Rights Department, Karachi for the financial year 2023-24, it was observed during scrutiny of the list of complaints for legal Aid cases registered pertaining to PAHEL, LAS & PLUS and other court cases. However, case-wise disposal of complaints and nature of complaints were not mentioned for further scrutiny.

Legal Aid Firms	Legal Aid Cases
PAHEL Legal Aid Firm	496
Legal Aid Society (LAS)	140
Pakistan Legal United Society (PLUS)	112
Others (Court cases)	1610
Total	2,358

Audit is of the view that due to pending case general public suffered which shows weak internal control of the management.

The matter was reported to the management, in September, 2024, but the management did not reply. Despite written requests, DAC meeting was not convened by PAO till finalization of this report.

Audit recommends disposing of cases speedily to facilitate public.

(DP#4/AIR #11)

Chapter - 18

Human Settlement, Spatial Development & Social Housing Department

18.1 Introduction

Sindh Katchi Abadis Authority (SKAA) was established in 1987 under Sindh Katchi Abadi Act 1987 for regularization and up-gradation of Katchi Abadis in the province.

The Authority is a corporate body. Its headquarters is in Karachi. The general direction and administration of the Authority and its affairs vest in a Governing Body headed by the Minister for Katchi Abadis as its chairman. Director General is the chief executive of the Authority.

Powers and Functions of the Authority:

- Implement policies formulated by government for the development or improvement of the areas of the Katchi Abadis and regularization of such Katchi Abadis.
- Lay-down guidelines for the implementation of such policies by the concerned authorities.
- Identify the Katchi Abadis or areas thereof which may be developed, improved or regularized under this Act and also identify the Katchi Abadis or areas which cannot be regularized as Katchi Abadis.
- Arrange or carry out detailed physical surveys, census of occupants of the Katchi Abadis and prepare or cause to be prepared plans and amelioration plans and designs of infrastructure works in connection with the regularization and development of the Katchi Abadis.
- Formulate development and financial programmes in respect of the Katchi Abadis and determine implementation strategy of such programmes.
- Oversee the operation of the fund.
- Evict or cause to be evicted unauthorized person or remove or cause to be removed encroachments from a Katchi Abadis or any area which is not regularizable as Katchi Abadis in accordance with the law.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	679.727	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

18.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
361.643	-	20.830	(20.830)	(48.809)	312.834	301.447	(11.387)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 11.387 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	0.696	0.696

Revenue estimates were not fixed. However, receipts of Rs 0.696 million was realized.

18.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 29.127 million were raised as a result of this audit. This amount also includes recoverable of Rs 2.021 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	<i>Management of Accounts with Commercial Banks</i>	12.545
2	Others	
A	<i>Internal Control Weakness</i>	16.582

18.4 Comments on the Status of Compliance with PAC Directives

This department has been included in Audit reports 2020-21 first time

18.5 Audit Paras

18.5.1 Loss to Govt. due to deduction of bank charges / withholding tax by banks – Rs 12.545 million

According to Section 49 of Income Tax Ordinance, 2001, (1) The income of the Federal Government shall be exempt from tax under this Ordinance. (2) The income of a Provincial Government or a Local Government in Pakistan shall be exempt from tax under this Ordinance, other than income chargeable under the head “Income from Business” derived by a Provincial Government or [Local Government] from a business carried on outside its jurisdictional area.

During audit of office of the Director General, Human Settlement Authority, Karachi, for the Financial Year 2023-24, it was observed that an amount of Rs 12.545 million was charged by the private banks on account of bank charges in shape of withholding tax on profits earned. Furthermore, authority did not obtain Free Tax Number (FTN) to safeguard government funds. The details are given as under:

(Rs. in Million)		
Sr. #	Bank account details	Bank charges
1	HLB A/c # 206203 – Low Cost Housing Scheme	2.119
2	JS Bank A/c # 0002392695 – Low Cost Housing Scheme	0.103
3	HLB A/c # 206103 – Pension Contribution	7.253
4	JS Bank A/c # 0002392697 – Pension Contribution	0.160
5	HLB A/c # 205903 – SKAA saving	0.776
6	HLB A/c # 206003 – GP Fund	2.134
Total		12.545

Audit is of the view that due to non-selection of Government owned banks as advised by Finance Department, the Government sustained loss on account of bank charges.

The matter was reported to the management in the month of September, 2024. DAC meeting was held on 13-01-2025 wherein, the department replied that the request for exemption was regretted by FBR. The DAC directed the rigorous effort shall again be made being government entity / non-profit entity. However, no progress was reported till finalization of this report.

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

(DP# 10-AIR # 09)

18.5.2 Less/Non-deduction of Government Taxes & Stamps –Rs 2.021 million

As per Para 22-A of Stamps Act, “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.” read as According to Income Tax Ordinance, 2001, Section 153(1)(a) Payments for goods and services. Every prescribed person making a 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-(a) for the sale of goods;(b) for the rendering of or providing of services; (c) on the execution of a contract, other than a contract for the sale of goods or the rendering of or providing of services, shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule. The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (1) of section 153 shall be. (a) in case of a company, 8% of the gross amount payable;(b) in any other case, 10% of the gross amount payable.

During audit of following offices of Human Settlement, Spatial Development & Social Housing Department, Government of Sindh, for the financial year 2023-24, it was observed that an amount of Rs 2.021 million was not/less deducted from the bills of vendors on account of stamp duty & income tax. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Exp:	Due tax	deducted	Non/Less deduction
01	Secretary, Human Settlement Department	2023-24	05	Non recovery of Stamps duty	232.498	0.813	Not recovered	0.813
			06	Non recovery of Stamps duty	13.654	3.068	2.434	0.634
02	Director General, Human Settlement Authority	2023-24	18	Non recovery of Stamps duty	46.214	3.697	3.316	0.381
			07	Non recovery of Stamps duty	5.174	0.193	Not recovered	0.193
Total					297.54	7.771	3.316	2.021

Audit is of the view that due to non-deduction of taxes & Stamp duty, government sustained financial loss.

The matter was reported to the management in month of July & September, 2024. DAC meeting was held on 13-01-2025 wherein, the department replied that taxes were deducted as per rule. The DAC directed to produce the record of already deducted taxes to audit for verification. However, no record was produced till finalization of this report.

Audit recommends inquiry besides fixing of responsibility against the persons at fault.

(DP#13)

18.5.3 Un-authorized retention of Government funds at sub-offices – Rs 14.561 million

According to Rule-290 of Treasury Rules, Volume-I, “No money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand or to prevent lapses of budget grant”.

During audit of office of the Director General Human Settlement Authority Karachi, for the financial year 2023-24, it was observed that the lease revenue of Rs 14.561 million was retained in the accounts of the banks at the year-end instead of surrendering to finance section of authority’s head office Karachi before closure of financial year. The details are given as under:

(Rs. in Million)			
Sr. #	Name of Office	City / Branch	Lease money kept in UBL bank accounts
1	Sukkur Field Office	Sukkur	2.421
		Ghotki	0.421
2	Larkana Field Office	Kambar	0.626
		Shikarpur	1.635
		Shahdadkot	0.576
		Jacobabad	0.097
3	Mirpurkhas Field Office	Mirpurkhas	0.338
		Umerkot	0.655
4	Shaheed Benazirabad Field Office	Nawabshah	7.792
Total			14.561

Audit is of the view that retaining lease revenue in bank accounts instead of transferring it to the finance section violates financial regulations and indicates ineffective fund management.

The matter was reported to the management in the month of September, 2024. DAC meeting was held on 13-01-2025 wherein, the department replied that all regional offices have been instructed not to retain lease money. The DAC directed that no money shall be held for more than seven days. The DAC further directed that record may be produced to audit for verification. However, no record was produced till finalization of this report.

Audit requires justification regarding retention of funds into accounts of sub-offices instead of surrounding to headquarter for preparation next budget plan.

(DP# 15-AIR#13)

Chapter - 19

Information Department

19.1 Introduction

The department of Information and Archives was created for projection of Sindh Government activities, public relation and relations with press. The department is also responsible for checking/monitoring the regularity of publication of newspapers, periodicals, magazines and building up working relationship with television/broadcasting networks, including PTV, Private TV Channels and Radio Pakistan for publicity of Government activities in different spheres of social uplift.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	8	1	8,542.265	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

19.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
9,707.300	155.178	336.375	(336.375)	(332.244)	9,530.235	9,264.472	(265.762)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 265.762 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	919.514	919.514

Revenue estimates were not fixed. However, receipts of Rs 919.514 million were realized.

19.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 230.157 million were raised as a result of this audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	<i>Procurement related irregularities</i>	211.306
2	Others	
A	Internal Control Weaknesses	18.851

19.4 Comments on the Status of Compliance with PAC Directives

The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 33.3%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	1	1	1		-
2	1998-99	0	0	0	0	-
3	1999-2000	5	2	0	2	-
4	2001-02*	0	0	0	0	-
5	2004-05*	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	0	0	0	0	-
13	2016-17	0	0	0	0	-
Total		6	3	1	2	33.3

19.5 AUDIT PARAS

19.5.1 Irregular advertisement released to newspapers & periodicals hardly available on stalls – Rs 149.176 million

According to Rule-4 Criteria para (i) of Advertisement Policy 2015 “the advertisement shall not be released to the daily newspapers which are hardly available on the stalls, with hawkers or in the market. Strict vigilance shall be kept in this matter to ensure that precious Government revenue is not wasted.

During audit of the office of Secretary, Information Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that management of the entity paid an amount of Rs 149.176 million to various print media (newspapers) on account of publishing different advertisement / government campaign etc. However, the newspapers in question were not widely circulated and hardly available on stalls, hence, spending such a huge amount in the era of this social media is questionable and unjustified.

Audit is of the view that precious Government revenue was wasted by releasing advertisement to the periodicals or daily newspapers which are hardly available on stalls.

The matter was reported to the management in September 2024. DAC meeting was held on 13th November, 2024. The DAC directed the department to produce ABC certificate, Provisional media list and physical verification of stalls. During verification the management produced the above-mentioned documents. Reply of the management is not satisfactory as the transparency, merit, and fairness in government advertisement releases was not followed as per clause-5 of Advertisement Policy 2023.

Audit recommends fixing of responsibility on the person(s) at fault and discontinuing the practice of issuing advertisements to low-circulation newspapers.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 19.5.10 having financial impact of Rs 72.378 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#4/AIR#8)

19.5.2 Appointment and awarding business to advertising agency having entered into Voluntary Return (VR) with NAB – Rs 18.851 million

As per tender documents issued for prequalification of advertising agencies, it was clearly mentioned in conditions that an ad agency which has entered into VR with NAB cannot apply for prequalification.

During audit of the office of Secretary, Information Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that M/s Insync Marketing & Advertising Agency, despite entering into a Voluntary Return agreement with NAB, was not debarred from the prequalification process. Instead, the agency was allowed to apply for prequalification and was awarded government campaigns worth Rs 18.851 million during the year.

(Rs. in Million)

Cheque	Date	Vendor Name	Cost C	G/L Descp	Amount
5275875	4/4/2024	Insync Marketing & Advertisement	KQ0721	Advertising & Publicity	6.902
5276624	4/4/2024	Insync Marketing & Advertisement	KQ0721	Advertising & Publicity	0.984
5276486	4/4/2024	Insync Marketing & Advertisement	KQ0721	Advertising & Publicity	4.388
5276487	4/4/2024	Insync Marketing & Advertisement	KQ0721	Advertising & Publicity	3.420
5276490	4/4/2024	Insync Marketing & Advertisement	KQ0721	Advertising & Publicity	3.157
Total					18.851

Audit is of the view that the award of business to said firm was irregular, unjustified and favour to the said firm.

The matter was reported to the management in September, 2024. During the DAC meeting on 13th November, 2024 the management clarified that the campaigns were not awarded to those involved in Voluntary Return with NAB. The company's old management was replaced, and the new management took the charge of company. The contract was awarded to the new management after seeking clarification from the Law Department and Advocate General of Sindh. The DAC directed that this para would stand unresolved until further actions are taken to address the concerns. During verification the management produced opinion of Law Department which was based on undertaking by the current management that they would not enter into VR with NAB. The audit recommends investigation to determine that company under question was hired through open auction or otherwise, besides obtaining an opinion from SPPRA to determine the status of VR.

Audit recommends stopping the allocation of grant to the above-mentioned organization henceforth, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 19.5.3 having financial impact of Rs 36.440 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#9/AIR#15)

19.5.3 Unjustified payments of others service rendered to N.T.C Karachi – Rs 62.130 million

Rule-28 (2) of Central Treasury Rules Volume-I, “A Government officer supplied with funds for expenditure shall also be responsible for seeing that payments are made to persons entitled to receive them”.

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 office of Secretary, Information Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that payment amounting to Rs 62.130 million was made to NTC for availing different services. The payment was made from the head of account "Payments to others for service rendered," instead of “Electronic Communication. No details in the payment vouchers, was provided about the services or work for which this payment was made. Additionally, no invoice or supporting documents for the claimed bills were available.

(Rs. in Million)

Cheque	Date	Name of Payee	G/L Descp	Amount
5053287	9/7/2023	N.T.C (KARACHI)	Payments to other for service rendered	62.130

Audit is of the view that due to non-production of supporting documents; authenticity of payment could not be ascertained.

The matter was reported to the management in September 2024. DAC meeting was held on 13th November, 2024. The management replied that payment was made directly to M/s NTC for availing different services after observing all codal formalities. The DAC directed the management to produce record to audit for

verification. The management produced a letter from M/s. NTC regarding ‘Software as a Service’ (SaaS) for Monitoring Services through the NTC platform. The letter states that the vendor is responsible for deploying the software on the cloud and managing all backend operations and associated tasks. Reply of the management is not satisfactory as the expenditure was incurred on account of electronic media by way of misclassification from the head of account Other Service Rendered.

Audit seeks justification for payment from wrong head of account and stopping the payment from wrong head of account.

(DP#6/AIR#10)

Chapter - 20

Information, Science & Technology

20.1 Introduction

The Information, Science & Technology Department, Government of Sindh, is working with a vision “The rapid development of a Knowledge-based Society is vital to the success and progress of the province.” and with the mission for:

- Optimal attainment of e-Governance culture in the Government Departments for attaining required integrated efficiency and effectiveness by promoting paperless environment,
- Promoting the number of users impliedly increasing demand of e-Governance,
- Implementation of e-Projects.
- Capacity enhancement of government agencies for public service delivery benefiting common citizens,
- Information Sharing,
- e-Democracy i.e. Promotion of e-election system, and
- Sustainability – Enabling government departments to initiate and sustain the I.T projects in Education, Health, Police, Security, Judiciary, Land Records, and Agriculture.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	1	1	707.072	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

20.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)							
Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,984.862	-	27.543	(27.543)	(642.115)	1,342.747	756.821	(585.926)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 585.926 million were observed which were not surrendered in time.

(Rs. in Million)			
Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	19.375	19.375

Revenue estimates were not fixed. However, receipts of Rs 19.375 million was realized.

20.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 21.115 million were raised as a result of this audit. This amount also includes recoverable of Rs 10.600 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)		
Sr. No.	Classification	Amount
1	Others	
A	Operational inefficiency	10.515
B	Internal Control Weaknesses	10.600

20.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 70.589%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	0	0	0	0	-
4	2001-02	0	0	0	0	-
5	2004-05	5	3	0	3	-
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	0	0	0	0	-
13	2015-16	3	1	2	1	66.67
14	2016-17	2	0	2	0	100
15	2017-18	5	0	5	0	100
16	2018-19	1	0	1	0	100
17	2019-20	1	0	1	0	100
Total		17	4	12	4	70.589

20.5 AUDIT PARAS

20.5.1 Non/less recovery of various taxes at applicable rates – Rs 10.600 million

According to Para 153 (1) (a), (b) & (c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors. As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%.

During audit on the accounts of Secretary, Information, Science & Technology Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that an amount of Rs 5.570 million was not/less deducted on account of income tax and Sindh Sales Tax on services. The details are as under:

(Rs. In Million)			
Sr.#	Particulars	AIR Para#	Amount
1	Non/less deduction of Income Tax	08	5.003
2	Non/less deduction of SST	09	4.865
3	Less deduction of income tax on salary	17	0.732
Total			10.600

Audit is of the view that non/less recovery of taxes, government sustained financial loss.

The matter was reported to the management during July, 2024. DAC meeting held on 16/10/2024, the management replied that Accountant General, Sindh has deducted all the taxes at source through SAP system before releasing the payment and issued tax deduction certificate. The DAC directed the management to produce relevant documents and evidence of tax recovery to audit for verification. The management did not produce the evidence of tax recovery during verification.

Audit recommends expeditious recovery of government taxes, besides fixing responsibility on the person(s) at fault.

(DP#08)

20.5.2 Duplication of Wi-Fi Services - Rs 10.515 million

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

During Audit of the office of the Secretary Information, Science and Technology Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that Rs 10.515 million was paid to the National Telecommunication Corporation (NTC) for Wi-Fi services in various government offices within the Sindh Secretariat. However, many of these offices already had functional Wi-Fi systems, which questions the necessity and justification of this expenditure. This suggests potential duplication of services or substandard performance of the Wi-Fi network provided by NTC.

Audit is of the view that the payment for redundant Wi-Fi services reflects inefficient resource utilization and poor justification of expenditures, which could lead to financial waste.

The matter was reported to the management during July, 2024. The DAC in its meeting held on 16/10/2024 directed the management to produce justification of the expenditure to audit. The management during verification produced contract agreement, details of payment for recurring cost. However, the management did not provide justification for the expenditure on Wi-Fi services provided to various Government offices, who already had their own functional Wi-Fi systems.

Audit recommends a comprehensive assessment of the current Wi-Fi systems across the Sindh Secretariat to determine their adequacy and functionality. This should include evaluating the necessity and performance of the Wi-Fi services provided by NTC.

(DP#10/ AIR#07)

Chapter - 21

Investment Department

21.1 Introduction

Investment Department Sindh is has been established with broad-based responsibility of promotion of investment in all sectors of the economy of the province.

Sindh Board of Investment (SBI) was established in March 2009 with a responsibility of promotion of investment in all sectors of economy; facilitation of local and foreign investors for speedy materialization of their projects and to enhance Sindh's international competitiveness and contribute to economic and social development.

SBI assists companies and investors who intend to invest in Sindh as well as facilitates the implementation and operation of their projects. The wide range of services provided by SBI includes providing information on the opportunities for investment and facilitating companies that are looking for joint venture partners. SBI acts as a focal point of contact for prospective investors, both domestic and foreign. It provides all necessary information and assistance in coordinating with other Government departments/agencies.

(Rs. in Million)

Sr.#	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	1	1	125.220	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	1	1	128.211	-

21.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
4,716.224	2.195	387.153	(11.389)	(4,364.955)	729.227	335.643	(393.584)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 393.584 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	1.489	1.489

Revenue estimates were not fixed. However, receipts of Rs 1.489 million was realized.

21.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 3.045 million were raised as a result of this audit. This amount also includes recoverable of Rs 3.045 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Others	
A	Internal Control Weaknesses	3.045

21.4 Comments on the Status of Compliance with PAC Directives

This department has been included in Audit Report 2020-21 for the first time.

21.5 AUDIT PARAS

21.5.1 Non-appointment of key finance positions in the project

As per rule 10 (i) and (iv) of General Financial Rules, 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. Public moneys should not be utilized for the benefit of a particular person or section of the community”.

During audit of office of the Project Director, Competitive & Livable City of Karachi, Sindh Investment Department, Government of Sindh, Karachi, for the financial year 2023-24, it was observed that several key finance-related posts were vacant due to non-appointment. The absence of essential personnel has resulted in weak financial controls within the project. The details are given as under:

Sr. No.	Name of Posts	Description	No of Posts	Working	Vacant
1	Finance Manager (B-18)	Govt. Side	1	0	1
2	Admin Officer (B-16)	Govt. Side	1	0	1
3	Deputy Finance Manager	Contractual	1	0	1
4	Accountant	Contractual	1	0	1
Total			4	0	4

Audit is of the view that the non-appointment of key finance positions within the project has resulted in weak financial controls.

The matter was reported to the management in September, 2024. DAC meeting was convened on 29-11-2024. The management replied that post of DFM was advertised, and shortlisted candidates were interviewed by the concerned selection committee. However, selection of DFM could not be finalized. DAC directed the management to approach the concerned authorities for filling up the vacant posts as per requirements, and the outcome be shared with audit. No response has been received till finalization of this report.

Audit recommends immediate appointment of key finance personnel.

(DP# 19/AIR#02)

21.5.2 Non-deduction of various taxes / duties - Rs 3.045 million

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

According to Para 153 (1) (a), (b) & (c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors.

During audit of following offices of Sindh Investment Department, Government of Sindh, Karachi, for the financial year 2023-24, it was observed that an amount of Rs 42.229 million was paid as consultant fees and rent of building. However, the sales tax on services @ 13%, income tax and stamp duty on rent amounting to Rs 3.045 million, were not deducted from the payment.

(Rs in Million)

Sr.#	Name of Office	Financial Year	AIR#	Head of Account	Particulars	Total Expenditure	Non-Deduction
1	Project Director, Competitive & Livable City of Karachi. (CLICK)	2023-24	5	Rent of building	Sind Sale Tax on Services	11.601	1.508
		2023-24	8	Rent of building	Income Tax	7.2	1.455
2	Secretary, investment Department, Govt. of Sindh	2023-24	25	Rent of building	Stamp Duty 0.35%	23.428	0.082
Total						42.229	3.045

Audit is of the view that the non-deduction of taxes and stamp duty from payments made to consultant resulted in a financial loss to the government

The matter was reported to the management in September 2024. DAC meeting was convened on 29-11-2024. The management replied for AIR#5, that M/S EY Ford

Rhodes deposited 100% SST, therefore, it was not deducted from the payment made to them. Further for AIR# 08, the management explained that income tax on rent for office space in FTC Building was not deducted, as owner of the building informed that they are exempted from tax being government organization. DAC directed the management to provide the paid challan and exemption certificate to audit for verification. During verification the management did not produce the relevant record.

Audit recommends expeditious recovery of government taxes, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 17.5.9 having financial impact of Rs 1.736 million. Recurrence of same irregularity is a matter of serious concern.

(DP#18,21,22)

Chapter - 22

Labour & Human Resources Department

22.1 Introduction

The Labour & Human Resources Department consists of following attached departments:

- i. Labour Department headed by Secretary Labour,
- ii. Labour Appellate Tribunal headed by Chairman,
- iii. Minimum Wages Board headed by Chairman,
- iv. Manpower & Training Department headed by Director,
- v. Sindh Employees Social Security Institutions headed by Commissioner,
- vi. Inspectorate of Mines headed by Chief Inspector

The main role of the Department is managing:

1. All matters relating to labour in general, including
 - a. Welfare and conditions of labour (including mine labour)
 - b. Labour Laws;
 - c. Labour Courts
 - d. Social Security; and
2. Employment Exchanges (Provincial Liabilities only); and managing
3. Minimum Wages Board; lastly,
4. Rehabilitation and employment of demobilized personnel.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	3	3	10,625.761	34,494.585
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

22.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,692.748	-	433.506	(433.506)	(608.752)	1,083.996	982.440	(101.556)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 101.556 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
15.000	15.000	8.727	(6.273)

Revenue estimates were not revised. Actual receipt were 58% of revised estimate.

22.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 66,526.443 million were raised as a result of this audit. This amount also includes recoverable of Rs 525.496 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
3	Irregularities	
B	<i>Procurement related irregularities</i>	84.790
C	<i>Management of Accounts with Commercial Banks</i>	24,784.010
5	Others	
A	Operational inefficiency	3509.920
B	Internal Control Weaknesses	806.626

22.4 Comments on the Status of Compliance with PAC Directives

The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance with the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 25%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	6	0	0	0	-
4	2001-02*	0	0	0	0	-
5	2004-05*	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	2	1	0	1	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	0	0	0	0	-
13	2016-17	3	3	1	2	25
Total		11	4	1	3	25

Note: Audit Reports of the years 2002-03 and 2003-04 were not discussed in PAC.

22.5 AUDIT PARAS

22.5.1 Fraudulent payment on account of welfare grants - Rs 1,985.190 million

As per the Sindh Workers Welfare Board Act 2014, Clause 8 Purpose to which moneys in the Fund may be applied “b” financing of other measures for the welfare of the workers, further, Clause 11 the Main Functions of the Board and sub clause “g” is to take other measures for the welfare of the workers financed by the money allocated from the Fund.

In the context of above quoted rule, the main function of the Sindh Workers Welfare Board is to provide relief to the workers of Industrial Establishment under the Act Sindh Workers Welfare, 2014. The Board is responsible to provide three grants: Marriage, Death and Scholarship.

During special audit of Workers Welfare Board Karachi for the financial years 2013-14 to 2022-23, it was observed that an inquiry committee was formed to evaluate the fair and transparent disbursement of welfare grants amounting to Rs 1,985.19 million for the period January 2022 to October 28, 2022. The committee uncovered gross violations of rules and embezzlement of funds across Karachi, Larkana, Hyderabad, and Sukkur regions. Fake and duplicate cases were identified, with fraudulent CNICs, FRCs, and marriage certificates linked to Larkana, Sukkur, and Karachi. The committee endeavored to verify given 7000 CNICs in applications via NADRA Mobile App. As per the findings most of the CNICs, FRCs and marriage certificates pertaining to Larkana, Sukkur and Karachi were found fake. Verification revealed collusive practices involving Board officials, beneficiaries, and contractors, and many beneficiaries were not registered with EOBI or SESSI, a mandatory requirement for grant entitlement.

Audit is of the view that the fraudulent disbursement of welfare grants reflects serious collusion, poor oversight, and non-compliance with mandatory registration requirements, resulting in misuse of public funds.

The matter was reported to the management in March, 2024; but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends strengthening of internal controls besides reporting of such massive fraud to the investigating agencies as: NAB and Anti-corruption for impartial probe into matter as these welfare grants involve massive amount of funds. Recoveries may be affected from the persons concerned under intimation to audit. Furthermore, verification of labor be carried out to ascertain whether the beneficiary is working at factories or otherwise before any payment. The link from NADRA may be obtained to check CNICs and FRCs.

22.5.2 Blockage of funds due to non-pursuance of court case – Rs 24,580.000 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 of competent authority for their adjustment must be sought.”

According to rule 290 of Central Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs 24,580.000 million was lying with Nazir, High Court of Sindh against a case filed by 28 companies since long. The management has failed to pursue the said case despite heavy payments to legal advisor to pursue the said case in Court. Resultantly, heavy funds of the Board are blocked which could otherwise be invested or utilized for benefits of workers. Due to blockage of funds, entity also suffered a loss of approximately Rs 10.00 billion on account of profit if the funds were invested (Rs 24,580.00 million x 20% annual rate of return x 2 years).

Audit is of the view that management did not pursue the case effectively which depicts prevalence of poor management practices.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of the above matter with recommendation to pursue the matter with relevant quarters, besides fixing responsibility on person(s) at fault.

(DP#25/AIR#8)

22.5.3 Deduction of withholding tax on profit by bank accounts – Rs 196.966 million

According to Rule-53 of General Financial Rules read with Rule-7 of Treasury Rules regarding revenues and other receipts of the Government, “It is the primary duty of the officers concerned to see that dues of Government correctly and promptly assessed, quickly realized and immediately deposited into Government treasury”.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was revealed that an amount of Rs 196.966 million was deducted by the bank as 30% WHT on profit earned from a specific account, despite the entity holding an FTN, which exempts government funds from such deductions. Furthermore, no WHT was deducted on profits from other accounts maintained in the same bank, making the deduction from this account unjustified and recoverable from the bank.

Audit is of the view that the unwarranted deduction of WHT reflects poor financial oversight and non-compliance with tax exemptions applicable to government entities, resulting in loss of public funds.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the

PAO till finalization of this report.

Audit recommends immediate recovery of the WHT deducted by bank and a thorough review of all bank accounts to ensure proper application of tax exemptions besides fixing responsibility on person(s) at fault.

(DP#22/AIR#17)

22.5.4 Non-creation of endowment funds for education of workers' children – Rs 2,000.000 million

As per agenda # 4 of minutes of 28th meeting of Governing Body held on 10-04-2023, in compliance of High Court's order it was decided to create endowment fund with initial amount of Rs 2.00 billion for disbursement of scholarship to workers' children.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that endowment fund of Rs 2,000.00 million for disbursement of scholarships to workers' children was not created despite allocation of budget in financial year 2023-24 and approval in 28th Governing Body meeting held on 10-04-2023 to implement Sindh High Court's order.

Audit is of the view that the failure to create the endowment fund despite clear directives reflects poor financial planning and non-compliance with legal and administrative requirements, depriving workers' children of the intended benefits.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends immediate action to establish the endowment fund as per the approved plan and Sindh High Court's directives

(DP#26/AIR#12)

22.5.5 Non-payment of pending cases of welfare grants – Rs 1,243.920 million

As per clause-8 (b) of the SWWF Act, 2014 revised edition 2015, purposes to which moneys in the fund may be applied to the financing of other measures for the welfare of workers. Further, as per clause-11(g), functions of the Board- to take any other measures for the welfare of workers financed by the money allocated from the fund.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that welfare grant cases amounting to Rs 1,243.920 million submitted by workers remained pending for an extended period despite the allocation of a substantial budget. Additionally, no scholarship grants were paid to workers' children during Audit period, reflecting the management's lack of focus on its core function of workers' welfare, despite receiving significant contributions annually. The details are given as under:

(Rs. in Million)

Particulars	No. of Pending Cases	Amount Per Head	Total Amount
Marriage Grant	2,487	200,000	497.400
Death Grant	640	700,000	448.000
Scholarship	743	40,000 approx.	29.720
Education Facility (2022-23)	44,800	6,000	268.800
Total	3,870		1243.920

Audit is of the view that the prolonged delay in processing welfare grants and the non-disbursement of scholarship grants indicate poor management and ineffective utilization of resources, undermining the Board's primary objective of supporting workers and their families.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends the immediate resolution of pending welfare grant cases and disbursement of scholarship grants besides fixing responsibility on person(s) at fault.

(DP#27/AIR#1)

22.5.6 Non-recovery of fees – Rs 498.226 million

According to Rule 28 of General Financial Rules (GFR), “no amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment, must be sought”.

According to the Sindh Factories Act, 2015 under section (11) No occupier of a factory shall be allowed to start manufacturing process unless he has obtained factory registration certificate from the Directorate of Labour. Provided that no registration certificate shall be issued unless the occupier of a factory provides the requisite documents as specified in the rules: Provided further that in case of Factories not registered prior to commencement of this Act, it shall get registration within sixty days from the commencement of this Act:

During audit of office of the Director General, Labour Head Quarters, Karachi for the financial year 2022-23, it was observed from monthly progress/performance reports of sub-regional offices of the Directorate Labour that an amount of Rs 498.226 million was not realized due to non- registration of factories, shops and commercial establishments, Compensation of Court cases and recovery against payment of wage cases. The details are given as under:

(Rs. in Million)

Sr. #	Financial Year	AIR Para #	Particulars	Amount
01	2022-23	03	Compensation Court cases	9.237
02	2022-23	04	Payment of Wages Cases	488.989
			Total	498.226

Audit is of the view that due to non-registration of factories, shops and commercial establishments and Compensation of Court cases & Wages Cases, Government sustained loss.

The matter was reported to the management during March, 2024. DAC meeting was held on 11-06-2024 wherein DAC directed the management to submit revised reply along with record. During verification the management stated regarding AIR para# 3 and 4 that the cases are pending in compensation court while the applicants did not approach the Commissioner of Compensation Court for relief. As

soon as they approach the court the amount will be disbursed to the applicants. The matter is still unresolved; therefore, the verification remains inconclusive.

Audit requires compliance with the DAC directives and ensure proper recovery of the dues.

(DP#2)

22.5.7 Non-auction of lease rights – Rs 245.325 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 of competent authority for their adjustment must be sought.”

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

During audit of office of the Assistant Commissioner, Mines Labor Welfare Organization, Karachi for the financial years 2022-23, it was observed that management did not auction four mines located at Tharparkar, Badin, Sanghar & Qambar @ Shahdadkot. The reserve auction price of these mines was Rs 245.325 million. Due to non-auction the government sustained huge loss of Rs 245.325 million.

Audit is of the view that due to non-auction of mines in time; Government was deprived of potential revenue.

The matter was reported to the management during March, 2024. DAC meeting was held on 11-06-2024. The management replied that necessary amendments have been made in the Excise Duty on Minerals (Labour Welfare) (Sindh) Rules, 1969 during 2024. Therefore, in future auctions shall be held for these areas. DAC directed the management to provide evidence in support of the above justification for verification. During verification the management stated their inability to collect the excise duty from the said mines due to government’s non-authorization for leasing the rights. Due to inaction on part of the management, the matter remained unresolved.

Audit recommends taking up the case with the appropriate forum for auctioning the mines under relevant rules.

(DP#1/AIR#2)

22.5.8 Less payment to workers' children for school education – Rs 162.000 million

As per Agenda item # 3 of minutes of 28th meeting of Governing Body held on 10-04-2023, the amount of school education facility for workers' children was increased from Rs 6,000 to Rs 10,000.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that workers' children were paid Rs 6,000 instead of the approved rates of Rs 10,000 per child for education facilities, resulting in a less payment of Rs 162.00 million. This violated the decision of the Governing Body and deprived workers' children of their rightful entitlement. The details are given as under:

(Rs. in Million)

Financial Year	Head	No. of Students	Paid Per Head	Approved Rate	Less Paid	Less Amount
2023-24	Education Facility Cost-Benefits to Workers' Children	40,500	0.006	0.001	0.004	162.000

Audit is of the view that non-compliance with the Governing Body's decision reflects weak financial management and a failure to uphold the rights of workers' children, resulting in financial injustice.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends immediate payment of the shortfall to workers' children as per the Governing Body's decision besides fixing responsibility on person(s) at fault.

(DP#12/AIR#3)

22.5.9 Delay in payment of welfare grant to workers – Rs 104.00 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that Rs 104.00 million was paid to beneficiaries for welfare grants such as death and marriage grants. However, in some cases, payments were delayed by up to 10 years after the workers submitted their applications. This reflects the management's lack of commitment to the welfare of workers and their families and highlights the poor performance of the entity.

Audit is of the view that such prolonged delays in disbursing welfare grants indicate inefficiency and ineffective management, defeating the purpose of timely support for workers and their families.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends immediate steps to streamline the processing of welfare grant applications to ensure timely disbursement besides fixing responsibility on person(s) at fault.

(DP#6/AIR#4)

22.5.10 Improper pursuance of non-payment of tax cases since long – Rs 20,953.588 million

Para-41 (a) of Sindh Financial Rules, Volume-I states that, “the departmental controlling office should see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury.”

During special audit on the accounts record of Workers Welfare Board Sindh Karachi, it was observed that the management did not pursue numerous cases of industrial establishment pertaining to non-payment of taxes since 2016. Thus, the funds to the tune of Rs 20,953.588 million were blocked at Nazir at High Court Karachi as per letter signed on 13.03.2023. This is serious lapse on the part of the entity.

Audit is view of that the funds were blocked and financial mismanagement made by the entity.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks clarification into the matter and take all necessary measures to tap the funds lying with Nazir.

22.5.11 Doubtful payment on account of death grant - Rs 2,160.625 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During special audit of Workers Welfare Board Karachi, for the financial years 2013-14 to 2022-23, it was observed that 4,360 death grant cases were approved, and Rs 2,160.625 million was disbursed. However, approval files of 2,525 cases amounting to Rs 6,145.500 million were provided, with several irregularities noted, including approval and payment of cases without verifying workers' registration with EOBI, lack of recommendations and approvals from the scrutiny committee, failure to

confirm the Family Registration Certificate to validate the beneficiary's relation to the worker, and payment of marriage grants without EOBI verification.

Audit is of the view that proper and adequate measures were not taken to look after the transparent disbursement of funds in the light approved death Grant Policy. This indicates the negligence and non-serious attitude of the management towards core function of the Board.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks clarification into the matter besides strengthening internal controls for transparent disbursement of the grants to the beneficiaries.

22.5.12 Doubtful payment on account of marriage grant - Rs 1,325.530 million

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During special audit of Workers Welfare Board Karachi, for the financial years 2013-14 to 2022-23, it was observed that 13,246 marriage grant cases were approved, and Rs 1,325.530 million was disbursed. However, approval files of 6,427 cases amounting to Rs 614.11 million were provided, with several issues noted. Most of the cases were approved and paid without verifying the workers' registration with EOBI, and in some cases, the names on the list verified by EOBI did not match the payment records. Additionally, some cases were approved and paid without confirming the Family Registration Certificate to authenticate the beneficiary's relation to the worker, and several marriage grants were paid without EOBI verification.

Audit is of the view that proper and adequate measures were not taken to look after the transparent disbursement of funds in the light approved marriage Grant Policy. This indicates the negligence and non-serious attitude of the management towards core function of the Board.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks clarification into the matter, besides strengthening internal controls for transparent disbursement of the marriage grants to the beneficiaries

22.5.13 Unjustified non-payment of welfare grants since October 2022

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

During special audit on the accounts record of Workers Welfare Board Sindh Karachi, it was observed that management of the entity has not been disbursing welfare grants since October 2022 till the close of this financial year 2022-23.

Audit is view of that, non-payment of welfare grants to the beneficiaries is unjustified and depicts weak financial controls and inability to perform its main task.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks justification into the matter as to why the welfare grants are not paid to the beneficiaries.

22.5.14 Non-recovery of misappropriated funds and payment to beneficiaries

As per SWWB Act, 2014, Clause-50-Grounds of penalty (1) when an employee in the opinion of the Authority or as the case may be, the authorized officer (c) he has committed theft, fraud, misappropriation or dishonesty in connection with official business or property. As per SWWB Act, 2014, clause-51-penalties to be imposed, minor penalties (c), recovery from pay of the whole or any part of any pecuniary loss, caused to the Board negligence or breach of orders.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that two Deputy Secretaries (Education Section) embezzled funds in connivance with bank staff during the disbursement of education grants to workers' children. Instead of transferring the funds directly into beneficiaries' accounts, pay orders were issued in violation of management instructions. An inquiry found both officers guilty of mismanagement and recommended minor punishments, including the stoppage of increments for one officer and demotion for the other. However, the total misappropriated amount was neither assessed nor recovered, and it remains unclear whether the intended beneficiaries received the funds. The details are given as under:

Name of Officer	Designation
Mr. Rafiq Ahmed Channa	Deputy Secretary, Karachi & Hyderabad Region
Mr. Saifullah Bullo	Deputy Secretary, Sukkur & Larkana Region

Audit is of the view that the inadequate disciplinary action and failure to assess and recover the misappropriated funds indicate weak accountability and financial oversight, undermining the integrity of the grant disbursement process.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends a thorough investigation to determine the total misappropriated amount, ensure its recovery, and verify whether the actual beneficiaries received the education grants.

(DP#5/AIR#38)

22.5.15 Expenditure on unapproved development schemes – Rs 68.325 million

According to clause-2.11 SOURCE OF FUNDS (Rule 5) for development projects/schemes the department shall use a PC-I or PC-II to secure the requisite funds. After conceiving a development project/scheme, it is processed through following stages to secure funds for physical implementation: - (i) preparation of the PC-I or PC-II as the case may be (Annexure B) (ii) approval from competent forum.; (iii) issuance of Administrative Approval by concerned administrative department/agency.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that an expenditure of Rs 68.325 million was incurred on various new schemes, even though their PC-I was still under the approval process. This unauthorized expenditure on unapproved schemes violated financial regulations. The details are given as under:

(Rs. in Million)

Financial Year	Scheme Details	Status	Expenditure up to June, 2023	Expenditure in 2023-24	Total
2023-24	Part-B, New Schemes (01 to 21)	PC-I approval in Process	68.028	0.297	68.325

Audit is of the view that incurring expenditure on unapproved schemes demonstrates non-compliance with financial rules and weak project oversight, resulting in unauthorized utilization of public funds.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that management cease any expenditure on unapproved schemes and ensure proper approval of PC-I before incurring costs. Steps should be taken to regularize the unauthorized expenditure and enforce strict compliance with financial procedures in future.

(DP#15/AIR#22)

22.5.16 Non/less deduction of taxes – Rs 16.465 million

As per Section 149 of income tax ordinance “Every employer paying salary to an employee shall deduct tax from the amount paid”. **And** According to Income Tax Ordinance, 2001, Para-153. Payments for goods, services and contracts. (1) Every prescribed person making a payment in full or part including a payment by way of advance to a resident person.

- (a) for the sale of goods [including toll manufacturing] [except where payment is less than seventy-five thousand Rupees in aggregate, during a financial year];
- (b) for the rendering of or providing of services payment is less than thirty thousand Rupees in aggregate, during a financial year];
- (c) on the execution of a contract, [including contract signed by a sports person] [but not including] a contract for the sale of goods or the rendering of or providing services, shall, at the time of making the payment, deduct tax from the gross amount payable **(including sales tax, if any)** at the rate specified in Division III of Part III of the First Schedule. **And** 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 23-01-2008, that 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 18% tax would be deducted. **AND**

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011 states: “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.” And as per Second Schedule of The SST on Services Act, 2011, the rate of tax is 13% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

During audit of various offices of Labour & Human Resource Department, Government of Sindh for the financial years 2022-23 to 2023-24, it was observed that an amount of Rs 341.998 million was paid to different vendors without deducting or less deducting various taxes amounting to Rs 16.465 million. The details are given at **Annex-1 of Chapter-22.**

Audit is of view that government was deprived of its due revenue and sustained financial loss due to less-deduction of government tax.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends effecting recovery besides strengthening internal controls to curb recurrence of such irregularity.

Note: This issue was reported earlier also in Audit Report Year 2022-23 vide para number 23.5.18 having financial impact of Rs 3.321 million. Recurrence of same irregularity is a matter of serious concern.

(DP#24)

22.5.17 Unjustified payments through employees – Rs 7.047 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 office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that payments of Rs 7.047 million were made to employees against various procurements of goods & services instead of making payments directly to concerned vendors. Moreover, government also sustained loss of revenue on account of non-deduction of various taxes due to payments through employees.

Audit is of the view that making payments through employees instead of vendors reflects non-compliance with financial procedures and led to a revenue loss due to tax non-deduction.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks justification as to why the amount was paid to the employees, besides fixing responsibility on person(s) at fault.

(DP#17/AIR#6)

22.5.18 Non-adjustment of advance payment to K-Electric for new connections – Rs 63.075 million

According to Para-668 of Federal Treasury Rules, advances granted under special orders of the competent authority to officers/officials 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 account supported by vouchers or by refund as may be necessary.

During audit of office of the Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2022-23 & 2023-24, it was observed that Rs 63.075 million was paid to M/s K-Electric for obtaining new connections for workers' flats. However, the status of the new connections and the adjustment account for the advance payment were not provided for audit verification. The details are given as under:

(Rs. in Million)

Cheque No.	Date	Particulars	Amount
41966505	10.11.23	K-Electric New connection L/C 3008 flats Karachi	19.815
43785278	20.03.24	K-Electric New Connection 1000 flats	21.984
43785279	20.03.24	K-Electric New Connection 1000 flats Security Deposit	2.229
46297746	26.06.24	Sindh Bank Ltd., Issuance of Security Board to K-Electric working at 1000 flats Ghulsan e Maymar	19.047
Total			63.075

Audit is of the view that the absence of supporting documentation and verification of the status of new connections reflects weak financial oversight and non-compliance with procedural requirements.

The matter was reported to the management during September, 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends obtaining and providing documentation regarding the status of new connections and the adjustment of the advance payment besides fixing responsibility on person(s) at fault.

(DP#23/AIR#27)

22.5.19 Unjustified handing-over of hospital at Sukkur and undue payment to NICVD – Rs 2.870 million

As per the minutes of ninth meeting of the Workers Welfare Board Sindh held on 19 January, 2018 – Item No.08 – Decision – The Governing Body unanimously decided to hand over a Surgical hospital at Sukkur to NICVD.

According to Article-84 of Audit Code, it is an essential function of 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. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but also by the sanctioning authority.

During special audit of Workers Welfare Board Karachi, for the financial years 2013-14 to 2022-23, it was observed that 200 bedded hospital was established in Sukkur by Workers Welfare Fund (WWF), Islamabad. However, the Governing Body, in its ninth meeting held on 19-01-2018, decided to hand over this hospital to the National Institute of Cardiovascular Diseases (NICVD). In this connection, the handing over ceremony was held at Chief Minister House on 16th November, 2017; however, the GB decided to hand it over in January 2018. Furthermore, a cumulative amount of Rs 2,870,000 was paid to NICVD on account of providing panel facilities to the employees of the Board whereas the NICVD is a government owned institute providing Cardiac treatment to all the patients free of cost. Hence, the payment made

to a hospital that is providing free of cost treatment remains un-justified and which led to loss to the Board.

Thus, the transfer of ownership of the hospital constructed through the workers welfare fund to another entity along with the payment to the said entity is unjustified.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of the matter as to why the hospital constructed with the funds of Workers was handed over to NICVD besides justifying the reason of the payment to NICVD as it offers its services free of cost.

22.5.20 Award of various works in violation of SPP Rules – Rs 5,384.406 million

According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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”.

Read With

According to NAB Ordinance 1999, the contracts awarded costing above Rs 50.00 million shall be shared along with all requisite record to NAB for information.

During the special audit of the Workers Welfare Board for the financial years 2013-14 to 2022-23, it was observed that civil works worth Rs 5,384.406 million were awarded to various contractors without adhering to SPP Rules/procedures. Issues noted include absence of terms for the recovery of mobilization advance in the bidding documents, which favored contractors; 20 marks were awarded for permanent staff, but no evidence of regular employees (e.g., payroll copies) was provided; and despite the evaluation criteria requiring specific qualifications and experience for engineers, 20 marks were granted without supporting documentation of employee status. Additionally, while a list of plants and equipment was submitted, no ownership

certificates or lease agreements were provided. The bid validity was extended to 120 days instead of the stipulated 90 days, in violation of SPPRA rules, and requisite information and records were not shared with NAB. The details are given below.

(Rs. in Million)		
Name of Work	Name of Contractor	Cost of Work
Construction of 256 flats at TM Khan	M/s Crescent Construction Co.	849.995
Construction of 3008 flats at N/Bypass	Various Contractors	3121.855
Construction of 1504 flats at Hyderabad		1,412.556
Total		5,384.406

Audit is of the view that chances of undue favor to the contractor could not be ruled out.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks clarification into the matter as to why were the subject rules not followed by the management.

22.5.21 Excess award of contract over engineer's estimate - Rs 131.885 million

As per Para-532 of Public Works Department Manual Vol-I, "A revised estimate must be submitted when a sanctioned estimate is likely to be exceeded by more than 5 per cent". Further as per Para 11 of the GFR Volume-I "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers".

During special audit of the Workers Welfare Board for the financial years 2013-14 to 2022-23, it was observed that work namely "Construction of 256 flats (Labor city) at Labor Colony TM Khan" was awarded to M/s Crescent Construction Company for Rs 849.995 million but engineer estimate was Rs 718.14 million; hence, excess award over engineer estimate @ 18.36% of Rs 131.885 million was made without any justification and amendment in P.C.I duly approved by the Board. Excess award was made due to prevalence of weak internal controls and financial indiscipline in the formation.

Audit is of the view that undue favor to the contractor was extended and chances of loss to institution could not be ruled out.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends initiating inquiry into the matter to find out the facts behind the excess award of contract without revision of PC-1.

22.5.22 Unjustified award of work by allowing excess premium over the prescribed limit - Rs 208.399 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 to excess Engineer's estimate by 20%. If the premium quoted by the bidder is not within allowable limit of 20% then approval may be obtained from the Finance Department, or the tender be floated afresh.

During special audit of the Workers Welfare Board for the financial years 2013-14 to 2022-23, it was observed that work namely "Construction of 256 flats (Labor city) at Labor Colony TM Khan" was awarded to M/s Crescent Construction Company for Rs 849.995 million but premium @ 43% on civil and plumbing works & 173% premium of Rs 321.175 million was allowed; hence, excess premium over prescribed limit @ 20% amounting to Rs 208.399 million was allowed / paid without any justification in violation of rule. The details are given under.

(Rs. in Million)

Sr. #	Name of Work	Contractor	Cost of Work	Premium Allowed	Premium Due 20%	Excess Premium
1	Construction of 256 flats (Labor city) at Labor Colony TM Khan	M/s Crescent construction Company	849.995	321.175	112.775	208.399

Audit is of the view that undue favor was extended to the contractor resulting into loss.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends inquiry into the matter to find out as to why excess premium was allowed to the contractors.

22.5.23 Non-imposition of penalty on contractors – Rs 538.440 million

According to Clauses 43.1, 47.1 & 48.2 of Conditions of Contract, if the contractor fails to complete the works within 36 months after award of work, the contractor's only liability to the employer for such failure shall be to pay the amount 0.1% of contract price for each day for which he fails to complete the Works subject to maximum of 10% of contract price.

During special audit of the Workers Welfare Board for the financial years 2013-14 to 2022-23, it was observed that following works amounting to Rs 5,384.406 million were not completed in the stipulated time, but penalty @ 10% amounting to Rs 538.440 million was not imposed. Details are as under:

(Rs. in Million)						
Name of Work	Name of Contractor	Cost of Work	Stipulated Date of Completion	Actual Date of Completion	Period of Delay	Amount of Penalty
Construction of 256 flats at TM Khan	M/s Crescent Construction Co.	849.995	December, 2020	June, 2023	30 months	84.999
Construction of 3008 flats at N/Bypass	Various Contractors	3,121.855	April, 2010	March, 2018	96 months	312.185
Construction of 1504 flats at Hyderabad		1,412.556	April,2010	March, 2020	120 months	141.255
Total		5,384.406				538.439

Audit is of the view that non-imposition of penalty on delayed works reflects extension of undue favor to the contractors.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks justification in the matter besides imposing penalty on the contractors for delaying the construction work.

22.5.24 Non-adjustment of advance payment to K-Electric & non-electrification of site -Rs 412.623 million

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

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

During special audit of the Workers Welfare Board for the financial years 2013-14 to 2022-23, it was observed that advance payment of Rs 412.623 million on account of electrification to M/s K-Electric @ project of Gulshan-e-Maymar vide. Cheque No. 33111421 dated 30.6.2021 was made but neither advance was adjusted nor electrification at site was made in stipulated time.

Audit is of the view that due to non-adjustment and non-electrification of the site, the facility/ flat has not been utilized for long.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends inquiry into the matter to find out the reason behind paying advance to K-electric without electrification of the site.

22.5.25 Non-construction of work at Kotri site since long – Rs 4,226.736 million

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

According to Article 84 of Audit code, it is an essential function of 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 special audit of the Workers Welfare Board for the financial years 2013-14 to 2022-23, it was observed that construction work of 1504 flats at Kotri costing Rs 4226.736 million was not initiated despite mobilization advance of Rs 225.448 million paid to three contractors i.e., M/s Nadir Khan, M/s J&J Builders, M/s AI MCO Builder on 15.11.2019 and M/s Shahzad Associates consultant on July 07, 2019 without any justification.

Audit is of the view that due to non-initiation of construction of flats, not only funds were blocked since long but also cause cost overrun.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit seeks clarification into the matter as to why the mobilization advance was given without initiation of the work to the contractors.

22.5.26 Non-deduction of sales tax on services – Rs 10.805 million

Sindh Sales Tax on Services Act, 2011, working tariff (Amended up to 01st September 2016) under tariff heading 9836.0000 (Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road or through pipeline or conduit), 13% sales tax on services needs to be deducted.

During special audit of the office of Secretary, Workers Welfare Board Sindh, Karachi, it was observed that an expenditure of Rs 83.122 million was incurred on account of Transportation charges (Pick & Drop facility to the students at schools and colleges) without deduction of sales tax on services of Rs 10.805 million which resulted in loss to the Government.

(Amount in Rupees)

Name of Vendor	Area	Gross Amount	Income Tax	Net Payment
M/s Deen Muhammad & Sons	Hyderabad	32,822,787	656,455	32,166,332
M/s Deen Muhammad & Sons	Sukkur	46,462,890	929,257	45,533,633
M/s New Sindh Transport Co.	Kotri	3,837,005	76,736	3,760,269
Total		83,122,682	1,662,448	81,460,234
SST @13%		10,805,948		

Audit is of the view that undue favor was extended to vendor due to less-deduction of sales tax on services.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of due SST from the contractors concerned.

Chapter - 23

Law, Parliamentary Affairs Department

23.1 Introduction

The Law Department is an advisory department for all the Departments of Government of Sindh. The main functions of the Law Department are to defend Government functionaries of the Province of Sindh in the cases filed for and against them before the Lower as well as Superior Courts.

Ministry of Law is the oldest limb of the Government of Pakistan dating back to 1833 when the Charter Act 1833 enacted by the British Parliament. The said Act vested for the first-time legislative power in a single authority, namely the Governor General in Council. By virtue of this authority and the authority vested under him under section 22 of the Pakistan Councils Act 1861 the Governor General in Council enacted laws for the country from 1834 to 1920.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	6	1	778.322	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

23.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
23,097.571	371.521	6,806.272	(6,780.252)	(1,437.826)	22,057.286	20,835.996	(1,221.290)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 1,221.290 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
400.000	180.000	86.790	(93.210)

Revenue estimates were reduced upto 55% in revised estimate. Actual receipt was 48% of revised estimate.

23.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 488.455 million were raised as a result of this audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	<i>Procurement related irregularities</i>	32.797
B	<i>Management of Accounts with Commercial Banks</i>	372.889
2	Others	
A	Operational inefficiency	80.000
B	Internal Control Weaknesses	2.769

23.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 14.28%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	1	1	1	0	100
2	1998-99	0	0	0	0	-
3	1999-2000	10	4	0	4	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
4	2001-02	0	0	0	0	-
5	2004-05	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	1	1	0	1	-
8	2007-08	3	3	0	3	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	0	0	0	0	-
13	2016-17	13	07	1	06	14.28
Total		28	16	1	14	14.28

23.5 AUDIT PARAS

23.5.1 Payment to DDO instead of actual payee - Rs 211.035 million

As per Rule-303 of Central Treasury Rules, “A 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 following offices of Law, Parliamentary Affairs & Criminal Prosecution Department Government of Sindh for the financial years 2018-19 to 2022-23, it was observed that an expenditure of Rs 211.035 million was incurred under various heads of accounts, but the payments were drawn in the name of District and Session Judge/ DDO; instead of direct payment to the vender/actual payee. The details are as under:

(Rs. in Million)				
Sr. #	Office	Financial Year	AIR Para #	Amount
1	District & Session Judge Dadu	2018-19 to 2022-23	9	1.103
2	District & Session Judge Sukkur	2018-19 to 2022-23	12	34.668
3	District & Session Judge East	2018-19 to 2022-23	8	106.756
4	District & Session Judge Malir	2018-19 to 2022-23	8	68.508
Total				211.035

Audit is view of that the drawl of funds in the name of District and Session Judge /DDO stands unauthorized.

The matter was reported to the management during February to July 2024. DAC meeting was held on 18/10/2024. The management from Sr.#1 to 4 replied that the purchases of low-cost articles and items needed in emergency were made by drawing payment through the DDO. DAC directed the management to produce acknowledgement of payment to the beneficiaries. During verification the management did not furnish the relevant record.

Audit recommends stopping payment through DDO account forthwith, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23, vide para number 19.5.8, & 24.5.12, respectively having financial impact of Rs 9.017 million. Recurrence of same irregularity is a matter of serious concern.

(DP#08)

23.5.2 Unjustified cash withdrawals from bank account - Rs 161.854 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.”

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”. Further, as per Accountant General Sindh, Karachi circular No.TM/Policy/556 dated 16-04-2007 “The salary and other personal claims of Government employees are required to be paid through their bank accounts and no payment may be made to them in cash”.

During audit of following offices of Law, Parliamentary Affairs & Criminal Prosecution Department Government of Sindh for the financial years 2018-19 to 2022-23, it was observed that Rs 161.854 million was withdrawn in cash by the DDO for payments to concerned parties instead of directly crediting the amounts to vendors’ or employees’ accounts through crossed cheques. The details of payments, their purposes, and utilization were not recorded. Additionally, the fidelity bond of the individual withdrawing the cash was not presented for audit. The details are as under:

(Rs. in Million)

Sr. #	Name of Office	Description	Financial Year	AIR Para #	Amount
1	District & Session Judge Dadu	NBP A/C 4056011668	2018-19 to 2022-23	8	39.979
2	District & Session Judge Sukkur	NBP A/C 4053842347	2018-19 to 2022-23	6	57.638
3	District & Session Judge East	NBP A/C 4099950000	2018-19 to 2022-23	7	64.237
Total					161.854

Audit is of the view that withdrawing and disbursing funds in cash without proper documentation reflects weak financial controls and increases the risk of misappropriation and misuse of public funds.

The matter was reported to the management during March 2024. DAC meeting was held on 18/10/2024. The Management from Sr.#01 to 3 replied that cash payments were made for petty purchases, POL charges, payment to legal heirs in succession and other Court matters. DAC directed that appropriate procedures for operating such heads may be adopted, and the record in this respect may be produced to audit. During verification the management did not furnish the relevant record.

Audit recommends stopping payment through cash forthwith, besides fixing responsibility on the person(s) at fault.

(DP#09)

23.5.3 Un-justified grant released to Sindh Bar Council Karachi – Rs 80.000 million

As per section 4.12.1.4 APPM, before approval of a grant, the delegated authority must obtain an audited financial statement from the recipient body, to justify the requirement for the grant and to ensure any previous grants have been spent for the purpose intended. The purpose of the grant, and any conditions attached to it, must clearly be indicated by the delegating authority in any grant agreements as well as to the Accountant General.

During audit of office of the Secretary, Law, Parliamentary Affairs & Criminal Prosecution Department, Government of Sindh, for the financial year 2023-24, it was

observed that a grant of Rs 80.000 million was released to the Sindh Bar Council Karachi as seed money (Cheque No. 5259117, dated 28-02-2024). However, no details or records of the investment made, profit earned, or utilization were prepared or provided for audit verification.

Audit is of the view that the absence of investment and utilization records reflects poor financial oversight and non-compliance with accountability standards, potentially leading to misuse of public funds.

The matter was reported to the management in August, 2024. DAC meeting was held on 18/10/2024. DAC directed the management to produce attested copy of utilization report, third party audit report and approval of CM for seed money. During verification the management did not produce investment policy, record of competitive process for investment, utilization report & third-party audit report.

Audit recommends provision of investment policy, record of competitive process of investment, third party audit report along with utilization reports.

(DP#24/AIR #39)

23.5.4 Un-justified lease of vehicles from Grant-in-Aid account – Rs 2.769 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used

for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of office of the Secretary, Law, Parliamentary Affairs & Criminal Prosecution Department, Government of Sindh, for the financial year 2023-24, it was observed that monthly installments totaling Rs 2.769 million were paid from the grant account for vehicles leased by the Legal Aid Society. These payments were made without approval from the Finance Department or clarification of the lease's purpose as per the grant terms. Additionally, head-wise budget details and related expenditures were not provided, making it unclear whether the vehicles were leased from government funds or the Legal Aid Society. Furthermore, the minutes of meetings and a comparative statement were missing from the case file.

(Amount in Rupees)

Source	Bank	Document # date	Date	Amount
Bank Statement	Sindh Bank	01 /26-07-2023	7 th rental installment 4 Changan Karwan	395,849
		123 /26-08-2023	8 th rental installment 4 Changan Karwan	395,849
		123 /2-10-2023	9 th rental installment 4 Changan Karwan	395,849
		1 /27-10-2023	10 th rental installment 4 Changan Karwan	395,849
		123 /27-11-2023	11 th rental installment 4 Changan Karwan	395,849
		123 /27-12-2023	12 th rental installment 4 Changan Karwan	395,849
		123 /30-01-2024	13 th rental installment 4 Changan Karwan	393,491
Total				2,768,585

Audit is of the view that the payments made without proper approvals and documentation reflect non-compliance with financial regulations and raise questions about the transparency of the lease arrangement.

The matter was reported to the management in June 2024. DAC meeting was held on 18/10/2024. The management replied that the vehicle was purchased from their own sources/funds. DAC directed the management to furnish evidence regarding booking of vehicles from their own funds (other than grant-in-aid) for verification of audit. During verification the management did not furnish the relevant record. Therefore, in absence of relevant record the matter remained unresolved.

Audit recommends provision of valid justification/proof that LAS's own funds were utilized for lease of vehicles.

(DP#23/AIR #38)

23.5.5 Irregular expenditure without inviting open tenders – Rs 32.797 million

According to 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 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 following offices of Law, Parliamentary Affairs & Criminal Prosecution Department Government of Sindh, it was observed that an expenditure of Rs 32.797 million was incurred on purchase of furniture, hardware, and plant & machinery without inviting open tenders. The details are as under:

(Rs in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	District & Session Court Sukkur	2018-19 to 2022-23	14	Purchase of Furniture	2.625
				Purchase of Hardware	4.589
				Purchase of Plant & Machinery	1.453
2	District & Session Court Dadu	2018-19 to 2022-23	12	Purchase of Furniture	2.768
				Purchase of Hardware	3.296
3	District & Session Court Malir	2018-19 to 2022-23	6	Purchase of Plant & Machinery	0.524
				Purchase of Hardware	5.979
				Purchase of Furniture	2.952
4	District & Session Court East	2018-19 to 2022-23	10	Purchase of Hardware	3.592
				Purchase of Plant & Machinery	0.591
				Purchase of Furniture	1.929
5	Secretary Law, Parliamentary Affairs & Criminal Prosecution Department.	2023-24	25	Purchase of Stationery	2.499
Total					32.797

Audit if of the view that non invitation of tender's results absence of competitive process, and non-achievement of economical rates.

The matter was reported to the management during February to July 2024. DAC meeting was held on 18/10/2024. The managements at Sr. #01 to 4 replied that SPPRA rules were strictly followed, and items were purchased on need basis with the

approval of the purchasing committee. During DAC meeting the management well noted the audit observation and assured compliance in future. The management at S#5 replied that expenditure has been incurred within the quotation limit. The reply of the management was not tenable, as expenditures had been incurred exceeding the quotation limits under the same head of account. DAC directed the management to strictly adhere to the SPPRA Rules, 2010 and if the amount is less than the tender threshold then 3 quotations be obtained. During verification the management did not produce the relevant record to substantiate their claim.

Audit recommends to hold inquiry for fixing of responsibility on the person(s) at fault for violating SPPRA Rules.

(DP#03&21)

Chapter – 24

Livestock and Fisheries Department

24.1 Introduction

The main role of the Livestock & Fisheries Department is:

1. Collection and compilation of Livestock statistics,
2. Improvement of the livestock including poultry and introduction of new breeds,
3. Livestock farms,
4. Prevention of animal diseases,
5. Prevention of cruelty to animals,
6. Veterinary,
7. Fisheries.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	27	11	6,314.058	1.294
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

24.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
13,431.791	-	3,230.614	(3,230.614)	(2,973.816)	10,457.975	9,603.915	(854.060)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 854.060 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
75.000	24.465	49.221	24.756

Revenue estimates were reduced up to 67% in revised estimate. Actual receipt were 201% of revised estimate.

24.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 24,554.854 million. This included Rs 11,787.234 million due to non-production of records, Rs 11.555 million misappropriation cases, Rs 1,565.078 million procurement related irregularities, Rs 173.300 Management of accounts irregularities and Rs 10,235.787 million attributed to operational inefficiencies. Additionally, weaknesses in internal controls accounted for Rs 696.744 million, while recoverable amounts stood at Rs 294.971 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	11,787.234
2	Reported cases of fraud, embezzlement, and misappropriation	11.555
3	Irregularities	
A	<i>Procurement related irregularities</i>	1565.078
B	<i>Management of Accounts with Commercial Banks</i>	173.300
4	Others	
A	<i>Operational Inefficiency</i>	10235.787
B	<i>Internal Control Weakness</i>	696.744

24.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 2.59 %.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	20	1	0	1	-
2	1998-99	11	4	0	4	-
3	1999-2000	0	0	0	0	-
4	2001-02	0	0	0	0	-
5	2004-05	6	6	2	4	33.3
6	2005-06	0	0	0	0	-
7	2006-07	3	3	0	3	-
8	2007-08	8	4	0	4	-
9	2008-09	3	3	0	3	-
10	2009-10	4	2	0	2	
11	2010-11	8	1	0	1	
12	2014-15	14	6	0	6	-
13	2016-17	0	0	0	0	
Total		77	30	2	28	2.59

24.5 AUDIT PARAS

24.5.1 Non-production of record – Rs 11,787.234 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of the various offices of Livestock and Fisheries Department, Government of Sindh, for the financial years 2020-21 to 2023-24, auditable record amounting to Rs 11,787.234 million was not produced to audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Teams. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given at Annex-1 of Chapter-24.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management in the month of April, to November, 2024. The management at Sr# 03 replied for AIR# 01 that certain record, such as total number of meetings, minutes of board meetings, employee performance data, target achievement reports, detailed receipts & bank statements are attached for consideration. In support of AIR# 03, the management replied that all procurement was conducted as per LBSA's internal procurement processes and through separate bidding document of LBSA. The comparative statements provided for Audit represent the transparent selection process followed. The items such as Liquid Nitrogen Gas Container were procured specifically to support the Authority's training and

operational programs, their distribution to trainees were noted at Stock issue register, and the available usage records is also aligned with the intended purposes of items. The management for AIR# 26 at same serial number replied that the estimated receipts and expenditures for the financial year 2023-24 were indeed prepared during the 9th meeting of the LBSA Board, as per the mandate of Section-5(1) of the Sindh Livestock Breeding Act, 2016. This documentation is available for review and was duly presented for audit consideration as required. The reply is not tenable as the supporting documents are not attached with the reply.

Audit recommends that responsibility for non-production of record should be fixed and action be taken against the responsible besides ensuring production of record for examination by Audit

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para numbers 20.5.1, 25.5.1 and 24.5.1 having financial impact of Rs 0, Rs 117.895 million and Rs 132.761 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#15)

24.5.2 Non-shifting to new technology for production of vaccine

The Embryonated Egg System¹ (EES) which starts in 1950s which is time taken, costly, highly risk based and environment hazardous. Conversely, the Cell Culture System which starts in 1990s utilizes mammalian or avian cells in a controlled environment, reduced contamination risks, cheaper than EES and flexibility to accommodate a diverse range of viruses.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was

¹ The Embryonated Egg System which is fertilized chicken eggs for virus cultivation which takes chick grow in 21 week and fertile egg for virus cultivation about two weeks with loss of 30%. This method has drawbacks include potential allergic and pandemic reactions in individuals with egg i.e, bird flu. Conversely, the Cell Culture System which starts in 1990s utilizes mammalian or avian cells in a controlled environment, reduced contamination risks, cheaper and flexibility to accommodate a diverse range of viruses. (<https://typeset.io/questions/what-are-the-advantages-and-disadvantages-of-using-mdck-az1xb01u1q>)

observed that the improved method for production of vaccine through the cell culture system was not adopted by the institute, which is environment friendly, cheap, and requires less space than chicken sheds. Thus, the development of vaccines without adopting the latest processes caused ineffectiveness in attainment of overall objectives. The management adopted the Embryonated Egg System, which is costly, environmentally hazardous, time-consuming, and has a 30% loss of chicken eggs utilized for the development of vaccines.

Audit is of the view that the Institute did not adopt the environmentally friendly and cost-effective Cell Culture System for vaccine production, resulted in inefficiencies that might hinder the achievement of overall target.

The matter was reported to the management in the month of February 2024. DAC meeting was held on 9th July, 2024. The management replied that transitioning from an egg-based to a cell culture system for vaccine production is a progressive step towards sustainability, cost-efficiency, and improved efficacy. The Institute has already adopted this system for Lumpy Skin Disease (LSD) and PPR vaccines. This transition requires meticulous planning, infrastructure upgradation, and staff training, necessitating significant time and resources. Initially, funding was sought through ADP but was dropped due to insufficient funds. Now the transition will be funded by the World Bank-assisted Sindh Livestock and Aquaculture Development Project, set to start within a year. This shift aligns with the Institute's long-term goals of enhancing efficiency, reducing costs, and advancing sustainable vaccine production practices. The DAC directed that the World Bank-assisted Sindh Livestock and Aquaculture Development Project be started, and the process/shifting schedule be provided to audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends shifting to the environmentally friendly and cost-effective System for vaccine production, mitigating losses, reducing costs, and improving overall efficiency to align with the Institute's objectives in vaccine development.

(AIR#17)

24.5.3 Non-development of plague vaccines

As per Clause 11(a) of the Sindh Institute of Animal Health at Karachi Act, 2018, the institute has powers to develop, manufacture, and produce vaccines, drugs, and biologicals for the prevention and treatment of livestock, poultry, wildlife, and pets, and of veterinary public health importance.”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that despite the prevalence of Foot & Mouth Disease (FMD) and Peste des Petits Ruminants (PPR) viral diseases, commonly referred to as "plague," causing bloody diarrhea in sheep and goats, which caused 70 to 90% mortality rate attributed to these infections, the Institute failed to establish or start the work on the above vaccines even though the government is importing said vaccines and allocating foreign exchange for this purpose.

Audit is of the view that the management has not efficiently planned the manufacturing of its products, which was direly needed for the prevention of animals from the said diseases. Moreover, there was no planning made for prevention from pandemics like FMD, PPR, etc.

The matter was reported to the management in the month of February, 2024. DAC meeting was held on 9th July, 2024. The management replied that 1) PPR Vaccine Production: SIAH has successfully manufactured the first batch of PPR vaccine after clinical trials, ready for dispatch, addressing a critical need in sheep and goat health. 2) FMD Vaccine Development: Establishing a Biosafety Level III lab on an isolated island is crucial for FMD vaccine production due to virus biosafety concerns. A PPP project for this was planned in 2021 but faced technical and financial constraints. SIAH has partnered with M/s Dollvet, Turkey, for joint research and vaccine production, aiming to reduce costs by up to 50%. Discussions with NIBGE Faisalabad and Vet al. Turkey for FMD vaccine production are ongoing. The DAC directed that the manufactured PPR vaccine and its sale (if made) be provided to audit for verification. Further, FMD vaccine progress be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends implementation of efficient and strategic manufacturing planning for the timely production of necessary products to prevent diseases in animals, and formulate a comprehensive plan to prevent pandemics such as FMD, PPR, etc.

(AIR#8)

24.5.4 Establishment and operation of parallel vaccine production unit

As per Clause 4 of the Sindh Institute of Animal Health at Karachi Act, 2018, (1) the institute shall have the jurisdiction of operations in the whole province of Sindh, provided that the government may, in consultation with the institute, by general or special order modify the jurisdiction. (2) The institute may establish or admit to its privileges under prescribed conditions, branch, center, sale, and service point, and a part of another institution falling within the territorial limits of another institute or organization, whether inside or outside jurisdiction, and Pakistan, provided that the consent of such other institute or organization and the sanction of the government are first obtained. And as per Clause 8 of the Sindh Poultry Vaccine Centre Act 1995, (a) accelerate production of poultry vaccines and shall be responsible for planning and promoting projects in this behalf; (b) undertake scientific and technological research for the improvement of the quality of vaccines and the production of new vaccines and utilization of such vaccines; and (c) publish results of such research for general information.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that instead of adopting the Act of SIAH, the Livestock and Fisheries Department established a vaccine production unit in Tandojam without the necessary legal mandate, thereby violating the provisions of the Act. Although SIAH is a non-profit government institute, the department's action encroaches on its scope, disrupting the institute's overall planning and strategies. Additionally, this raises concerns about market dynamics and negative impact on SIAH's existing revenue-generating unit. Preliminary findings indicate that increased competition from the new unit could lead to a decline in sales for the established unit, contrary to the intent of the Act.

Audit is of the view that due to the establishment of other production units for vaccines, the development and objectives of the Act could not be achieved successfully.

The matter was reported to the management in the month of February 2024. DAC meeting was held on 9th July, 2024. The management replied that the VPU Tandojam lacks legal standing following the enactment of the Institute Act XXIX of 2018, which centralizes all functions related to vaccine, drug, and biologicals preparations under the Sindh Institute of Animal Health Karachi. Recognizing the inefficiency and redundancy of operating both units, the Board of Management of SIAH decided to absorb VPU Tandojam as a sub-center of Sindh Institute of Animal Health Hyderabad. This decision aims to streamline departmental resources and operations more effectively. Employees of VPU Tandojam are given the option to continue with the Animal Husbandry wing or join Sindh Institute of Animal Health Karachi, with their services, posts, and benefits transferred accordingly, subject to obtaining necessary NOCs and administrative approvals. The DAC directed to initiate inquiry to probe into the matter of who and why VPU Tandojam was established in the presence of a forty-year-old institute of vaccine production with a legal mandate. Immediate further steps shall be taken for the merger of VPU Tandojam with SIAH, Karachi, to cover the legal aspects, to avoid the conflict between the two units, and to smooth align the public expenditure and best interest of the public fund. However, no progress was provided to audit till finalization of this report.

Audit recommends to cease the operation of the illegal vaccine production unit at Tandojam, align with the legal mandate of the SIAH Act, and address concerns about potential adverse effects on the existing revenue-generating unit by ensuring adherence to the established planning and strategies of the institute.

(AIR#5)

24.5.5 Non-framing a well-defined policy in terms of departmental procurement

As per Clause 8 (2) (t) of the Sindh Institute of Animal Health at Karachi Act, 2018, “to regulate, determine and administer all other matters concerning the Institute and exercise all other powers in this behalf.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that apart from sale of products in local market of the province, the Institute has neither framed nor obtain the legal mandate from the government or a well-defined policy to restrain the Government department to procure vaccines directly from the Institute. The Institute failed to develop permanent provision and mechanism to supply vaccine to the government departments directly.

Audit is of the view that due to non-framing a well-defined policy in terms of departmental procurement, the institute is running on minimum capacity for production and the department is procuring vaccines through tender.

The matter was reported to the management in the month of February, 2024. DAC meeting was held on 9th July, 2024. The management replied that the Livestock & Fisheries Department prepares an annual procurement policy for vaccines and medicines, allocating 50-60% of the departmental budget for vaccine purchases directly from the institute. However, this requires yearly permission from the Department Secretary as per SPPRA rules, hindering the institute's ability to plan effectively. While vaccines have been purchased under SPPRA Rule 16(A), the policy for direct purchases needs Cabinet approval to eliminate the need for annual permissions. The institute will approach the Administrative Department to pursue Cabinet approval. The DAC directed that draft a summary for the Chief Minister Sindh detailing that 80% of the budget is allocated for vaccinations and 20% for medicines, as per the department's requirements. Additionally, the results of the inquiry into last year's non-procurement of vaccines from SIAH, may be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends to establish a legal mandate and pre-requirements for the department's procurement processes to optimize production capacity, thereby reducing dependence on tender-based vaccine procurement.

(AIR#13)

24.5.6 Non-marketing / awareness program to Veterinary Hospital's Doctors for Vaccine

As per Clause 11(b) of the Sindh Institute of Animal Health at Karachi Act, 2018, “distribute, sell, and enter into agreements for sale and distribution of such vaccines, drugs, and biologicals.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute has not initiated any awareness programs for veterinary doctors and public engaged with livestock. The department also failed to coordinate with field veterinary hospitals to effectively use the manufactured vaccines. Moreover, marketing/sale promotional efforts were also not made to accelerate the sale of products effectively.

Audit is of the view that this resulted in a deficiency in the effective deployment and application of vaccines in veterinary healthcare practices.

The matter was reported to the management in the month of February, 2024. DAC meeting was held on 9th July, 2024. The management replied that while veterinary officers receive education on vaccine development and use during departmental ceremonies and seminars, dedicated sessions have been hindered by budget constraints. Moreover, the effectiveness of communication and awareness among technical staff is limited by the small number of vaccine consultant officers. The DAC directed that for training and awareness programs for veterinary hospital doctors regarding SIAH vaccines and diagnosis services, a dedicated budget may be got from the government and efforts taken be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends to initiate comprehensive awareness programs for veterinary doctors and the general public, coordinate with field Veterinary Hospitals for optimal vaccine utilization, and implement marketing/sales promotion strategies to enhance the effective sale of products.

(AIR#14)

24.5.7 Non-registration of manufactured Vaccines / Drugs with regulatory bodies

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 the government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that no efforts were made to register the manufactured vaccines and drugs with appropriate bodies framed by the government, like DRAP or otherwise. Following the 18th Constitutional Amendment, the department is required to establish a vaccine registration authority within Sindh province to manage registration matters. The failure to do so has resulted in a lack of goodwill, trust, and confidence in the efficacy of the vaccines produced.

Audit is of the view that the non-registration of vaccines with DRAP has led to a lack of standardized oversight and regulatory compliance, potentially compromising the quality and efficacy of vaccines.

The matter was reported to the management in the month of February, 2024. DAC meeting was held on 9th July, 2024. The management replied that the Drug Regulatory Authority of Pakistan (DRAP) had completed successful site verification. They are advancing towards obtaining a Drug Manufacturing License, though not mandated by current regulations. To ensure compliance with DRAP standards, a consultant has been engaged for a comprehensive gap analysis aimed at enhancing regulatory compliance and product quality assurance. This accreditation journey aims to establish standardized oversight and regulatory compliance for all vaccines, ensuring their quality and efficacy. The institute plans to leverage imminent DRAP accreditation to expand internationally and contribute to global animal health advancement. The DAC directed that the efforts taken for registration be shared with

Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends registration of all vaccines with authority to establish standardized oversight and regulatory compliance, ensuring the quality and efficacy of vaccines.

(AIR#15)

24.5.8 Irregular expenditure on fish meals & seeds – Rs 216.099 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 negligence on his part and that he will also be held responsible for any loss arising from 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 office of the Program Coordinator Accelerated Action Plan (AAP) for reduction of Stunting & Malnutrition in Sindh (Fisheries’ Sector), Karachi for the financial years 2022-23 & 2023-24, it was observed that Rs 216.099 million were spent on fish meals and fish seeds for various ponds, but irregularities were noted such as procurement was made from M/s Talha Enterprises instead of the tendered M/s Pervez Associates, no contract agreement was executed, resulting in a loss of stamp duty, performance security was not obtained, and no joint inspection of items by technical personnel was conducted. The details are given at Annex-2 of Chapter-24.

Audit is of the view that these irregularities reflect non-compliance with procurement rules, weak internal controls, and a lack of due diligence, potentially leading to financial and operational inefficiencies.

The matter was reported to the management in August, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply with documentary evidence to Audit for verification.

Audit recommends investigation of the matter besides taking remedial measures.

(DP#26/AIR 22&24)

24.5.9 Non-completion of various schemes in time – Rs 7,011.231 million

As per Planning Manual of Planning and Development Department Government of Sindh Project Sustainability 4.20. The financial phasing of a project is to be given for each financial year. The financial phasing should be based on the scope of work and implementation experience of similar projects in the past. It should be as realistic as possible. Fund's utilization capacity of the executing agency and availability of public funds may also be kept in mind while determining the financial phasing of project 7.62. In case of revised project, the reasons for increase in respect of each item against the original itemized cost will have to be furnished. Similarly increase due to revision in the scope of the project is to be given separately in accordance with the additional sheet annexed with each sectorial PC-I.

During audit of office of the Secretary, Livestock and Fisheries Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that the management incurred expenditure amounting to Rs 7,011.231 million on various schemes / projects but almost all schemes were not completed on stipulated time.

(Amount in Rupees)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
01	Secretary, Livestock and Fisheries Department	Non-completion of various projects within the stipulated time. Almost all the schemes/projects of the annual development programs were delayed due to mismanagement and poor monitoring and evaluation over the last three years	2023-24	10, 14 & 13	5,739.910
		The ADP scheme#1998 LFDPRPP-17- 0154 Rehabilitation & Renovation of Karachi Fish Harbor scheme was approved on 26 th July 2013 and the same was revised on 2 nd November 2016 without any justification. The executing authority was failed to complete the scheme after 14 years, and there was no action against the responsible persons was taken			1,030.204

(Amount in Rupees)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
		The ADP scheme#1975 LFDAH-PP-06-0007 Expansion of Poultry Hatcheries & Backyard Farming in Sindh including Poultry Controlled Atmosphere Shed (Revised on 17.06.10) (N Feroze, Ghotki, Kashmore, Tharparkar, Umerkot & Karachi) The executing authority was failed to complete the scheme after 14 years, and there was no action against the responsible person was taken.			241.117
Total					7,011.231

Audit is of the view that the schemes in livestock departments were carried in an irresponsible manner without monitoring mechanism of the schemes on daily, monthly, or quarterly basis.

The matter was reported to the management in July, 2024. DAC meeting was held on 21-01-2025 wherein the management that the executive agency is responsible for maintenance of record of development expenditures this secretariat being the office of PAO only communicate the releases from Finance Department. DAC directed the management to produce minutes of meeting ADP schemes under question and also produce relevant record for verification. However, no record was produced till finalization of this report.

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

(DP#38)

24.5.10 Irregular expenditure under various un-satisfactory schemes – Rs 2,827.532 million

As per Planning Manual of Planning and Development Department Government of Sindh Project Sustainability 4.47. It is imperative that at the time of preparation of projects, their sustainability is ensured. As per the project design, it has a planned end period. However, its impact is to last for a period beyond implementation. In this backdrop, all the stakeholders especially the Government are

keen to know what the impact of the project would be and how it will continue to benefit the citizens in future. Therefore, ensuring the social, financial and economic sustainability of the completed project is extremely important. **Internal Monitoring**
8.18 Internal monitoring is required to fulfil the performance objectives of the sponsoring departments and executing agencies. Internal monitoring allows the project management to take immediate steps for rectification of any issue that may slow down the progress of a project. Monitoring of the project may be carried out on daily, monthly or quarterly basis depending upon the nature and needs of project management, the executing agency and the sponsoring agency.

During audit of office of the Secretary Livestock and Fisheries Department Government of Sindh Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 2,827.532 million was incurred on various schemes, which were declared un-satisfactory by MEC, P&D, therefore, expenditure on such schemes was unjustified. The details are given at Annex-3 of Chapter-24.

Audit is of the view that the expenditure on unsatisfactory schemes depicted that management of the department did not pay proper heed towards its responsibilities.

The matter was reported to the management in July, 2024. DAC meeting was held on 21-01-2025 wherein the management stated that the executive agency is responsible for maintenance of record of development expenditures this secretariat being the office of PAO only communicate the releases from Finance Department. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

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

(DP#40)

24.5.11 Non/short recovery of various taxes – Rs 279.031 million

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

23-01-2008, that 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 Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/ contractors w-e-f 01-07-2015.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%

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.

Para-22-A of Stamp Act provides that it is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement at the rate 0.35 paisa per hundred rupees of the value of the agreement or against tender cost

During audit of various offices of Livestock Department, Government of Sindh, for the financial year upto 2023-24, it was observed that amount of Rs 279.031 million of various taxes i.e., Income Tax (IT), Sindh Sales Tax on Services (SST) & General Sales Tax (GST) & Stamp Duty were less /non-deducted. Due to which Government sustained loss of recovery. The details are given at Annex-4 of Chapter-24.

Audit is of the view that due to non-recovery of taxes & stamp duty government sustained loss.

The matter was reported to the management during July, August, October and November, 2024. The management at Sr# 04 replied for AIR#10, 15, 17& 21 that taxes i.e., GST, I.T & SST were deducted by the AG Sindh, Karachi at source. Moreover, salaries are directly released by the AG Sindh & department is not preparing the bills. The management at Sr# 04 for #26 replied that the contract agreements were made with the vendors after completion of all codal formalities including stamp duty. The

management at Sr# 09 for AIR# 23 replied that income tax deductions were made in accordance with applicable tax rates and rules. All payments to suppliers were processed after applying the mandated withholding rates, and any variance, if identified, will be reconciled and addressed in coordination with relevant tax authorities. The reply is not tenable as challans were not verified / reconciled with DAOs. Further agreements were not made on e-stamping papers and tax certificate obtained from AG Sindh were not produced. No further response was received till finalization of this report

Audit requires expeditious recovery besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para numbers 20.5.13, 25.5.52, 25.5.53 and 24.5.14 having financial impact of Rs 6.113, Rs 19.350 million, Rs 23.312 million and Rs 6.828, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#35)

24.5.12 Non-recovery of outstanding dues against sale of vaccine & birds – Rs 15.940 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 treasury.”

During audit of following offices of Livestock Department, Government of Sindh for the financial year 2023-24, it was observed that outstanding dues against sale of vaccines to different companies / institutes & revenue generated from sale of birds amounting to Rs15.940 million were not recovered / collected till close of financial year. The details are given as below:

(Rs. in Million)

Sr #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
1	Director General, Sindh Institute of Animal Health, Karachi	01	2023-24	Amounting to Rs15.839 million against sale of vaccines to different companies / institutes.	15.839

(Rs. in Million)

Sr #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
2	Director Poultry Production & Research Sindh, Karachi	08	2023-24	Recovery of Rs 0.101 million found between recorded bird sales and actual revenue recognition. Record shows sales of 1830 number of birds in the month of Jan-2024 & 196 in May-2024 [(2026*50) =Rs 101,300], whereas no challans have been produced.	0.101
Total					15.940

Audit is of the view that due to non-recovery of outstanding dues government sustained loss.

The matter was reported to the management in August & October 2024. DAC meeting was held on 21-01-2025 wherein the management in its reply at Sr# 02 stated that the challans for revenue generated from sale of birds are deposited into govt. account (copies of challans attached). The management at Sr# 01 stated that they have recovered Rs 6.294 million from the vendors and the remaining recovery will be carried out. DAC directed the management to produce the record for verification to audit. However, no record was produced till finalization of this report.

Audit requires production of challans of recovered amount besides expeditious recovery of remaining amount of dues from concerned.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2022-23 and 2023-24 vide para numbers 25.5.46 and 24.5.20 having financial impact of Rs 7.174 million and Rs 19.949 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#36)

24.5.13 Irregular expenditure through general order suppliers – Rs 683.936 million

According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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 various offices of Livestock Department, Government of Sindh, for the financial years 2022-23 & 2023-24, it was observed that procurements amounting to Rs 683.936 million were made under various heads. The entire procurement and expenditure on repair were deemed irregular as it was conducted through general order suppliers instead of directly from the relevant dealers or companies. The details are given at Annex-5 of Chapter-24.

Audit is of the view that procuring items through general order suppliers instead of authorized dealers or companies reflects non-compliance with procurement rules and increases the risk of overpayment or substandard quality.

The matter was reported to the management during August and October, 2024. DAC meeting was held on 21-01-2025 wherein the management stated that the record is available for verification. The DAC directed to produce record for verification. However, no record was produced till finalization of this report.

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

(DP#41)

24.5.14 Un-authorized retention of public funds into DDO account - Rs 173.300 million

According to Rule 290 of Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

AND

As per APPM section 5.2.2.1 “All monies received as revenue of the Government, must be banked in the name of the Government without delay and

included in the Consolidated Fund of the respective Federal or Provincial Government”.

During audit of following offices of Livestock & Fisheries Department, Government of Sindh for the financial year 2022-23, it was observed that funds amounting to Rs 173.3 million were remained unutilized in DDO accounts at the close of the financial year. The same were required to be deposited into government treasury or surrendered to the Finance Department before close of financial year. The detail is given below:

(Rs. in Million)

(Rs in Million)						
Sr #	Name of Office	Name of Bank	Account No	AIR Para #	Financial Year	Balance on 30th June
01	Project Director, VPU, Tandojam	Sindh Bank.	04466345882000	09	2022-23	168.000
02	Director CVDL Tandojam	National Bank Town Site Branch Hyderabad	4100130534	06		5.300
Total						173.300

Audit is of the view that unauthorized retention of funds is a serious financial lapse that govt deprives to utilize in other government departments.

The matter was reported to the management in February and March, 2024. DAC meeting was held on 21-01-2025 wherein the management at Sr# 1 stated that the funds retained in the designated Sindh bank account were intended for the purpose of revolving /self-financing activities within the Department. As per PC-I, these funds were earmarked specifically to support ongoing operations and initiatives related to vaccine production and distribution. DAC directed to re-peruse the PC-I and income generated may be deposited in national exchequer i.e. Account-I and the additional required funds may be routed / through demand from Finance Department government of Sindh. The management at Sr#2 stated that the unutilized funds were bid security. And the DDO cannot utilize those funds. DAC directed to produce record for verification to audit. However, no record was produced till finalization of this report.

Audit recommends income generated may be deposited in national exchequer i.e. Account-I and the additional required funds may be routed / through demand from Finance Department government of Sindh.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2022-23 vide para numbers 25.5.47 having financial impact of Rs 137.649 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#09)

24.5.15 Irregularity in tendering process under various heads – Rs 227.613 million

As per instructions to procuring agencies -G. Conditions of Contract, the procuring agency while preparing Contract Data, shall ensure that no Clause of Conditions of Contract is deleted and that the changes included in Contract Data shall be such as not to change the spirit of the document. Any adjustment or change in clauses of Conditions of Contract to meet specific project features shall be made with care and incorporated in Contract Data.

During audit of office of the Director Animal Husbandry Sindh Hyderabad for the financial year 2023-24, it was observed that procurements amounting to Rs 227.613 million under the S.N.E. budgetary provision and various ADP schemes were found to have significant irregularities. Key documents, such as tender files, procurement plans, and district-level beneficiary lists for Scheme #1990, were not provided, indicating a lack of transparency. Additionally, four districts under Scheme #1982 showed unsatisfactory performance, and the NIT was published in only two newspapers instead of the required three, reflecting non-compliance with procurement rules.

Sr#	Description of tendered items
1	Purchase of various items under S.N.E. Budgetary Provision
2	Hiring of non-consulting firm for distribution of financial assistance to the registered livestock
3	Procurement of Veterinary Medicines / Vaccines (imported) / instruments (hospitals tools)
4	Purchase of various items under development schemes ADP# 1979, 1980, 1982, 1988, 1990 & 1991

Audit is of the view that the lack of transparency and documentation in the procurement and beneficiary selection processes reflects weak internal controls and non-compliance with procurement rules, potentially leading to inefficiency and misuse of funds.

The matter was reported to the management in October, 2024. DAC meeting was held on 21-01-2025 wherein the management stated that the record regarding tender documents, annual procurement plan, schemes etc. are available, and will be submitted to the audit for review. DAC directed the management to produce the record for verification. However, no record was produced till finalization of this report.

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

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2023-24 vide para numbers 24.5.10 having financial impact of Rs 57.252 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#46/AIR 09)

24.5.16 Unjustified expenditure for up-gradation & renovation of schemes – Rs 197.876 million

As per Planning Manual of Planning and Development Department Government of Sindh **Internal Monitoring 8.18** Internal monitoring is required to fulfil the performance objectives of the sponsoring departments and executing agencies. Internal monitoring allows the project management to take immediate steps for rectification of any issue that may slow down the progress of a project. Monitoring of the project may be carried out on daily, monthly or quarterly basis depending upon the nature and needs of project management, the executing agency and the sponsoring agency.

During audit of office of the Secretary, Livestock and Fisheries Department, Government of Sindh, Karachi, for the financial year 2023-24, it was observed that Rs 197.876 million was spent on the up-gradation and renovation of schemes, including floating jetties in District Thatta and Sujawal, which had already been repaired in 2022-23, and on veterinary laboratories for zoonotic virus detection.

However, the expenditure was incurred without obtaining DRAP vaccine registration or complying with environmental SOPs. The details are given below:

(Rs. in Million)

Sr #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
01	Secretary, Livestock and Fisheries Department, Government of Sindh	An expenditure Rs 108.366 million on ADP scheme #1987 LFDAH-PP-21-0600 Up-Gradation of Veterinary Laboratories in Sindh for Detection and Handling of Zoonotic Viruses without DRAP vaccine registration and environmental SOPs compliance reports.	2023-24	15 & 17	108.366
		The executing authority incurred expenditure for the Up-Gradation & Renovation of Floating Jetties in District Thatta and Sujawal (Phase-II). The renovation of these jetties had previously been carried out in 2011-12, 2017-18, and 2018-19, and they were again repaired in 2022-23, making the current expenditure unjustifiable. The PC-I document lacked proper justification and details about the fishing boats and the number of fishermen (with bio data) in the proposed districts			89.510
Total					197.876

Audit is of the view that incurring significant expenditure on previously repaired schemes and on laboratories without DRAP vaccine registration and environmental SOP compliance reflects weak planning, non-compliance with regulatory requirements, and ineffective utilization of public funds.

The matter was reported to the management in July, 2024. DAC meeting was held on 21-01-2025 wherein the management the management stated that the Sindh Institute of Animal Health is upgrading its laboratories to improve disease detection and develop vaccines for livestock, poultry, and wildlife in Pakistan. The Sindh Institute of Animal Health is upgrading its laboratories to meet DRAP standards, with the first stage of registration completed and the second stage currently in progress, awaiting approval from the P&D department & the executive agency is responsible

for maintenance of record of development expenditures this secretariat being the office of PAO only communicate the releases from Finance Department. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

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

(DP#48)

24.5.17 Irregular expenditure without inviting open tender – Rs 117.517 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 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.

And 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.

During audit of various offices of Livestock Department, Government of Sindh, for the financial years 2020-21 to 2023-24, it was observed that an expenditure amounting to Rs 117.517 million was incurred without calling open tender. The details are given at Annex-6 of Chapter-24.

Audit is of the view that deviation from prescribed rules of SPPRA was result of prevalence of poor management practices within the department.

The matter was reported to the management from April to November 2024, DAC meeting was held on 21-01-2025 wherein the management the management stated that the Department accorded permission to purchase of medicines /vaccines and other items due to the rain flood emergency situation in the province and as per need of the office. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends ensure that all procurements above the prescribed threshold value are made through a transparent and competitive tendering process, besides fixing of responsibility for procurements without competitive rates.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22 and 2023-24 vide para numbers 20.5.5 and 24.5.8 having financial impact of Rs 24.417 million and Rs 103.145 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#50)

24.5.18 Loss to government due to manipulation in BOQs – Rs 111.384 million

As per Sindh Public Procurement guidelines/regulations for procurement of works para#7.2 Modification and Withdrawal of Bid. (a) bidder may modify or withdraw his bid after bid submission, provided that written notice of the modification or withdrawal is received by the procuring agency prior to the deadline for submission of bids; (b) bidder's modification or withdrawal notice shall be prepared, sealed, marked and delivered in accordance with the provisions of Clause 7.1 (submission of bids), with the outer and inner envelopes additionally marked "MODIFICATION" or —WITHDRAWAL" as appropriate. A withdrawal notice may also be sent by cable but must be followed by a signed confirmation copy; (c) neither modification nor withdrawal is allowed after the deadline for submission of bids

During audit of office of the Secretary Livestock and Fisheries Department Government of Sindh Karachi for the financial year 2023-24, it was observed that irregular modifications were made in the bid after the deadline resulted in a loss of Rs 111.384 million to the government. The original contract cost for the "Establishment of Sindh Institution of Animal Health" was Rs 486.327 million, but the executing authority increased it to Rs 597.711 million after the bid was opened, violating procurement rules.

Audit is of the view that the post-bid modification reflects non-compliance with procurement regulations and poor financial management, leading to unnecessary financial loss to the government.

The matter was reported to the management in July, 2024. DAC meeting was held on 21-01-2025 wherein the management stated that tender was awarded following all the codal formalities and SPPRA rules. DAC directed the management to provide approved copy of revised PC-I and other relevant documents for verification. However, no record was produced till finalization of this report.

Audit recommends inquiry in the matter and fixing of the responsibility on the person(s) at fault besides taking other remedial measures.

(DP#51/AIR#03)

24.5.19 Supply of material without technical evaluation – Rs 98.557 million

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

During audit of office of the Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad for the financial year 2022-23 it was observed that tender worth Rs 98.557 million was floated without proper technical evaluation criteria, leading to arbitrary assessments and compromising the transparency of the procurement process. Key documents, such as the Technical Committee’s notification, BOQs of other participants, and the letter of acceptance, were missing. Additionally, bidders failed to provide work completion certificates, financial statements, and evidence of their average annual turnover, while the contract lacked an undertaking on non-judicial stamp paper. These lapses reflect significant non-compliance with procurement rules.

Audit is of the view that management of the office violated SPPRA Rules. Technically complex tender was awarded without evaluation criteria.

The matter was reported to the management in April, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply with documentary evidence to audit for verification. However, no record was produced till finalization of this report.

Audit recommends developing and documenting clear evaluation criteria, including technical specifications, quality standards, and safety requirements besides inquiry in the matter and fixing of the responsibility on the person(s) at fault.

(DP#52/AIR#21)

24.5.20 Award of Biofloc Unit on un-verified Land – Rs 86.240 million

As per provision for beneficiary Selection for Bio Floc Units in PC-I page#06(1), Director fisheries (H&T), Deputy Director HQ (H&T) and Deputy Director Fisheries of Concerned District are responsible for transparent distribution of Bio Floc. (2). The Director Fisheries (H&T) will call application from the interested Fish Farmers through Open Publication in newspapers. The committee will visit the selected sites and furnish recommendation for approval. The chairman of the committee may constitute the scrutinize committee for validation of the application received from interested farmers for Bio floc unit. (3). The criteria for selection of Fish farmers was (i) Certified Land having valid original form VII-B, (ii) Land shall be accessible and easy to handle, (iii) Availability of fresh water, (iv) Availability of electricity backup, (v) Jobless fisheries graduates or those who received training in fisheries from BBSYDP having at least matriculation shall be given priority, (vi) the applicant having no fisheries experience will not be entertained, (vii) the applicant having financial ability to sustained the Bio floc (proof of bank account), (viii) Criminals/government defaulters will not able for Bio Floc opportunity.

During audit of office of the Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad for the financial year 2022-23, it was observed that Biofloc units were supplied and installed for individuals without verifying land ownership documents through the Board of Revenue (BOR) on Certified True Village Form VII-B or the Mutation Register. Many fish farmers lacked verified land ownership (VFVII-B), agricultural tax receipts for 2022-23, and other required documentation. Additionally, records of technical qualifications, training certifications under BBSYDP, agricultural taxpayer registration, bank statements, and fishing experience were not maintained

Audit is of the view that the supply and installation of Biofloc units without verifying land ownership and other essential criteria mentioned in PC-I reflect weak

internal controls and non-compliance with established procedures. This oversight risks misuse of public funds and compromises the intended benefits of the scheme.

The matter was reported to the management in April, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply with documentary evidence to audit for verification. However, no record was produced till finalization of this report.

Audit recommends inquiry in the matter and fixing of the responsibility on the person(s) at fault besides taking other remedial measures.

(DP#54/AIR#03)

24.5.21 Supply/installation Biofloc units without PC-I provision and monitoring – Rs 85.156 million

As per provision for beneficiary Selection for Bio Floc Units in PC-I para#06(1). The Biofloc Aquaculture Technology (BFT) unit established in the designated districts will be monitored through the Deputy Director Fisheries concerned for sustainability, whatever the technical problems involved will be solved properly and data will also be collected accordingly. (2) The Fisheries Department will provide all male (Tilapia) fish seed to BFT Technology Unit runners/ operators for sustainable fish production on subsidized rate. (3) the BFT Units will own by the progressive fish farmers who will be selected through criteria, and they will be responsible for sustainable operations with the collaborations of fisheries department. (4) The Director Fisheries (H&T) will be responsible for collection of data from BFT owners and will compile it on a regular basis.

During audit of office of the Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad for the financial year 2022-23, it was observed that Rs 85.156 million was spent on the purchase and installation of Biofloc units for jobless fish farmers without satisfactory inspection reports verifying the quality and specifications of the units. Monitoring of progress after installation was not conducted, and the distribution appeared to be based on favoritism. Additionally, the office failed to conduct regular monitoring visits or produce reports to address issues during

installation. No quality assurance parameters were established to ensure accurate data or determine eligibility for payments.

(Rs. in Million)

S#	Vendor No	Vendor Name	Document No	Document Date	Cheque No	Amount	Payment Date
1	30800468	Rana & Sons	1900515819	2/14/2023	4838465	36.380	2/20/2023
			1900806625	5/16/2023	4928953	11.270	5/17/2023
2	30684880	Skyways Enterprises	1900516024	2/14/2023	4838448	36.380	2/20/2023
			1900905161	06/05/2023	4967139	0.295	06/05/2023
			1900905139	06/05/2023	4967139	0.293	06/05/2023
			1900905121	06/05/2023	4967139	0.269	06/05/2023
			1900905184	06/05/2023	4967139	0.269	06/05/2023
Total						85.156	

Audit is of the view that the lack of proper inspection, monitoring, and quality assurance reflects poor project management and non-compliance with procedural requirements, leading to potential misuse of public funds and ineffective implementation of the program.

The matter was reported to the management in April, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply with documentary evidence to audit for verification. However, no record was produced till finalization of this report.

Audit recommends inquiry in the matter and fixing of the responsibility on the person(s) at fault besides taking other remedial measures.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2022-23 vide para numbers 25.5.16 having financial impact of Rs 674.497 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#55/AIR#04)

24.5.22 Irregular payment on excess procurement of fish seeds against the estimated quantity - Rs 85.000 million

“The quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate”, as per clause-38 of the standard Contract Agreement. As

per Para 528 of Public Works Department Manual, “No material alteration is sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Competent Authority.

During audit of office of the Provincial Program Coordinator Accelerated Action Plan for Reduction of Stunting & Malnutrition Sindh (Fisheries Sector) for the financial year 2022-23, it was observed that an excess payment of Rs 85.000 million (more than 100% of the estimated quantity) was made for the procurement of various fish seeds without any justification. Additionally, the utilization of the procured fish seeds could not be verified.

(Rs. in Million)

S#	Description	Vendor	Estimated Qty	Procured Qty	Excess Qty	Rate	%	Amount
1	Twender'#1- Labeo Rohita (Rahu, not less than 4 inches)	Rana & Sons	5,000,000	11,428,571	6,428,571	3.5	129%	22.500
2	Twender'#2- Cirrhinus morgala (Morakhi, not less than 4 inches)	Rana & Sons	5,000,000	11,428,571	6,428,571	3.5	129%	22.500
3	Twender'#3- Catlacatla (Thaila, not less than 4 inches)	Wings Trading	5,000,000	13,333,333	8,333,333	3	167%	25.000
4	Twender'#4- H. Moltrix Silver Carp), not less than 4 inches	M.A Link	5,000,000	8,000,000	3,000,000	5	60%	15.000
Total								85.000

Audit is of the view that the excessive procurement and lack of justification or utilization records indicate poor financial management and non-compliance with procurement procedures, potentially leading to wastage of public funds.

The matter was reported to the management in the month of August, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply

with documentary evidence to audit for verification. However, no record was produced till finalization of this report.

Audit requires recovery of unjustified payments made in excess besides fixing responsibility on the person(s) at fault.

(DP#56/AIR#59)

24.5.23 Irregular expenditure under schemes without land acquisition – Rs 42.847 million

As per Planning Manual of Planning and Development Department Government of Sindh Project Sustainability 4.47. It is imperative that at the time of preparation of projects, their sustainability is ensured. As per the project design, it has a planned end period. However, its impact is to last for a period beyond implementation. In this backdrop, all the stakeholders, especially the Government are keen to know what the impact of the project would be and how it will continue to benefit the citizens in future. Therefore, ensuring the social, financial and economic sustainability of the completed project is extremely important. Internal Monitoring 8.18 Internal monitoring is required to fulfil the performance objectives of the sponsoring departments and executing agencies. Internal monitoring allows the project management to take immediate steps for rectification of any issue that may slow down the progress of a project. Monitoring of the project may be carried out on daily, monthly or quarterly basis depending upon the nature and needs of project management, the executing agency and the sponsoring agency.

During audit of office of the Secretary Livestock and Fisheries Department Government of Sindh Karachi for the financial year 2023-24, it was observed that Rs 42.847 million was spent on the establishment of ADP schemes without acquiring land. The approval of these schemes without land acquisition or a feasibility report reflects non-compliance with procedural requirements. As per provisions, it is mandatory to obtain a feasibility report, land possession certificate, encroachment clearance certificate, litigation-free certificate, and certified site plan before approving the PC-I and releasing funds.

(Rs. in Million)

Sr #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
01	Secretary, Livestock and Fisheries Department, Government of Sindh	09 & 19	2023-24	Establishment of Cattle Colony at Shikarpur” (C: 590.950 + R: 18.407) (SDG #2) without land acquisition for the cattle colony. It is further alarming that how the scheme was approved without land acquisition and feasibility report.	34.097
				Establishment of Fisheries Facilitation Centers in Sindh without availability land acquisition or obtained by the Head Office.	8.750
Total					42.847

Audit is of the view that initiating schemes without fulfilling essential prerequisites demonstrates poor planning and weak adherence to regulatory requirements, resulting in inefficient use of public resources.

The matter was reported to the management in July, 2024. DAC meeting was held on 21-01-2025 wherein the management stated that the executive agency is responsible for maintenance of record of development expenditures this secretariat being the office of PAO only communicate the releases from Finance Department. DAC directed to provide record for verification. However, no record was produced till finalization of this report.

Audit recommends a detailed review of the scheme to verify compliance with land acquisition and feasibility requirements besides fixing responsibility on the person at fault.

(DP#63)

24.5.24 Irregular expenditure under development scheme # 1990 - Rs 34.687 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it

may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of office of the Director Animal Husbandry Sindh Hyderabad for the financial year 2023-24, it was observed that an expenditure of Rs 34.687 million was incurred under Development Scheme #1990 titled "Provision of Fodder, Seeds, and Saplings to Progressive Farmers for Promotion of Fodder in Sindh." The objective of this scheme was to introduce saline-resistant fodder crop seeds and saplings, such as Rhode Grass, Mott Grass, Elephant Grass and Apple Grass to progressive agro-livestock farmers. These farmers were required to have at least 10-50 large animals and over 10 acres of land for agricultural or grass cultivation purposes covering the entire Sindh province (excluding Karachi). However, the district-level committees responsible for overseeing the project were either not established, or details of the nominated officers/officials were not available on the record. Furthermore, the list of selected or finalized farmers at the district level was unavailable indicating a lack of transparency in beneficiary selection. Additionally, no evidence of soil testing by agriculture experts, necessary to qualify the soil for fodder seed germination was provided which raises serious concerns about the suitability of the soil for fodder cultivation. The failure to meet targets, combined with the lack of proper oversight, may have resulted in inefficient use of resources and reduced impact on the intended beneficiaries.

Audit is of the view that the scheme’s potential to improve fodder availability and support agro-livestock farming in Sindh was severely compromised leading to inefficient utilization of funds.

The matter was reported to the management in October, 2024. DAC meeting was held on 21-01-2025 wherein the management stated that the expenditure was incurred in full compliance with the scheme's objectives and procedures. All required formalities, including the establishment of district-level committees and the appointment of relevant officers, were completed on time. The list of selected farmers at the district level, although not available at the time of the audit, has been compiled and will be provided for review. DAC directed the management to produce the record for verification. However, no record was produced till finalization of this report.

Audit recommends provision of justification besides fixing of responsibility on the person(s) at fault.

(DP#64, AIR 11)

24.5.25 Loss due to irregularity in hatching produced, sold and in balance account – Rs 19.434 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.”

According to Rule-116 of G.F.R Vol-I, it is responsibility of the Drawing & Disbursing Officer to carry out annual physical verification of stock articles at the close of each financial year and result of such verification should be recorded in the stock register and a certificate to that effect should also be sent to the controlling authority in terms of rule-80 of the manual of Contingent expenditure.

During audit of office of the Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad for the financial year 2022-23, it was observed that the management reported progress on seed production, sales, and stocking. However, a loss of Rs 19.434 million to the public exchequer was noted due to discrepancies in the balance accounts of hatchings produced, sold, stocked in public water, and recorded. Additionally, no details or records were available to verify the stocking of 358.884 million hatchling seeds in public water.

(Rs. in Million)

Name of Hatcheries	Annual targets	Produced	Sold	Stock	Stocking in Public water	Balance	Income	Avg Selling Rate	Loss
Thatta (LSFH City)	100	103.550	10.870	92.680	63.200	29.480	0.811	0.075	2.201
Sukkur	90	94.180	21.360	72.820	72.600	0.220	0.551	0.026	0.006
Badin	60	62.000	32.050	29.950	23.520	6.430	0.782	0.024	0.157
Bubak	40	42.167	0.173	41.994	31.500	10.494	0.075	0.434	4.549
Dokri	45	45.520	12.500	33.020	19.634	13.386	0.135	0.011	0.145
N. Feroz	50	42.080	2.040	40.040	34.440	5.600	0.055	0.027	0.151

(Rs. in Million)

Name of Hatcheries	Annual targets	Produced	Sold	Stock	Stocking in Public water	Balance	Income	Avg Selling Rate	Loss
Thatta (BFH)	50	65.780	2.280	63.500	42.710	20.790	0.271	0.119	2.471
Keenjhar	12	16.952	0	16.952	15.000	1.952	0	0.321	0.627
Sukkur (BFH)	50	52.787	0.087	52.700	52.280	0.420	0.129	1.481	0.622
Sanghar	50	30.500	0	30.500	4.000	26.500	0	0.321	8.507
G. Total	547	555.516	81.36	474.156	358.884	115.272	2.809		19.436

The table reveals a loss of Rs 19.436 million due to discrepancies in hatchling production, sales, and unverified stocking of 358.884 million in public water. This highlights poor management and a lack of transparency in resource utilization.

Audit is of the view that the lack of proper documentation and mismanagement of seed accounts indicate weak internal controls and the potential misuse of public funds.

The matter was reported to the management in April, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply with documentary evidence to audit for verification. However, no record was produced till finalization of this report.

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

(DP#69/AIR#26)

24.5.26 Misuse of govt funds while awarding Biofloc units to Contractors and Petrol Pump owners – Rs 19.404 million

As per provision for beneficiary Selection for Bio Floc Units in PC-I page#06(1), Director fisheries (H&T), Deputy Director HQ (H&T) and Deputy Director Fisheries of Concerned District are responsible for transparent distribution of Bio Floc units (2). The Director Fisheries (H&T) will call applications from the interested Fish Farmers through Open Publication in newspapers. The committee will

visit the selected sites and furnish recommendations for approval. The chairman of the committee may constitute the scrutinize committee for validation of the application received from interested farmers for Bio floc units. (3). The criteria for selection of Fish farmers was (i) Certified Land having valid original form VII-B, (ii) Land shall be accessible and easy to handle, (iii) Availability of fresh water, (iv) Availability of electricity backup, (v) Jobless fisheries graduates or those who received training in fisheries from BBSYDP having at least matriculation shall be given priority, (vi) the applicants having no fisheries experience will not be entertained, (vii) the applicants having financial ability to sustained the Bio floc (proof of bank account), (viii) Criminals/government defaulters will not able for Bio-Floc opportunity.

During audit of office of the Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad for the financial year 2022-23, it was observed that Biofloc technology units of Rs 19.404 million were supplied to petrol pump owners, contractors, general order suppliers, traders, Lawyers, retailers of general store, etc instead of eligible fish farmers. Further, necessary documents related to bank account statements of the Biofloc unit operators, lawful agreements with the office, the land records on form B-VII, relevant experience, financial ability, accessibility of land, number of fresh water channels, the boundary wall, the electricity backup, the academic trainings certificates in fisheries from BBSYDP , BFT Unit share details of other costs i.e., fish seed, labor, plastic wires, tubs, glasses nets mugs, harvesting charges, transportation, marketing details etc. The details are given at Annex-7 of Chapter-24.

Audit is of the view that the Bio-floc units were issued without observing selection criteria. The originality and validity of the units and other related documents were not confirmed before installation of units.

The matter was reported to the management in April, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply with documentary evidence to audit for verification. However, no record was produced till finalization of this report.

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

(DP#70/AIR#01)

24.5.27 Irregular award of tender for supplies to Government Employees – Rs 4.737 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 office of the Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad for the financial year 2022-23, it was observed that contracts worth Rs 4.737 million for imported drugs, medicines, and training materials were awarded to M/s Wings Trading Company, owned by a government employee working in the Taluka Education Office, Latifabad (HB0375 Personal No.11023353). The procurement was made without verifying the supplier’s drug sale license and authorization. Additionally, no consumption account was maintained, and the items were not recorded in the stock register, raising doubts about the legitimacy of the transaction. The details are given at Annex-8 of Chapter-24.

Audit is of the view that awarding contracts to a government employee without proper authorization reflects a lack of compliance with procurement rules, poor internal controls, and the possibility of misappropriation of funds.

The matter was reported to the management in April, 2024. DAC meeting was held on 21-01-2025 wherein the DAC directed to submit the reply with documentary evidence to audit for verification. However, no record was produced till finalization of this report.

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

(DP#80/AIR#07)

24.5.28 Non-remittance of taxes into treasury by Supplier – Rs 12.808 million

According to section 3(3) of SINDH SALES TAX SPECIAL PROCEDURE (WITHHOLDING) RULES, 2014 “A withholding agent, other than a person or a recipient of 1[the taxable] services covered by 2[clauses (a) to (c) and (f) to (j)] of sub-rule (2) of rule 1, shall deduct an amount equal to one-fifth of the total amount of sales tax shown in the sales tax invoice issued by a registered person and shall make payment of the balance amount to service provide & According to Section 07(iii) of the Sindh Sales Tax Special Procedure (Withholding) Rules, 2014, withholding agents are required to pay the withheld amount of sales tax into the Sindh Government’s head of account "B-02384 - Sindh Sales Tax on Services" by the 15th day of the second month following the issuance of the tax invoice or the payment to the service provider, whichever is earlier. This payment must be made using a PSID/Challan prepared in the prescribed forms (SST-04 or SSTW-04).

During Audit of office of the Registrar Livestock Breeding Services Authority Sindh, Hyderabad for the financial year 2023-24, it was observed that an amount of Rs 12.808 million was not remitted by the supplier & by the management. The amount of Rs 6.078 million was not remitted by the supplier, whereas Rs 6.730 were non-remittance timely by the management into government account resulting in failure of the management to take immediate measures in remitting the amount Rs 12.808 million. The details are given at Annex-9 of Chapter-24.

Audit is of the view that the failure to remit the withheld taxes on time is a violation of the withholding rules and may expose the Authority to potential fines and penalties for non-compliance.

The matter was reported to the management in August, 2024. DAC meeting was held on 21-01-2025 wherein the management stated for AIR#22 that the LBSA, being the withholding agent, deducted the applicable 1/5th GST and remitted in two installments after necessary reconciliation and verification steps. The remaining 4/5th

GST is the responsibility of the suppliers, who are contractually obligated to remit it. The suppliers have been reminded to submit the tax and its returns. LBSA is enhancing its follow-up procedures to ensure compliance. The management for AIR#27 replied that there was a delay of few days in remittance; this was primarily due to unforeseen administrative challenges, including the transition of financial management systems and delays in securing the necessary approvals for payment. Steps have since been implemented to address these issues, ensuring that all withheld taxes are remitted within the statutory deadlines. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends provision of justification besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2022-23 vide para numbers 25.5.45 having financial impact of Rs 1.155 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#73/AIR# 22 & 27)

24.5.29 Irregular expenditure on irrelevant vehicles other than list – Rs 11.555 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 following offices of Livestock Department, Government of Sindh, for the financial year 2023-24. It was observed that Rs 11.555 million was spent on repairs and fuel for vehicles not belonging to the respective offices. This resulted in a loss to the government and indicates potential unauthorized expenditure. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
1	Director Animal Husbandry Hyderabad	Repair of vehicles (Rs2.560 and POL Rs5.530 million= Rs8.09 million) was made for irrelevant / other than the office vehicles	2023-24	08	8.090
2	Program Coordinator, Accelerated Action Plan for Reduction of Stunting and Malnutrition Sindh, Karachi	Payment of POL charges Rs1,800,000/- was made to various unauthorized officers / officials of other offices from the budget of local office	2022-23 & 2023-24	17	1.800
3	Director General, Livestock Sindh, Hyderabad	Expenditure was incurred on account of POL on the vehicles which does not belong/ pertain to the local office as the same was not appeared in the list of vehicles	2023-24	24	1.665
Total					11.555

Audit is of the view that incurring repair and POL expenditure for irrelevant vehicles reflects weak financial controls and poor asset management, leading to the misuse of public funds.

The matter was reported to the management during August, October and November, 2024. DAC meeting was held on 21-01-2025 wherein, the management stated that the vehicles were assigned to officers for field monitoring and emergency duties. DAC directed to produce record for verification to audit. However, no record was produced till finalization of this report.

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

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2022-23 vide para numbers 25.5.43 having financial impact of Rs 1.380 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#16)

24.5.30 Irregular procurement on single bid basis – Rs 395.737 million

According to Rule 48 of SPP Rules, 2010 “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 PC-I cost or financial estimates or the prices or rates of the last awarded contract or the market prices.”

During audit of various offices of Livestock Department, Government of Sindh for the financial year 2023-24, it was observed that a contract worth Rs 395.737 million was awarded on a single bid basis for the procurement of various items without conducting market rate analysis or comparing the rates with the previous year’s contract. This made the award of the single bid without proper rate verification irregular. The details are given at Annex-10 of Chapter-24.

Audit is of the view that awarding a contract on a single bid basis without conducting a market rate analysis or comparing previous contract rates reflects non-compliance with procurement rules and weak financial oversight, potentially leading to overpayment or misuse of public funds.

The matter was reported to the management during August, October and November, 2024. DAC meeting was held on 21-01-2025 wherein, the management at Sr# 04 replied that the expenditure was incurred through the tendering process after completion of all codal formalities. The management at Sr# 02 replied that the procurement of cryo freezer was procured through tender as per SPPRA Rules from M/s Scientific Traders after fulfilling of all the codal formalities. The management at Sr# 03 replied that the required medicine was imported internationally by M/S JAF International, the department followed the necessary procurement procedures for specialized goods. DAC directed the management to produce the record for verification to audit. However, no record was produced till finalization of this report.

Audit recommends provision of justification besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2022-23 and 2023-24 vide para numbers 25.5.11 and 24.5.11 having financial impact of Rs 47.400 million and Rs 48.676 million, respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#24)

24.5.31 Doubtful issuance of work order by way of collusive practice – Rs 9.999 million

As per SPPRA Rules 2010, the “Corrupt and Fraudulent Practices” means either one or any combination of the practices given below.

- (i) “Coercive Practice” means any impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party.
- (ii) “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, noncompetitive levels for any wrongful gain.

During Audit of office of the Director General, Livestock Sindh, Hyderabad for the financial year 2023-24, it was observed that Rs 9.999 million was paid to M/s Eterna Pharma Pvt. Ltd., but invoices were received prior to the issuance of work orders. This indicates that the invoices may have been fabricated by the entity itself. The detail is given as under:

(Amount in Rupees)

Cheque No	Payment Date	Cost Center	Document No	Head of Account	Invoice Date	Work Order Date	Amount
5307195	5/2/2024	HB0115	5100249879	Purchase of medicines	25-04-24	26-04-24	4,999,800
5307195	5/2/2024	HB0115	5100249883	Purchase of medicines	25-04-24	26-04-24	4,999,800
Total							9,999,600

Audit is of the view that undue favor was extended to the contractor, and the Govt. interest was not safeguarded which indicates prevalence of weak internal controls within the department.

The matter was reported to the management in November, 2024. DAC meeting was held on 21-01-2025 wherein the management stated that all procurement

processes were followed as per the rules. Dac directed the management to produce record for verification. However, no record was produced till finalization of this report.

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

(DP#75/AIR#12)

Chapter - 25

Mines & Minerals Development Department

25.1 Introduction

The Mines and Minerals Department, Government of the Sindh aims for the development of mineral resources to enhance the exploration, exploitation of mines and mineral resources in a safe and environmentally sound manner in order to support a more productive economy in the province.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	161.143	1,385.58
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

25.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
475.752	29.918	154.767	(154.767)	(117.886)	387.785	351.604	(36.180)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 36.180 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
2,800.000	7,200.000	1,402.174	(5,797.826)

Revenue estimates were increased upto 157% in revised estimate. Actual receipt were 19% of revised estimate.

25.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,656.338 million were raised as a result of this audit. This amount also includes recoverable of Rs 1.827 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	1,842.389
2	Others	
A	Operational inefficiency	812.120
B	Internal Control Weaknesses	1.827

25.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 7.69%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	0
2	1998-99	0	0	0	0	0
3	1999-2000	0	0	0	0	0
4	2001-02	0	0	0	0	0
5	2004-05	0	0	0	0	0
6	2005-06	0	0	0	0	0
7	2006-07	0	0	0	0	0
8	2007-08	0	0	0	0	0
9	2008-09	0	0	0	0	0
10	2009-10	0	0	0	0	0

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
11	2010-11	3	2	0	2	0
12	2014-15	0	0	0	0	0
13	2016-17	12	11	1	10	9
Total		15	13	1	12	7.69

25.5 AUDIT PARAS

25.5.1 Non-production of record – Rs 1,842.389 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of office the Director General Mines & Minerals Development Department, Government of Sindh, Karachi for the financial year 2022-23, it was observed from SAP that an amount of Rs 1842.389 million was realized as receipt. It was requested to provide Auditable record vide letter dated 31-01-2024 and the letter to Secretary Mines & Mineral Department on dated 01-04, 2024 followed by reminder on dated 19-04-2024. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved.

In such circumstances, neither the sanctity of realization / utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

Audit recommends responsibility be fixed on those responsible for non-production of record for the year 2022-23 and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan

(DP#1/ AIR#01)

25.5.2 Less-recovery of royalty - Rs 56.874 million

As per rule 41 (a) of Sindh Financial Rules, “The Department Controlling Officers should see that all sums due to Government are regularly received and checked against demand and that they are paid into the Treasury”.

During audit of office of the Director General Mines & Minerals Development Department, Government of Sindh, Karachi for the financial year 2023-24 it was observed that two sites in District Khairpur and Kambar Shahdadkot were auctioned, but the royalty amounting to Rs 56.874 million, based on the reserve price, was not recovered from the contractors. The details are as under:

(Rs. in Million)					
Sr. #	Name of District	Contractor	Amount as per Reserve Price	Amount collected 2023-24 As per SAP	Amount Short recovered
1	Khairpur	M/s Manzoor Ali & Co	101.500	47.050	54.450
2	Kambar at Shahdadkot	M/s S.A & Company	2.855	0.431	2.424
Total			104.355	47.481	56.874

Audit is of the view that the failure to recover the royalty as per the reserve price reflects weak financial management and non-compliance with contractual terms, resulting in a significant revenue loss to the government.

The matter was reported to the management in October, 2024. DAC meeting was held on 10-12-2024. The management replied that the contractor M/s. S.A & company (District Kamar Shahdadkot) cleared the contract amount, whereas M/s. Manzoor Ali and Co (District Khairpur) became defaulter and filed suit No.86/2024 in the High Court of Sindh at Karachi, against the demand of dues amount in respect of their contract. The DAC directed that, in the case of M/S Manzoor Ali & Co., the outcomes or decisions of the case must be shared with Audit upon resolution. Further for S.A & Company the relevant documents be provided to Audit for verification. During verification, an amount of Rs 13.424 million was verified leaving remaining balance of Rs 43.450 million. No further progress was reported till finalization of this report.

Audit recommended expeditious recovery of royalty, besides fixing of responsibility on the person(s) at fault.

(DP#14/ AIR#02)

25.5.3 Non-execution of scheduled Auction process for Surface Minerals – Rs 640.104 million

According to Article 84 of Audit code, it is an essential function of 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 office of the Director General Mines & Minerals Development Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that the auction for the royalty of surface minerals worth Rs 640.104 million across four sites/districts was not conducted, resulting in missed revenue opportunities. The details are as under:

(Rs. in Million)		
Sr.#	Name of District	Reserve Price
1	District West & Kemari Karachi	52.800
2	Dadu- Jamshoro	213.720
3	Thatta	218.766
4	Sukkur	154.818
Total		640.104

Audit is of the view that the failure to conduct auctions for surface minerals reflects poor management and non-compliance with prescribed procedures, leading to a significant loss of potential revenue for the government.

The matter was reported to the management in October, 2024. DAC meeting was held on 10-12-2024. The management replied that the auction for royalty in four sites/Districts was got published on 21-07-2023, but the auction notice was challenged through Suit Nos. 1232, 1205, 1204, and 1213 of 2023 by different individuals/firms in the High Court of Sindh on the plea that the Mines & Mineral Development Department has not followed the SPPRA Rules and the Honourable Court passed interim orders, restrained department from proceedings scheduled on 27-7-2023 and

maintain status-quo the cases are still continued. The DAC directed the management to provide the orders passed by the High Court in Suit Nos. 1232, 1205, 1204, and 1213 of 2023. Additionally, the DAC instructed that the progress of all these suits, along with the court case diary, be shared with Audit team for verification. During verification, the management produce the orders of high court. However, the progress of cases were not produced to audit for verification.

Audit recommends conducting of scheduled auction without further delay.

(DP#20/ AIR#07)

25.5.4 Non- renewal of lease contracts - Rs 115.269 million

As per rule 41 (a) of Sindh Financial Rules, “The Department Controlling Officers should see that all sums due to Government are regularly received and checked against demand and that they are paid into the Treasury”.

During audit of office the Director General Mines & Minerals Development Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that contract of worth Rs115.269 million was awarded to M/s Dewan Cement for lease of extraction of Limestone near Northeast of Pipri vide lease DIMD/S/ML-Limestone/176, which expired on 10.05.2019 but the same continued without renewal and approval from the competent authority. The details are as under:

(Rs. in Million)

Sr.#	Lease No	Month	Production	Rate	Amount
1	DIMD/S/ML-Limestone/176	Jul-23	98,276	126	12.383
2	DIMD/S/ML-Limestone/176	Aug-23	74,421	126	9.377
3	DIMD/S/ML-Limestone/176	Sep-23	102,442	126	12.907
4	DIMD/S/ML-Limestone/176	Oct-23	99,765	126	12.570
5	DIMD/S/ML-Limestone/176	Nov-23	4,595	126	0.579
6	DIMD/S/ML-Limestone/176	Dec-23	3,764	126	0.474
7	DIMD/S/ML-Limestone/176	Jan-24	6,296	126	0.793
8	DIMD/S/ML-Limestone/176	Feb-24	104,126	126	13.120
9	DIMD/S/ML-Limestone/176	Mar-24	132,327	126	16.673
10	DIMD/S/ML-Limestone/176	Apr-24	57,123	126	7.197
11	DIMD/S/ML-Limestone/176	May-24	115,069	126	14.499
12	DIMD/S/ML-Limestone/176	Jun-24	116,648	126	14.697
Total			913,852	126	115.269

Audit is of the view that undue favor was extended to the vendor without renewal of lease contracts which indicates weak internal controls.

The matter was reported to the management in October, 2024. DAC meeting was held on 10-12-2024. DAC directed the management to initiate the process of renewing the lease through the designated committee for renewal of lease. The DAC further directed the department to ensure that the renewal process undergoes through verification by audit. In response to DAC directives, the management did not initiate the process of renewing the lease.

Audit recommended the renewal of contracts immediately, besides fixing of responsibility on the person(s) at fault.

(DP#11 /AIR#01)

25.5.5 Non/less recovery of various taxes at applicable rates – Rs 1.827 million

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 23-01-2008, that 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 **And** In case the sales tax amount is not indicated on the invoice, the recipient shall deduct sales tax at the applicable rate of the value of taxable services from the payment due to the service provider. 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 & 9% for non-filers on supply/purchases and at the rate of 10% for filers & 20% for non-filers on services rendered of gross amount”.

During audit of the office of the Secretary Mines and Mineral Development Department for the financial year 2023-24, it was observed that taxes of worth Rs 1.827 million were not/less deducted on account of income tax and Sindh sales tax while making payments to the vendors. The details are as under:

(Rs. in Million)

(Rs. in million)									
S.#	Name of Office	Financial Year	AIR/ Para #	Head of Account	Particulars	Expenditure	Tax Due	Tax Deducted	Diff:
1	Secretary Mines and Mineral Development Department	2023-24	14	Others, stationery and Uniform	Less/Non deduction of General Sales tax	7.372	1.069	0.109	0.960
			15	Various Head of account	Less/Non deduction of Income Tax	9.546	0.881	0.014	0.867
Total						16.918	1.949	0.123	1.827

Audit is of view that due to non-deduction of applicable taxes government was deprived of its due share of revenue.

The matter was reported to management in August, 2024. DAC meeting was held on 10-12-2024. DAC directed the management to produce to the relevant record for verification. In response to DAC directives, the management neither produce any evidence nor recovered the taxes.

Audit recommends recovery of general sales tax and income tax under intimation to audit.

(DP#13)

Chapter – 26

Minorities Affairs Department

26.1 Introduction

The major functions of the department are:

- To safeguard the rights of minorities,
- To promote welfare of minorities,
- To hold meetings of the Provincial/District Minorities Committee,
- Coordination with the Federal Government on matters relating to welfare of minorities,
- All other matter relating to minorities.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	1,886.191	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

26.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
2,571.848	-	326.288	(326.288)	(287.534)	2,284.314	1,953.558	(330.756)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 330.756 million were observed which were not surrendered in time.

(Rs. in Million)			
Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	46.045	46.045

Revenue estimates were not fixed. However, receipts of Rs 46.045 million was realized.

26.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 2,466.178 million. This included Rs 1,050.829 million of procurement irregularities, Rs 1,290.013 million attributed to Management of Accounts with Commercial Banks. Additionally, weaknesses in internal controls accounted for Rs 125.336 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)		
Sr. No.	Classification	Amount
1	Irregularities	
A	Procurement related irregularities	1,050.829
B	Management of Accounts with Commercial Banks	1,290.013
2	Others	
A	Internal Control Weakness	125.336

26.4 Comments on the Status of Compliance with PAC Directives

This department was not included in Audit reports (1992-93 to 2010-11) discussed by the PAC. However, the department has been included in Audit Reports 2014-15 and 2016-17. The Reports have not yet been discussed in PAC.

26.5 AUDIT PARAS

26.5.1 Irregular payments made to suspended vendor – Rs 6.716 million

As per rule 10(1) and (iv) of General Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Public money should not be utilized for the benefit of the community”

During audit of office of the Secretary Minorities Affairs Department for the financial year 2023-24, it was observed that an amount of Rs 6.716 million was paid on account of procurement of various good and services to suspended vendor M/S. Muhammad Ramzan & Company. As per FBR tax inquiry, the said vendor was suspended for supply of goods (GST charged items) but the entity issued work order up-to the expenditure of Rs 6.716 million which needs to be justified. Thus, Govt. sustained loss. The details are given at Annex-1 of Chapter-26.

Audit is of the view that management’s failure to adhere to the Govt. rules and procedures reflects the absence of systematic control and financial indiscipline prevalent in the department and also stoppage further payment to the vendors and recovery should be made as per rules.

The matter was reported to the management in the month of September 2024. DAC meeting was held on 10-12-2024, the management replied that a letter has been written to M/s. Ramzan & Company to furnish his views in the subject matter. Further the department stopped further transaction with the company in C.F.Y 2024-25. DAC directed the management to produce relevant record to audit for verification. During verification the management did not produce the relevant record.

Audit recommends to fix responsibility for awarding contracts to a suspended vendor. Procurement controls must be strengthened to prevent future irregularities, ensuring strict compliance with financial rules.

(DP#11)

26.5.2 Unjustified drawl of funds from the security deposit account – Rs 21.063 million

According to Appendix-I 8-A of’ SFR, Vol-I, states that “Every officer should realize fully and clearly that he will be held 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 Officer 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 the Director, Minorities Affairs, Hyderabad, for the financial years 2022-23 and 2023-24, it was observed that an amount of Rs 21.063 million was drawn from the security deposit account. However, Audit could not authenticate this drawl due to lack of detailed disbursement records. Specifically, there was no complete breakdown of information including the name of the work, date of commencement, date of completion, work completion certificate and records of handing over and taking over. Additionally, details regarding the cost of the work awarded and payment information including deductions for the security deposit were not provided. The details are given as under.

(Rs. in Million)

Bank Account	Opening Balance	Credit	Debit	Closing
PK72SIND0004050158311001	44.141	39.439	21.063	62.517

Audit is of the view that the absence of comprehensive documentation raises questions about the validity of the drawl and compliance with financial management practices. Without proper records, it is challenging to verify whether the funds were utilized appropriately and in accordance with established procedures.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-12-2024. The management replied that the requisite record is available for audit perusal. DAC directed the management to produce relevant record to audit for verification. During verification the management did not produce the relevant record.

Audit recommends provision of justification by providing complete disbursement records, including work details, completion certificates, and payment breakdowns besides fixing of Responsibility for the lack of transparency, and measures must be implemented to ensure strict financial controls.

(DP#26)

26.5.3 Undue favour to contractors to allow work over and above the estimated cost – Rs 4.417 million

According to para-532 of Public Works Department Manual, Volume-I, “A revised estimate must be submitted when sanctioned estimate is likely to be exceeded by more than 5%”.

During Audit of the Office of the Director, Minorities Affairs, Hyderabad, for the financial years 2022-23 and 2023-24, it was observed that contractors were paid an amount of Rs 4.417 million that exceeded the total estimated cost of the work. While the Engineer’s Estimates specified a permissible premium of only 10%, an undue favor was granted to the contractors by permitting a premium of over 70%. The details are given at Annex-2 of Chapter-26.

Audit is of the view that allowing this excessive premium beyond the estimated cost resulted in an undue advantage to the contractors, causing loss to the government exchequer. Such deviations from established guidelines undermine the integrity of the procurement process.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-12-2024. The management replied that in all the cases rates quoted by contractors on Schedule items and non-schedule items were still within engineer’s sanction estimate. DAC directed the management to produce relevant record to audit for verification. During verification the management did not produce the relevant record.

Audit recommends the provision of justification of excess payment and recover the undue amount paid to contractors. Responsibility should be fixed for approving work beyond the estimated cost without a revised estimate. Strict compliance with

financial and procurement rules must be ensured to prevent such irregularities in the future.

(DP#14)

26.5.4 Non-depositing of Income Tax – Rs 9.293 million

As per instructions contained in the para 5.2.3.1 of Accounting Policies and Procedures Manual (APPM), “The Principal Accounting Officers of those entities responsible for administering revenue collections (such as tax authorities) must ensure that all sums due to the Government are promptly realized, banked and credited to the Consolidated Fund. The Principal Accounting Officers of these entities must also ensure that Public monies credited to the Consolidated Fund as reported by the Accountant General, are reconciled / verified with their own records, at least on a monthly basis procedure for the generation, control and assessment of bills and demand notices as required under departmental regulations are followed.”

During Audit of the Office of the Director, Minorities Affairs, Hyderabad, for the financial years 2022-23 & 2023-24, it was observed that an amount of Rs 9.293 million on account of Income Tax was lying as closing balance as mentioned in Form-78/79 of June, 2024 which was deducted from the bills of various contractors but the same was not deposited in Government Account till the end of June, 2024. As a result, government was deprived of its due revenue. The detail is as under:

(Rs. in Million)

Cost Center	Part No.	Particulars	Opening balance	Credit	Total	debit	Closing balance
HB-0297	Part-V (i)	Income Tax	3.633	5.842	9.475	0.182	9.293
Total							9.293

Audit is of the view that due non-depositing of Income Tax in government account resulted in loss of revenue to the exchequer. This indicates weak internal and financial controls of the management.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-12-2024. The management replied that for amount of Income Tax of both the cost centers have already been deposited in July, 2024 after

completion of Monthly account of June-2024. DAC directed the management to produce relevant record to audit for verification. During verification the management did not produce the relevant record.

Audit recommends the immediate deposit of tax amount into the government account and justification for the delay. Responsibility maybe fixed for failing to deposit the deducted income tax on time. Strict compliance with financial regulations must be ensured to prevent such lapses in the future.

Note: The issue was reported earlier also in Audit Report for Audit Years 2022-23 vide para number 27.5.14 having financial impact of Rs 42.352 million. Recurrence of same irregularity is a matter of serious concern.

(DP#16)

26.5.5 Non-transparent procedure of Grant-in-Aid – Rs 125.336 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During Audit of the Office of the Director, Minorities Affairs, Hyderabad, for the financial years 2022-23 and 2023-24, it was observed that the payment of Rs 125.336 million was made from the head Grant-in-Aid for financial support to individuals with payment prioritized for cases referred by politicians. Missing cheque

copies, incomplete bank record and absence of monthly bank endorsement hindered verification of whether funds reached intendant recipients. This absence of traceability complicates the verification of whether the cheques reached the intended recipients or not. The details are given as under;

(Rs. in Million)

Head of Accounts	Year	Total Amount	Expenditure	Balance
Financial Assistance	2023-24	82.082	79.348	2.733
Medical	2023-24	44.384	28.771	15.613
Jahez / Marriage	2023-24	23.574	17.215	6.358
		150.04	125.334	24.704

Audit is of the view that the preference given to cases referred or nominated by politicians, along with the lack of proper documentation and traceability, undermine the integrity of the disbursement process. This practice can lead to the misallocation of funds intended for genuinely needy individuals.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-12-2024. The management replied that cheques issued from head of account Financial Assistance were not available in record. DAC, decided to stand the para.

Audit recommends provision for justification for the disbursement of Grant-in-Aid and verification of payments to intended recipients. Responsibility should be fixed for the non-transparent procedure and missing financial records. Strict compliance with financial regulations must be ensured to prevent such irregularities in the future.

Note: The issue was reported earlier also in Audit Report for Audit Years 2022-23 vide para number 27.5.8 having financial impact of Rs 258.590 million. Recurrence of same irregularity is a matter of serious concern.

(DP#22)

26.5.6 Unjustified dual funding under two different heads for same nature of work – Rs 1,039.696 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During Audit of the Office of the Director, Minorities Affairs, Hyderabad, for the financial years 2022-23 and 2023-24, it was noted that an expenditure of Rs 1,039.696 million was incurred for the repair and maintenance of religious places. However, the releases were made under two different Heads of Accounts. Since the separate budget head (A13370 - Others) is specifically allocated for this purpose, the decision to utilize the head (A05213-Special Grant) resulted in an additional expenditure of Rs 374.996 million, which appears unnecessary. The details are given as under;

(Rs. in Million)			
Cost Center	Financial Year	Head of Account	Expenditure on M&R for religious places
HB0279	2023-24	A05213 Special Grant	664.700
		A13370 Others	374.996
Total			1,039.696

Audit is of the view that the dual use of funds from both the Grant-in-Aid and the designated budget head for identical activities raises serious questions regarding the adherence to financial management policies and the effective allocation of resources. The practice of disbursing Grant-in-Aid funds into the DDO account before their utilization further complicates the tracking of these expenditures and undermines accountability.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-12-2024. The management replied that this department operates under two budgetary heads:

1. Grant-in-Aid (Reflected in Volume-III under Sub-Head A05213). This fund is allocated for the collective welfare of poor and needy minority communities, as well as for the repair and maintenance of religious places.

2. Maintenance & Repair (M&R) (Reflected under Sub-Head A13370): This head has been allocated in the last two years in response to the increasing and urgent demands of minority communities across the Sindh province. DAC directed the management to produce relevant record to audit for verification. During verification the management did not produce the relevant record.

Audit recommends justification for the dual funding under two different heads for the same work and recovery of unnecessary expenditure. Responsibility maybe fixed for the improper allocation of funds and non-compliance with financial regulations. Strict adherence to budgetary procedures must be ensured to prevent such irregularities in the future.

(DP#20)

26.5.7 Irregular payment through DDO account – Rs 1,259.657 million

According to Rule 290 of Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”. 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”.

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited

by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During Audit of the Office of the Director, Minorities Affairs, Hyderabad, for the financial years 2022-23 and 2023-24, it was noticed that an amount of Rs 1,259.657 million was drawn in the name of DDO instead of payment to concerned payee/vendor. Thus, the authentication of expenditure could not be checked. The details are given as under;

(Rs. in Million)				
Head Accounts	Sub-Head Accounts	Year	Total Amount	Expenditure
Grant-in-Aid (HB-0297)	Repair & Maintenance	2023-24	594.959	594.957
		2022-23	580.000	664.700
Total				1,259.657

Audit is of the view that making payment through DDO account is a violation of rules and regulations that should be avoided at any cost because this practice results in misappropriation of funds.

The matter was reported to the management in the month of October 2024. DAC meeting was held on 10-12-2024. The management replied that as per the set procedure for utilization of grant in aid funds are drawn in the official account of Director Minorities Affairs Sindh through bills submitted in Hyderabad Treasury. Thereafter, Director Minorities Affairs Sindh further disburses the cheques to contractors. DAC directed the management to produce total bank account of Director Minorities Affairs, Hyderabad, details / records of share. During verification the management did not produce the relevant record.

Audit recommends the immediate stoppage of payments through the DDO account and proper documentation of payments directly to the concerned payees/vendors. Responsibility maybe fixed for non-compliance with treasury rules, and measures should be taken to ensure strict adherence to financial regulations to prevent such irregularities in the future.

Note: The issue was reported earlier also in Audit Report for Audit Years 2022-23 vide para number 27.5.7 having financial impact of Rs 396.430 million. Recurrence of same irregularity is a matter of serious concern.

(DP#23)

Chapter - 27

Organs of State

27.1 Introduction

This is a consortium of Governor House Secretariat, Provincial Assembly and Provincial Ombudsman Department. Each one among these is separate public entity performing its own functions as defined in Sindh Rules of Business, 1986. Typically, organs of state include following departments/wings (Excluding Law Department);

1. Governor House/Secretariat including Military Secretary Wing.
2. Provincial Assembly of Sindh.
3. Provincial Ombudsman.

Each department as mentioned above is allocated with separate budget and most of the activities of the departments are related to general administration and monitoring on the part of the government.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	6	6	4,457.833	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

27.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
6,063.155	388.793	413.816	(413.816)	(671.864)	5,780.084	4,863.953	(916.131)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 916.131 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	74.916	74.916

Revenue estimates were not fixed. However, receipts of Rs 74.916 million were realized.

27.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 190.155 million. This included Rs 53.478 million due to non-production of records, Rs 6.270 million related to HR/Employees related irregularities, Rs 19.069 million of procurement irregularities, and Rs 7.595 million attributed to Management of Accounts with Commercial Banks. Additionally, weaknesses in internal controls accounted for Rs 103.743 million, while recoverable amounts stood at Rs 5.763 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	53.478
2	Irregularities	
A	<i>HR/Employees related irregularities</i>	6.270
B	<i>Procurement related irregularities</i>	19.069
C	<i>Management of Accounts with Commercial Banks</i>	7.595
3	Others	
A	Internal Control Weakness	103.743

27.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	0
2	1998-99	0	0	0	0	0
3	1999-2000	0	0	0	0	0
4	2001-02	0	0	0	0	0
5	2004-05	0	0	0	0	0
6	2005-06	0	0	0	0	0
7	2006-07	0	0	0	0	0
8	2007-08	0	0	0	0	0
9	2008-09	0	0	0	0	0
10	2009-10	0	0	0	0	0
11	2010-11	3	2	0	2	0
12	2014-15	0	0	0	0	0
13	2016-17	1	2	1	2	33.33
Total		4	4	1	4	33.33

27.5 AUDIT PARAS

Military Secretary to Governor

27.5.1 Unjustified expenditure by way of split up - Rs 13.306 million

According to Rule-12, “Limitation on Splitting or Regrouping of Proposed Procurement” of Sindh Public Procurement Rules 2010, states that, “(1) Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11 above, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.”

During audit of office of the Military Secretary, Governor’s Secretariat/House, Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 13.306 million was incurred under various heads by way of splitting up of the work orders just to avoid tendering process in violation of SPRRA rules. Hence, competitive rates could not be achieved, and government exchequer sustained unnecessary loss.

Audit is view of that expenditure incurred by way of splitting to avoid open tender is unjustified and violation of said rules as it deprived the government of the most competitive rates.

The matter was reported to the management during August, 2024. DAC meeting was held on 7th November 2024. The management stated that sanction orders were issued on different dates and within the prescribed limit as per SPPRA Rules to avoid splitting. Due to frequent visit of VVIPs and functions at a very short notice. DAC directed to produce relevant record to audit which shows that the expenditure has not been split up. During verification the management produced sanction orders issued on the same date, which shows that the expenditure was split up.

Audit recommends justification for the splitting of procurement to avoid the tendering process besides fixing responsibility for violating SPPRA rules, and

measures should be taken to ensure transparent and competitive procurement practices. Strict compliance with procurement regulations must be ensured to prevent such irregularities in the future.

(DP#04/AIR #04)

Principal Secretary to Governor

27.5.2 Non-recovery of Government Taxes – Rs 2.073 million

According to Para 153 (1)(a), (b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors w-e-f 01-07-2015. As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%. 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 office of Principal Secretary to Governor Sindh, Karachi for the financial year 2023-24, it was observed that various taxes (i.e., Income Tax, Sales Tax, and SST) amounting to Rs 2.073 million were not recovered from the contractors/supplier/service providers etc. The details are given at **Annex-1 of Chapter-27**.

Audit is of the view that short recovery of the Government taxes is loss to national ex-checker which needs to be recovered.

The matter was reported to the management during, August, 2024. DAC meeting was held on the 05th of November, 2024. The management replied that all kind of taxes i.e., SST, IT and GST has been deducted by AG Sindh. DAC directed to produce the record of deductions for verification. During verification the management did not produce the relevant record.

Audit recommends the immediate recovery of outstanding government taxes and justification for the non-recovery. Responsibility should be fixed for failing to deduct and deposit the required taxes as per applicable laws. Strict compliance with tax regulations must be ensured to prevent such lapses in the future.

(DP#7/AIR #20)

Provincial Assembly of Sindh

27.5.3 Non-crediting of call deposits into treasury – Rs 103.743 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 office of the Secretary, Provincial Assembly of Sindh, Karachi, for the financial year 2023-24, it was observed that bid security amounting to Rs 103.743 million of estimated value of work which was to be furnished by contractors in shape of pay orders was neither recorded into cash book nor the same was shown accounted for into the government treasury. The details are as under:

(Rs.in Million)

Sr.#	Name of work	Name of contractor	Work Order No.	Date	Estimated cost	Call deposit @2% of estimated value
01	Construction of Parliamentarians Residences, Karachi, Tower-B	MS NPI Const. & Engineering	2124-A/	22-7-2016	2,261.026	45.220
02	Construction of Parliamentarians Residences, Karachi, Tower-A	M/s SMK Construction Company	148	28-12-2014	2,926.164	58.523
TOTAL					5,187.190	103.743

Audit is of the view that non-crediting of call deposit into government treasury shows weak internal control, and the irregularity needs to be justified to audit.

The matter was reported to the management in the month of August 2024. DAC meeting was held on November 29, 2024. The management replied that as per bidding documents Clause 15.05, the Bid Security of the Successful bidders will be returned when the bidder has furnished the required Performance Security and signed the Contract Agreement. DAC directed the management to produce challan with reconciliation to audit for verification. During verification the management did not produce the relevant record.

Audit recommends the immediate deposit of call deposits into the government treasury and justification for the non-crediting of funds. Responsibility should be fixed for failing to account for the bid security as per financial rules. Strict compliance with treasury regulations must be ensured to prevent such irregularities in the future.

(DP#06)

Provincial Ombudsman Sindh, Karachi

27.5.4 Non-production of record – Rs 53.478 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of office of the Regional Director, Provincial Ombudsman, Sindh, Hyderabad for the financial years 2018-19 to 2022-23, it was observed that an expenditure amounting to Rs 53.478 million was incurred on account of pay and allowances but it was requested to provide Audit-able record vide requisition. The record was requisitioned for the FY 2018-19 to 2022-23. However, it was refused to Audit despite meetings with the concerned officers of the department by the Field Audit Team. The details are given as under:

(Rs in Million)		
Type of Appointment	No. of Employees	Total salary
Regular	12	31.940
Contractual	13	21.538
Total	25	53.478

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management in March, 2024. DAC meeting was held on 02-01-2025, wherein the management stated that the record was available for audit. DAC directed to produce record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last five (05) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01/AIR#07)

27.5.5 Irregular appointment of Regional Director – Rs 6.270 million

Section-14(1) of Civil Servants (Appointment, Promotion and Transfer) Rules, 1973. “A retired civil servant shall not be re-employed under the Federal Government, unless such re-employment is necessary in the public interest...” The main purpose of such stipulation is to ensure that promotion prospects of serving officials are not blocked. The word ‘necessary’ and not ‘important,’ means that re-employment to a particular post must meet the necessity test, that public interest can be served only by the appointment of a particular retired civil servant to a particular post. In other words, the qualifications, experience, credentials, or skills of that person are such that no one is more suitable than him for appointment to that position

During audit on the accounts of Regional Director, Provincial Ombudsman Sindh, Hyderabad for the financial years 2018-19 to 2022-23, it was observed that the Regional Director was re-appointed on contract basis after retirement from the same post. He was granted fixed monthly salary without adjusting the pension increases, making the appointment irregular and in violation of the Civil Servants (Appointment, Promotion, and Transfer) Rules, 1973.

Audit is of the view that the management extended undue benefit to a retired officer due to which eligible employees were deprived from the opportunity of promotion.

The matter was reported to the management in March, 2024. DAC meeting was held on 02-01-2025, wherein the management stated that the Consultant was appointed on merit, and in accordance with Section 20 of the Ombudsman Act after completing due process. DAC directed to produce relevant rule for verification. However, no record was produced till finalization of this report.

Audit recommends justification for the re-appointment of the retired Regional Director and recovery of any undue financial benefits granted besides fixing responsibility for violating appointment rules, and measures should be taken to ensure transparent hiring practices that do not hinder the promotion prospects of eligible employees. Strict compliance with civil service rules must be ensured to prevent such irregularities in the future.

(DP#2/AIR#4)

27.5.6 Non-deduction of taxes - Rs 3.690 million

According to Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011 states: “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.” And as per Second Schedule of The SST on Services Act, 2011, the rate of tax is 13% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies. As per Section 3 (1) of the Sales Tax Act, 1990, “there shall be charged, lived and paid a tax known as Sales Tax @ 17% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”, further Section 3 (a) ibid “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1)”.

During audit on the accounts of following offices of the Provincial Ombudsman (Mohtasib) Sindh, Karachi for the financial year 2023-24, it was observed that an amount of Rs 3.69 million of Government taxes was not deducted from the payments. This oversight has resulted in a loss of revenue for the government. The details are as follows:

(Rs in Million)

Sr. #	Name of office	AIR Para #	Description	Amount
1	Provincial Ombudsman (Mohtasib) Sindh, Karachi	15	Non-deduction of Sindh Sale tax @ 13%	3.139
2	Provincial Ombudsman, Sindh Regional Office Sukkur	04	Non-deduction of Sindh Sale tax @ 13%	0.114
3	Provincial Ombudsman, Sindh Regional Office Sukkur	03	Non-deduction of GST	0.437
Total				3.690

Audit is of the view that due to non-deduction of Government Taxes which was government deprived from its due share of revenue which reflects poor internal controls within the management.

The matter was reported to the management in September 2024. DAC meeting was held on 02-01-2025, wherein the management stated that payments of remuneration to contract employees, consultants and payments to suppliers are being made through AG/DAO offices and tax are being deducted as per applicable rates. The DAC directed to get verification from Sindh Revenue Board regarding deduction of SST on services in respect of consultants and for GST deductions DAC further directed to issue instructions to all DDOs to ensure deduction of GST and produce record/evidence of GST/SST deductions to audit for verification. However, no record was produced till finalization of this report.

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

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 28.5.47 respectively having financial impact of Rs 4.142 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#13&14)

27.5.7 Irregular expenditure through DDO instead of actual payees – Rs 9.976 million

According to 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 drawal and disbursement of cash.”

During audit of following offices of Provincial Ombudsman (Mohtasib) Sindh for the financial years 2018-19 to 2023-24, it was observed that an amount of Rs 9.976 million was drawn in DDO account instead of direct transfers to concerned payees.

The payment through DDO account creates doubts over transparency of transactions as no proof of such onward payments to the recipient was shown to audit. The details are as under.

(Rs. in Million)			
Sr.#	Name of office	AIR Para #	Amount
1	Provincial Ombudsman, Karachi	11	1.080
2	Provincial Ombudsman Regional Office Sukkur	05	6.515
3	Provincial Ombudsman Regional Office Hyderabad	06	2.381
Total			9.976

Audit is of the view that making payment through DDO account is a violation of rules and regulations that should be avoided at any cost because this practice results in misuse of funds and misuse of authority.

The matter was reported to the management in September 2024. DAC meeting was held on 02-01-2025, wherein the management stated for Sr#1 that annual membership fees were paid to International Ombudsman Institutions in foreign exchange, therefore payments were first drawn from A.G. Sindh in DDO account and subsequently remitted in foreign exchange to the concerned institutions. For Sr# 2 the management stated that most of the payments is being made through various vendors, however POL, Stationery and other miscellaneous petty expenditure are made through DDO. For Sr#3 the management stated that local vendors were reluctant to work with regional office due to meagre budgetary allocations, therefore expenditure are incurred through DDO account. DAC directed to produce acknowledgments / evidence of making cash payments to vendors and issue instructions to all Regional Director to stop cash payments. However, no record was produced till finalization of this report.

Audit requires justification besides fixing of responsibility against the person(s) at fault.

(DP#6 &15)

Chapter - 28

Planning and Development Department

28.1 Introduction

The Planning and Development Department, Government of Sindh is the principal planning organization at the provincial level. It coordinates and monitors development programs and activities of various departments of the provincial government.

The mandate of the planning & development department includes provision of technical support and coordination to various Government departments in their planning activities. The Planning & Development Department is also the main government agency working with foreign donors in the province.

The main objectives of the Planning and Development Department are:

- Assessment of the material and human resources of the province,
- Formulation of long and short-term plans,
- Recommendations concerning prevailing economic conditions, economic policies or measures,
- Examination of such economic problems as may be referred to it for advice,
- Coordination of all economic activities in the provincial government.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	5	1	784.264	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	4	4	141,448.851	-

28.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure, and receipt of the department:

(Rs. in Million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
85,616.079	0.004	28,077.442	(16,520.173)	(41,350.896)	55,822.456	50,927.420	(4,895.036)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 4,895.036 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
17.000	5.000	2,811.688	2,806.688

Revenue estimates were reduced up to 71% in revised estimate. Actual receipt was 56234% of revised estimate.

28.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 115,636.744 million were raised as a result of this audit. This amount also includes recoverable of Rs 24.150 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	HR/Employees related irregularities	76.674
B	Procurement related irregularities	744.844
C	Management of Accounts with Commercial Banks	238.379
2	Others	
A	Operational inefficiency	114,401.920
B	Internal Control Weaknesses	199.077

28.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 19%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	5	1	0	1	-
3	1999-2000	17	8	0	8	-
4	2001-02	19	8	0	8	-
5	2004-05	2	2	1	1	50
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	0	0	0	0	-
13	2016-17	12	12	5	7	41.67
Total		55	31	6	25	19

28.5 AUDIT PARAS

28.5.1 Irregular Inclusion of Incomplete Development Schemes in Volume-V of the ADP-Rs 114,399.965 million

As per Paragraph 9.3 of the Planning Manual (updated April 2023), development schemes that were approved more than four years ago and are still listed in the Annual Development Program (ADP) should either be completed within the allocated funds or have their scope and total cost rationalized through revised PC-1s. Additionally, schemes that have carried token allocations, shown zero utilization, or remained unapproved for the last two consecutive years should not be proposed for the next year's ADP. Moreover, Paragraph 9.11 of the same manual specifies that unapproved schemes included in the ADP with current fiscal year allocations should be excluded until they are properly approved, as their costs and allocations are subject to change.

During the audit of the Planning & Development (P&D) Department, Government of Sindh, for the financial year 2023-24, it was observed that 133 development schemes, approved between 2001 and 2017, involving an estimated total cost of Rs. 114,399.965 million across 28 administrative departments, remained incomplete. Despite the prolonged delays, these schemes were irregularly carried forward in Volume-V of the budget books without obtaining the necessary justifications from the respective administrative departments. The P&D Department, as the approving authority, did not ensure compliance with the Planning Manual by allowing these schemes to be carried forward without valid reasons for their non-completion. This represents a violation of the manual's provisions and indicates a lack of accountability in managing development projects effectively.

Audit is of the view that the continued allocation of funds to long-delayed schemes may result in inefficient use of public resources, potentially increasing costs due to time overruns. The original purpose and benefits of the schemes may no longer be valid due to changes in socio-economic conditions, resulting in wasted public funds.

The matter was reported to the management in the month of October, 2024. DAC meeting was held on 03-01-2025 wherein the management stated that they will

pursue the ADP schemes with all administrative departments for completion/ removal of these schemes from ADP book. The DAC directed the management to further pursue with all departments and produce relevant record for verification. However, no progress was intimated to audit till finalization of this report.

Audit recommends compliance of DAC directives and pursue the matter with administrative departments for completion or removal of the schemes from Volume V.

(DP#19 /AIR#01)

28.5.2 Unauthorized usage of interest earned from bank balances – Rs 238.379 million

As per PPRP contract agreement (1st Revision) in 05th May 2017. Clause-3.05 “If the SRSO fails to achieve the targets within given timeframe or utilize the funds for the specific intervention, the SRSO shall return the un-utilized fund to the client along with interest earned for the period.

During audit of office of the Director General, Peoples Poverty Reduction Program, Karachi for the financial years 2021-22 & 2022-23, it was observed that an amount of Rs 238.379 million was earned as profit on bank balances by SRSO, but the said amount was not returned to PMU. M/s SRSO continuously utilized this amount.

(Rs. in Million)

Name of Project	Amount
PPRP-I	179.154
PPRP-II	59.225
Total	238.379

Audit is of the view that weak financial control prevails in the system due to irregular usage of earned profit.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends immediate return of earned profit to PMU besides fixing of responsibility on the person(s) at fault.

(DP#05/AIR#12)

28.5.3 Non -functioning of auxiliary Sewerage Pumping Houses – Rs 174.927 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 the 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 office of the Program Director, Municipal Services Delivery Program, Karachi for the financial years 2022-23 & 2023-24, it was observed that although the execution of 13 auxiliary sewerage pumping houses was completed, none were operational. An expenditure of Rs 174.927 million was incurred in Jacobabad, yet no pumping station was functional, potentially delaying the project.

Audit is of the view that the non-operational status of the completed sewerage pumping houses has deprived citizens of the towns of the intended benefits of the program. Additionally, the significant delay in operationalizing the project means that the benefits will not be delivered to the beneficiaries on time, reflecting poor project management and inefficient utilization of public funds.

The matter was reported to the management in September, 2024. DAC meeting was held on 13 December, 2024. The department replied that the delay is due to the reasons that SEPCO has not provided electricity connections to the pumping stations and Pakistan Railways has not issued NOC for crossing the railway track. The DAC directed the management to produce documents pertaining to the funding as per PC-I and actual date to audit for verification. No record was produced till finalization of this report.

Audit seeks justification of the delay and non-compliance with the DAC directives besides fixing responsibility on the person (s) at Fault.

(DP#29/AIR#2)

28.5.4 Non-deduction of Government taxes – Rs 24.150 million

Sindh Sales Tax on Services Act, 2011, working tariff (Amended up to 04th December 2017) under tariff heading 9809.0000 (Services provided or rendered by persons engaged in contractual execution of work or furnishing supplies), 13% sales tax on services needs to be deducted.

AND

As per Para-22-A of Stamp Act 1899, “It is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement at the rate of 0.35 paisa per hundred rupees of the value of the agreement or against tender cost.”

During audit of following offices of Planning & Development Department Government of Sindh for the financial years 2021-22 to 2023-24, it was observed that Government tax amounting to Rs 24.150 was not deducted from payments. Thus, the government sustained loss of Rs 24.150 million.

(Rs. in Million)

Sr. #	Name of Formation	Financial Year	AIR Para#	Particulars	Amount
1	Director General, Peoples Poverty Reduction Program, Karachi	2021-22 & 2022-23	07	Non-deduction of Sindh Sales Tax on execution of Program activities of PPRP-I & II	20.729
			08	Stamp duty was not deducted due to non-execution of contract agreement against 4 th Revision of PC-I “Peoples’s Poverty Reduction Program in six districts of Sindh”	3.421
Total					24.150

Audit is of the view that due to non / less deduction of taxes; government sustained a financial loss in shape of less collection of revenue.

The matter was reported to the management during June and September, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that expeditious recovery of tax besides discouraging of such practice in future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 2022-23 & 2023-214 vide paras numbers 24.5.15, 29.5.19 & 27.5.15 respectively having financial impact of Rs 425.041 million. Recurrence of same irregularity is a matter of serious concern.

(DP#3&4)

28.5.5 Irregular award of tenders – Rs 720.694 million

As per Guidelines issued by SPPRA through letter No.MD/SPPRA/Instruction /2021-22/December 2021 on notice inviting tender “Procuring Agencies do not open the bids as per schedule of opening of bids mentioned in the NIT and Bidding Documents and postpone the bid opening to 2nd attempt provided in the NIT without any intimation to the Authority and bidders which is against the fairness and transparency”. It is clarified that 2nd attempt schedule provided in NIT is for “Un-responded Tenders” only. i.e in case a procuring agency does not receive any bid in response to the NIT or any item of the NIT till the deadline of submission of bids. Provided that the procuring agency shall upload the “Corrigendum” for adoption of 2nd attempt on the SPPRA Website and Procuring Agency s own websites, if exists, otherwise the procurement process has got to be declared as mis procurement under Rule-32(A) of SPP Rules, 2010.

During audit of office of the Program Director, Municipal Services Delivery Program, Karachi for the financial years 2022-23 & 2023-24, it was observed that Rs 720.694 million was spent through open tenders for various works. In the NIT the department given two dates for opening of bids. The first date was 12 April 2023, but no bid was received on that date. The department postponed the bid for second attempt/date without uploading the same on SPPRA website. Additionally, the works were awarded to contractors without conducting a technical evaluation of the bids, reflecting non-compliance with procurement rules. The details are given as under.

(Rs. in Million)

Sr. #	Name of formation	Financial Year	AIR Para #	Particulars	Amount
1	Program Director, Municipal Services Delivery Program, Karachi	2022-23 & 2023-24	05	Corrigendum was not uploaded on SPPRA website. As procuring agency did not receive bid on due date. The bid was open on 2 nd date without uploading corrigendum on SPPRA web site	360.347
2	Program Director, Municipal Services Delivery Program, Karachi	2022-23 & 2023-24	10	Work was awarded to various contractors without technical evaluation of bid	360.347
Total					720.694

Audit is of the view that the failure to upload the corrigendum on the SPPRA website and the awarding of contracts without technical evaluation reflect non-compliance with procurement rules and weak internal controls, which compromise the transparency and fairness of the tendering process.

The matter was reported to the management in September, 2024. DAC meeting was held on 13 December, 2024. The management replied for AIR # 5 that the tenders were open on 2nd date as per SPPRA Rules as the 2nd date was also mentioned in the NIT. The management replied for AIR#10 that work was awarded after Technical Evaluation”. DAC directed the management to get clarification from SPRRA as regards AIR#05 and verification of record regarding AIR#10. However, no record was produced to audit till the finalization of this report.

Audit recommends compliance with the prescribed rules and initiation of inquiry into the matter besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 24.5.13 having financial impact of Rs 187.260 million. Recurrence of same irregularity is a matter of serious concern.

(DP#24&25)

28.5.6 Un-justified payment of honorarium upto 12 Basic pay - Rs 76.674 million

According to Fundamental Rule (FR) 48 (b), a local government may grant or permit a government servant to receive an honorarium from general revenue as remuneration for work performed which is occasional in character and either so laborious or of such special merit as to justify a special reward except when special reasons which should be recorded in writing, exist for a departure this provision, sanction to the grant or acceptance of a honorarium should not be given unless the work has been undertaken with the prior consent of the local government and its amount has been settled in advance.

During Audit of the office of the Secretary, Planning & Development Department, Government of Sindh, Karachi, for the financial year 2023-24, it was observed that Rs 76.674 million was paid as honorarium to various officers and officials. The approval honorarium equal to 7 basic pays was based on staff involvement in budget preparation, yet many staff members were not responsible for budget matters, leading to discriminatory payments ranging from 1 to 12 basic pays. Payments lacked justification for extraordinary work or special merit, and amounts were granted without considering grades or basic pay.

Audit is of the view that the honorarium was paid to employees who were not eligible for work that was neither occasional nor of such special merit as to justify a special reward.

The matter was reported to the management in October, 2024. DAC meeting was held on 03-01-2025 wherein the management stated that employees were allowed honoraria equal to seven (07) basis salaries however, some officers/ officials were allowed further amount. The DAC directed the management to recheck calculation and produce approval and also directed to effect recovery of excess amount. However, no record was produced to audit till finalization of this report.

Audit recommends compliance with DAC directives and effect recovery of the excess amount if any.

(DP#21/AIR#02)

28.5.7 Excess payment on supervision and management cost – Rs 1.955 million

As per PPRP-II revised contract agreement (1st Revision) dated 08.12.2022 Annexure-N “An amount of Rs 171.205 million has to be paid to Ms/ SRSO on account of Management fee”.

During audit of office of the Director General, Peoples Poverty Reduction Program, Karachi for the financial years 2021-22 & 2022-23, it was observed that Rs 1,336.341 million was released to SRSO for program activities, including Rs 1,119.084 million for program intervention costs. As per the contract, M/s SRSO was entitled to management fees of Rs 33.572 million, but they claimed and received Rs 35.527 million, resulting in an excess payment of Rs 1.955 million.

(Rs. in Million)

Contract Amount (After Revision)	Funds Received upto 30.06.2023	Program Intervention Cost	Supervision & Management Cost @3%	Paid Cost	Excess Payment
6,390,066,733	1,336.342	1,119.085	33,572	35,527	1.955

Audit is of the view that the excess payment of management fees reflects weak financial controls and non-compliance with contract terms, leading to an unnecessary financial burden on the program.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends reconciliation for settlement of excess amount besides taking remedial measures.

(DP#01/AIR #03)

Chapter - 29

Population Welfare Department

29.1 Introduction

This department is basically meant for the socio-economic development by emphasizing on:

- Small family norms
- Reducing population growth rate
- Reducing infant mortality
- Maternal mortality and;
- Fertility level

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	30	20	4,158.928	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

29.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
6,870.520	640.971	1,019.048	(1,019.048)	(319.188)	7,192.303	6,836.673	(355.629)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 355.629 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	40.312	40.312

Revenue estimates were not fixed. However, receipts of Rs 40.312 million was realized.

29.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,373.543 million were raised as a result of this audit. This amount also includes recoverable of Rs 15.775 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	HR/Employees related irregularities	0.879
B	Procurement related irregularities	1,042.548
C	Management of Accounts with Commercial Banks	302.209
2	Others	
A	Operational Inefficiency	29.529
C	Recovery	15.775

29.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 26.67%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	5	5	0	5	0
2	1998-99	9	1	0	1	0

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
3	1999-2000	0	0	0	0	0
4	2001-02	0	0	0	0	0
5	2004-05	0	0	0	0	0
6	2005-06	3	0	0	0	0
7	2006-07	6	0	0	0	0
8	2007-08	6	0	0	0	0
9	2008-09	6	2	0	2	0
10	2009-10	3	0	0	3	-
11	2010-11	7	7	4	3	-
12	2014-15	2	0	0	0	-
13	2016-17	0	0	0	0	-
Total		47	15	4	14	26.67

29.5 AUDIT PARAS

29.5.1 Non-production of auditable record

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During Audit of the following offices of Population Welfare Department, Government of Sindh, it was requested to provide Auditable record through various requisitions. The record was requisitioned for the financial year 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given as under:

Sr.#	Name of Office	Financial year	AIR Para #	Particulars or Observation
1	District Population Welfare Officer Thatta	2022-23	15	Record and information for the period of first three quarters for the financial year 2022-23
2	District Population Welfare Officer, Dadu	2023-24	01	i. Selection criteria for selection of rented buildings ii. Dispatch & arrival report against transportation of goods, issuance & receiving register of storekeeper, supply order and delivery challan iii. Personal File of DPWO and Dy. DPWO. iv. Cases and inquires against the officer i.e., DPWO, DDPWOs and ADPWOS.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during Feb to Aug, 2024. DAC meeting was held on 05-09-2024. The management at Sr. No.01 acknowledges the unavailability of record during Audit and explains that these records were subsequently received from Mr. Majid Ali Bhutto, Accounts Officer, now posted at DPWO Qambar, with photocopies attached for verification. The DAC directed the management to produce record to audit. However, other offices did not reply.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last year and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01&32)

29.5.2 Non achievement of targets of population growth control rate

As per Population Welfare Department, Government of Sindh “**OBJECTIVES**” are reproduced here as under.

1. Increases contraceptive prevalence rate (CPR) from 31% (PDHS 2017-18) to 47% by 2025 and 57% by 2030.
2. Decrease Total Fertility Rate (TFR) from 3.6 (PDHS 2017-18) to 2.8 by 2025 and 2.3 by 2030.
3. Reduce Population growth rate 2.41 (PDHS 2017-18) to 1.4 by 2025 and 1.3 by 2030.
4. Contraceptive commodity security up to 100% for public sector outlets.
5. Achieve Universal access to safe and quality Reproductive Health and family planning services.
6. The Population Welfare Program will not only contribute to improvement of socio-economic development of the country but also to improve the health objective for reduction in maternal and infant mortality rates through birth

spacing & RH services which are the important components of Millennium development goals.

During audit of various offices of Population Welfare Department, Govt. of Sindh, it was observed that the management failed to achieve the target population growth rate of 1.4%, as the current growth rate stood at 2.41%. Additionally, in District Tando Allahyar, the growth rate steadily increased over three years, from 1.52% in 2021-22 to 1.90% in 2023-24. This reflects poor administrative management in controlling population growth, adversely affecting socio-economic development in the province. The details are given as under;

Sr. #	Name of Office	Financial Year	AIR Para #	Detail of target		
1	Director General, Population Welfare Sindh, Karachi	2022-23	18	Non-achievement of target growth rate		
2	Secretary, Population Welfare Department, Karachi	2023-24	36	Particular	Target 2025	Current Growth Rate
				Population growth rate	1.4	2.41
3	District Population Welfare Officer, Tando Allahyar	2023-24	08	Growth Rate of last 3 Years in District Tando Allahyar		
				Sr. No.	Financial Year	Growth Rate
				1	2021-22	1.52
				2	2022-23	1.56
				3	2023-24	1.90

Audit is of the view that the failure to meet population control targets demonstrates ineffective management, which may exacerbate socio-economic challenges due to uncontrolled population growth.

The matter was reported to the management in February, 2024. DAC meeting was held on 05-09-2024. The management at Sr. No.01 replied that the targets were set in 2019-20. While efforts were under way and momentum had developed, the pandemic COVID in 2020-21 and floods in 2022 adversely affected the performance of all departments. However, the results of efforts can only be analyzed through Surveys as CPR and TFR can only be derived out of survey, which is conducted by

independent agencies, normally after passing a period of five years. Indeed, the results can only be referred after passing the targeted years i.e. 2025 and 2030 and then the analysis can be done. It is too early to depict an impression of non-achieving of the targets. The DAC directed the management to produce record to audit for verification. However, no record and reply from other offices were received till finalization of this report.

Audit recommends that steps may be taken to make higher authorities bound for adopting plan/targets for reduction of population.

(DP#28&58)

29.5.3 Fictitious expenditure on purchase of POL – Rs 7.376 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of following offices of Population Welfare Department, Govt. of Sindh, for the financial years 2022-23 & 2023-24, it was observed that Rs 7.376 million was spent on purchasing POL for vehicles in advance from a fuel station located far from the office premises, indicating irregular procurement practices. The details are given as under.

(Rs. in Million)

Sr. #	Name of Office	Detail	Financial Year	AIR Para #	Amount
1	Director General, Population Welfare Sindh, Karachi	Purchase of POL by preparation of advance bills of various vehicle	2022-23	15	0.761
2	District Population Welfare Officer, Hyderabad	Purchased of 486 liters of petrol for the vehicle designated for diesel	2023-24	06	1.330
3	District Population Welfare Officer, East Karachi	Purchase of POL from long distance petrol pump station	2023-24	12	0.850

(Rs. in Million)

Sr. #	Name of Office	Detail	Financial Year	AIR Para #	Amount
4	District Population welfare Officer, Mirpurkhas	POL purchased from far located fuel pump for generators in presence of installed solar system	2023-24	03	0.651
		Excess purchase of POL beyond limit		20	1.402
5	District Population welfare Officer, Dadu	POL purchased for non-functional generator	2023-24	02	0.760
6	District Population welfare Officer, Thatta	Un-justified expenditure on POL	2023-24	04	1.622
Total					7.376

Audit is of the view that purchasing POL in advance and from a fuel station located far from the office reflects poor financial management and non-compliance with procurement rules, leading to inefficiencies and potential misuse of funds.

The matter was reported to the management in February, 2024. DAC meeting was held on 05-09-2024. The management at Sr. No.01 replied that the POL is issued as per grade wise ceiling. In government, there is no advance provision on one hand and the liability is discouraged by the Finance Department on the other hand. Since the issuance of POL is a perpetual activity, therefore utilization is ascertained through ceiling of the officers hence in order to avoid any liability and meeting cut-off date, the management did so, which has already been reconciled. The DAC directed the management to produce record to audit for verification. However, no record and reply from other offices were received till finalization of this report.

Audit recommends compliance with DAC directives. Audit also recommends inquiry besides fixing responsibility on the persons at fault.

(DP#26, 37&38)

29.5.4 Non-deduction of government taxes – Rs 15.775 million

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011, “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 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 contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

During Audit of various offices of Population Welfare Department, Govt. of Sindh, it was observed that government taxes amounting to Rs 15.775 million were less / not deducted from the payments made to various vendors. Hence the government sustained a loss due to less or non-deduction of taxes. The details are given at **Annex-1** of Chapter-29.

Audit is of the view that due to negligence of the management; the government was deprived of its revenue by non-crediting of amount in question into Government Treasury.

The matter was reported to the management in November 2024. DAC meeting was held on 05-09-2024. The management at Sr#. 01 to 12 replied that the deduction of all types of taxes is the responsibility of the concerned accounts offices through an automatic deduction system. The DDO only submits the bill, and the subsequent process is managed by the AG/DAO, fully in line with the Finance Department's procedures, which are beyond the DDO's control. The management asserted that the process adopted by the DDO was correct and beyond any doubt. The DAC directed the management to produce the relevant records for audit verification. However, no records or replies from other offices were received till the finalization of this report.

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

(DP#31&59)

29.5.5 Unjustified payment of rent of building to employees - Rs 6.378 million

According to Para 10 (i) and (ii) of General Financial Rules Vol.-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 following offices of Population Welfare Department, Govt. of Sindh, it was observed that an amount of Rs 6.378 million was disbursed to various owners who were also found to be employees of the local offices. This raises serious concerns regarding potential collusion and the possibility that the rented centers may not exist. The details are given as under;

(Rs. in Million)

Sr. #	Name of Office	Financial year	AIR Para #	Particular	Amount
1	District Population Welfare Officer, Dadu	2023-24	11	Payment of rent was made to various owners of building, who are also the employees of local office such as FTO, FW Counselor, Chowkidar, FW Worker etc.,	3.464
2	District Population Welfare Officer, Hyderabad	2023-24	11	-do-	1.089
3	District Population Welfare Officer Badin	2023-24	01	-do-	1.521
4	District Population welfare Officer, Mirpurkhas	2023-24	01	Payment of rent paid to various owners of building out of which 03 nos. of owners found to be employee of local office	0.304
Total					6.378

Audit is of the view that this situation indicates a significant conflict of interest and a lack of transparency in the rental arrangements. The overlap between the recipients of the funds and local office employees suggests that proper procedures may not have been followed creating doubts about the legitimacy of the expenditures.

The matter was reported to the management in the month of August to November, 2024. DAC meeting was held on 08-01-2025, wherein the management

stated that Family Welfare Centers are located at gross root level mostly at rural areas. Therefore, management was not aware of status of landlords. The DAC directed to initiate the corrective measures to avoid such practice and produce record for verification. However, no record was produced till finalization of this report.

Audit recommends that management conduct a thorough investigation into the disbursements to ensure the legitimacy of the rental agreements.

(DP#33)

29.5.6 Irregular withdrawal of funds and retained in DDO account – Rs 302.209 million

According to Rule-290 of Treasury Rules, Volume-I, “No money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand or to prevent lapses of budget grant”.

During audit office of the Secretary, Population Welfare Department, Karachi for the financial year 2023-24, it was observed that an amount of Rs 302.209 million was withdrawn from government treasury and deposited in the DDO account. The same was neither disbursed to actual payees nor surrendered as savings.

Audit is of view that due to non-surrendering of retained amount before close of financial year, the government could not use the funds somewhere else for useful purposes.

The matter was reported to the management during August 2024. DAC meeting was held on 08-01-2025, wherein the management stated that relevant details and justification of retaining of funds in DDO accounts for opening of LCs are available. DAC directed to produce relevant record for verification to audit. However, no record was produced till finalization of this report.

Audit recommends immediate surrender of the funds available in the DDO accounts besides fixing of responsibility on person(s) at fault.

(DP#36/AIR#22)

29.5.7 Doubtful tendering process in procurement of Drugs & Medicines and Contraceptives – Rs 892.522 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of office of the Secretary, Population Welfare Department, Karachi for the financial year 2023-24. it was observed that Rs 892.522 million was spent on procuring drugs, medicines, and contraceptives. The tenders were called twice in a single year without valid justification or administrative approval, and no proof of bid security submission was available. Sanction orders, bills, and supporting vouchers were unsigned by the DDO. Inspection reports were computer-generated with scanned signatures, raising doubts about the authenticity of the tendering process, potentially favoring General Order Suppliers. Additionally, invoices and delivery challans lacked manufacturing and expiry dates, medicines had a shelf life of less than two years in violation of rules, and no acknowledgment receipts or consumption records were available for audit verification.

Audit is of the view that these lapses indicate a lack of transparency and systematic control in the procurement process, raising the possibility of collusive practices and inefficient utilization of public funds.

The matter was reported to the management during August 2024. DAC meeting was held on 08-01-2025, wherein the management stated that SPPRA rules were followed, and no loss was made to government. DAC directed the management to produce record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends justification of the matter besides fixing of responsibility against the person(s) at fault.

(DP#39AIR#24)

29.5.8 Unjustified acceptance of single bid of medicine – Rs 148.111 million

As Per SPPRA Rule No 48” 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 office of the Secretary, Population Welfare Department, Karachi for the financial year 2023-24, it was observed that Rs 148.111 million was spent on purchasing medicines. However, the rates were quoted by only one vendor, and no market rate analysis was conducted or provided. Consequently, the rates were accepted without following the prescribed procedures, violating procurement rules. The details are given at **Annex-2** of Chapter-29.

Audit is of the view that awarding a procurement contract without conducting a market rate analysis and accepting rates from a single vendor reflects non-compliance with procurement rules, weak financial controls, and potential overpricing, resulting in inefficient use of public funds.

The matter was reported to the management during August, 2024. DAC meeting was held on 08-01-2025, wherein the management stated that Rule-48 of SPPRA rules was complied with. DAC directed the management to submit record in support of reply. However, no record was produced till finalization of this report.

Audit recommends justification into the matter, besides fixing of responsibility against the person(s) at fault.

(DP#40/AIR #07)

29.5.9 Dual salary payments to single employee after issuing two IDs – Rs 0.879 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 office of the District Population Welfare Office Thatta for the financial year 2022-23, it was observed that Ms. Saima Palejo manipulated her CNIC to obtain two personnel IDs, allowing her to work in two job positions simultaneously. She drew salaries from two different cost centers. Both salaries, totaling Rs 879,112, were credited to a single bank account, raising doubts about the legitimacy of the payments, and indicating a violation of rules. The details are given as under;

(Amount in Rupees)

NIC	Personnel No.	First Name	Date of Birth	Job Title (Scale)	Cost Center	Bank No	Bank account number	Name of bank	Paid
4140909700918	10542861	Saima Palijo	1/21/1986	F W Assistant (Female) (05)	TA9331 DPWO	230081	6514-2	NBP	439,556
4140909708918	10513466	Saima Palijo	1/21/1986	F W Assistant (Male) (05)	TX0360 DPWO	230081	6514-2	NBP	439,556
Total									879,112

Audit is of the view that the manipulation of personnel records and the disbursement of dual salaries to a single individual reflect serious financial irregularities and weak internal controls, resulting in undue financial benefits.

The matter was reported to the management in the month of April, 2024. DAC meeting was held on 05-09-2024. The management replied that after review of record and the circumstance that the Ms. Saima Palijo FWA (Female)-(BPS-05), has drawn single salary from cost TX0360. Further, record maintained by our office clearly indicates that no salary was drawn from DPWO Thatta. The DAC directed the management to conduct Departmental enquiry under intimation to audit. However, no progress was reported to audit till finalization of this report.

Audit recommends the management to clarify the matter of opening multiple IDs of the same employee and address the recovery of payments during the overlap period.

(DP#24/AIR#12)

29.5.10 Irregular payment of salaries to absconding doctor – Rs 1.915 million

Sindh Financial Rules, 2023 - Volume-I, Chapter-2(4) General Principles and Restrictions Relating to Expenditure: (1) In incurring and sanctioning expenditure from the Provincial Consolidated Fund, the Drawing and Disbursing Officers and sanctioning authorities shall be guided by the following fundamental canons of financial propriety: (i) Same vigilance shall be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of office of the District Population Welfare Office, Mirpurkhas, for the financial year 2023-24, it was observed that monthly salaries amounting to Rs 1.915 million were paid during 2024-25 to Dr. Irfana Irum, Deputy Director (BPS-18), despite her continuous absence from duty since 01.11.2019 due to illness (Brain Tumor).

Audit is of the view that paying salaries without obtaining a definitive report from the Special Medical Board regarding her fitness for service constitutes irregular expenditure. Additionally, the absence of proper documentation and follow-up raises serious concerns about internal controls and accountability mechanisms within the department.

The matter was reported to the management during November 2024. DAC meeting was held on 08-01-2025, wherein the management stated that the case was referred to SMB, report is awaited. DAC directed to conduct an inquiry into the matter and submit the same to audit. However, no inquiry report was produced to audit till finalization of this report.

Audit recommends that, immediate action should be taken to obtain the final report of the Special Medical Board and determine her fitness for further service. Further, a detailed inquiry should be conducted into the payment of salaries during her absence, and responsibility should be fixed for non-compliance with rules and procedures.

(DP#45 /AIR#11)

Chapter - 30

School Education and Literacy Department

30.1 Introduction

The School Education Department was established on October 6, 2016, following the bifurcation of the Education & Literacy Department into two separate entities: the College Education Department and the School Education Department. The primary purpose of forming the School Education Department was to effectively manage the various aspects of school education in Sindh. The main functions of the School Education Department are as under:

- Monitoring and Evaluation of Teachers and Schools.
- Training and professional development of schoolteachers.
- Review and Preparation of Curriculum.
- Production and Distribution of Scientific material.
- Textbook Development and Distribution.
- Literacy and Non-Formal Education.
- Engineering works pertaining to construction and maintenance of Schools, miscellaneous education.
- Regulating Private Schools.
- Public Private Partnership for Schools management.
- Construction of Schools under donor / Loaner programs.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	39	5	3,962.992	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	4	4	5,089.416	-

30.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)							
Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
292,616.481	22,527.259	113,183.936	(112,209.310)	(36,049.506)	280,068.860	260,162.128	(19,906.732)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 19,906.732 million were observed which were not surrendered in time.

(Rs. in Million)			
Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
877.477	455.162	1,102.520	647.358

Revenue estimates were reduced upto 48% in revised estimate. Actual receipt was 242% of revised estimate.

30.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 29,752.735 million. This included Rs 10,306.175 million due to non-production of records, Rs 142.000 million under Reported Cases to fraud, embezzlement and misappropriation, a case of HR/Employees related irregularity and Rs 12,988.849 million related to procurement irregularities, and Rs 4,553.214 million attributed to Management of Accounts with Commercial Banks and Rs 60.000 of Value for money and service delivery issues. Additionally, an amount of Rs 18.932 million related to Record Keeping and Data Accuracy and weaknesses in internal controls accounted for Rs 1,683.565 million, while recoverable amounts stood at Rs 195.404 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)		
Sr. No.	Classification	Amount
1	Non-production of record	10,306.175
2	Reported cases of fraud, embezzlement, and misappropriation	142.000
3	Irregularities	

A	<i>Procurement related irregularities</i>	12,988.849
B	<i>Management of Accounts with Commercial Banks</i>	4,553.214
4	Value for money and service delivery issues	60.000
5	Others	
A	Record Keeping & Data Accuracy	1,683.565
B	Internal Control Weakness	195.404

30.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directives and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 23.46%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	27	11	9	2	81.8
2	1998-99	14	7	0	7	-
3	1999-2000	20	0	0	0	-
4	2001-02*	11	6	2	4	33.3
5	2004-05*	10	9	3	6	33.3
6	2005-06	3	1	0	1	-
7	2006-07	3	2	0	2	-
8	2007-08	19	12	0	12	-
9	2008-09	8	2	0	2	-
10	2009-10	18	13	0	13	-
11	2010-11	6	6	0	6	-
12	2014-15	24	12	8	4	33.33
13	2016-17	18	17	1	17	5.55
Total		181	98	23	76	23.46

30.5 AUDIT PARAS

30.5.1 Non-production of auditable record – Rs 10,306.175 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During Audit of various offices of the School Education & Literacy Department, Government of Sindh Karachi, it was requested to provide Auditable record through various requisitions. The record was requisitioned for the financial years 2016-17 to 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given at Annex-1 of Chapter-30.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The Departmental Accounts Committee (DAC), in its December, 2024 meeting, also directed the department to submit a comprehensive response, but no further progress was made by the department till the time this report was finalized.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last eight (08) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may

direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01&65)

30.5.2 Non-invitation of open tender – Rs 12,627.247 million

According to Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one 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 various offices of the School Education & Literacy Department, Government of Sindh Karachi for the financial year 2018-19 to 2023-24, it was observed that an expenditure of Rs 12,627.247 million was incurred without invitation of open tender. The details are given at Annex-2 of Chapter-30.

Audit is of the view that management made expenditure without inviting tender to avoid competitive process.

The matter was reported to the management in May, June & July 2024, DAC meeting was held on 13th December 2024. The department at serial no.02 (AIR #24) replied that the procurement below threshold of tender limit being made by obtaining quotations from different suppliers and after careful scrutiny work order awarded to lowest bidders. The management at Sr.#02 (AIR # 22) replied that expenditure amounting to Rs. 3.995 million under various heads of accounts was not incurred with the intention to avoid tender or relevant codal formalities but procured as and when required / need basis. The management at Sr.# 02 (AIR # 25) replied that the tender should be invited for works or supplies exceeding Rs 300,000 But in this case all the purchases were made less than three lacs at a time and on different dates and procured different items on requirement basis, hence no question arises to invite open tender. The all above replies are not tenable as compliance of DAC regarding production of record to verify the same was not made. Further no reply at serial no.01 (AIR #01) was received.

Audit recommends authorities to provide a justification for not inviting open tenders for procurement above the prescribed threshold. Responsibility should be fixed for non-compliance with SPPRA rules, and corrective measures should be taken to ensure strict adherence to procurement regulations in the future. Transparent and competitive procurement practices must be ensured to prevent such irregularities.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2021-22 & 2022-23 vide para number 5.5.15 & 7.5.66 respectively, having financial impact of Rs 753.576 million. Recurrence of same irregularity is a matter of serious concern.

(DP#49&70)

30.5.3 Irregular expenditure incurred on POL – Rs 7.403 million

As per Para 11 of General Financial Rules Volume–I, “each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.”

During Audit of office of the Principal, Government Elementary College for Men / Women Hyderabad, for the financial years 2018-19 to 2023-24, it was observed that Rs 7.403 million was spent on POL despite no vehicles was on the strength of the local office. This expenditure on POL for other office vehicles or without vehicles is deemed irregular and unjustified. The details are as under:

(Rs. in Million)

Sr. #	Name office	Financial Year	AIR Para#	Particulars	Total
1	Principal Government Elementary College for Men / Women Hyderabad	2018-19 to 2023-24	20 & 41	Without vehicle available	7.403
Total					7.403

Audit is of the view that incurring POL expenditure without vehicles under the office’s jurisdiction reflects weak internal controls and non-compliance with financial rules, resulting in an unjustified use of public funds.

The matter was reported to the management during May & October 2024. DAC meeting was held on 13th December 2024, but the office did not submit any reply during DAC.

Audit recommends an immediate investigation into the irregular POL expenditure and recovery of any unjustified payments. Responsibility should be fixed for the unauthorized expenditure, and measures must be implemented to ensure compliance with financial rules and prevent such irregularities in the future.

(DP#93)

30.5.4 Non-deduction of Government Taxes – Rs 187.323 million

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011, “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.” As per Second Schedule of the Sindh Sales Tax on Services Act, 2011, sales tax on services @ 13% is to be charged on individual/AOP. According to Income Tax Ordinance, 2001, Para-153. Payments for goods, services and contracts. (1) Every prescribed person making a payment in full or part including a payment by way of advance to a resident person.

- (a) for the sale of goods [including toll manufacturing] [except where payment is less than seventy-five thousand Rupees in aggregate, during a financial year];
- (b) for the rendering of or providing of services payment is less than thirty thousand Rupees in aggregate, during a financial year];
- (c) on the execution of a contract, [including contract signed by a sports person] [but not including] a contract for the sale of goods or the rendering of or providing services, shall, at the time of making the payment, deduct tax from the gross amount payable (including sales tax, if any) at the rate specified in Division III of Part III of the First Schedule.

During Audit of various offices of the School Education & Literacy Department, Government of Sindh for the financial years 2018-19 to 2023-24, it was observed that various taxes amounting to Rs 187.323 million were not deducted. The details are given at Annex-3 of Chapter-30.

Audit is of the view that due to non-deduction of applicable tax, government sustained loss of its revenue.

The matter was reported to the management in March, June & July 2024. DAC meeting was held on 13th December 2024, but no reply was submitted by the office during DAC.

Audit recommends inquiry into the matter for fixing responsibility on the person at fault. Measures must be taken to strengthen financial controls and ensure strict adherence to tax regulations to prevent such lapses in the future.

Note: The issue was reported earlier also in Audit Reports for Audit Year 2021-22, 2022-23 & 2023-24 vide para number 5.5.29, 7.5.57 & 8.5.24 having financial impact of Rs 2,189.615 million. Recurrence of same irregularity is a matter of serious concern.
(DP#11,44,45,95)

30.5.5 Dual payments made on same approval – Rs 142.000 million

As per Rule#06 (v) of SEF Finance Audit and Accounts Rule 2017, “the foundation fund account shall be the operating account of the foundation and no expenditure shall be made from the account unless specified in the schedule of expenditure authorized under the signature of Managing Director with the approval of Board of Governor”. Further Rule#10(i) states that “the same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money, (ii) the expenditure shall not be more than what the occasion demands (iii) No person shall exercise the powers of sanctioning expenditure to pass an order which supports directly or indirectly to be the advantage of such person”.

During Audit of the office of the Managing Director, Sindh Education Foundation (SEF) in Karachi for the financial year 2022-23, it was observed that a dual payment of Rs 142.000 million was made to M/s STBB against a single supply order. Two cheques of Rs 71.000 million each were issued on the same date (27-06-2023) under one approval, which was unauthorized as the detailed below:

(Rs. in Million)

Reference no	Cheque number	Date	Description	Amount
SEF-BP23-017-02080	40535524	27-06-23	Paid to M/s STBB on purchase of workbooks for Kachi to Grade-VIII, 30% advance against the purchase order No.SEF/2022-23/324 dated: 22.06.2023 totaling Rs 237,486,640/-	71.000
SEF-BP23-017-02023	40535493	27-06-23		71.000
Total				142.000

Audit is of the view that the dual payment reflects weak financial controls and non-compliance with proper verification procedures, resulting in an unauthorized disbursement.

The matter was reported to the management during February 2024. DAC meeting was held on 13th December 2024, wherein the management stated that 30% advance payment for printing of workbooks was made and soon after due to availability of funds another payment of same amount was released after approval of competent authority. Hence, no dual payment was made. The DAC directed the management to produce record to audit for verification. However, no record was produced till finalization of this report.

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

(DP#02/AIR#25)

30.5.6 Unjustified subsidy to school owners being government employees – Rs 508.81 million

As per Sind Education Foundation Notification No. SEF/PSDU/075/2022 dated 16th June 2022 Para#07(iii)(b) “In case of non-disclosure of a government job by the partner, the foundation would reserve the right to impose penalty (financial and /or legal) in the following manner (any or all) (i) by terminating contract and or (ii) by imposing deduction/adjusting (in Part or whole) of subsidy of the non-disclosure period, (from date of joining of the government job to date of decision by the foundation in particular case (iii) by way of claiming damage and or (iv) Blacklisting the partner for future partnership.

During audit of office of the Managing Director, Sindh Education Foundation, Karachi for the financial year 2022-23, it was observed that a subsidy of Rs 508.81 million was disbursed to 73 SEF school owners who were also Sindh or Federal government employees, contrary to established rules, which do not permit government employees to engage in such activities. The details are as under:

(Rs.in Million)

(Rs in Million)					
Sr.#	Name of Department	Particular	Financial Year	AIR Para #	Amount
1	Managing Director, Sindh Education Foundation, Karachi	Payment of subsidy to school owners	2022-23	02	484.596
		Payment of subsidy to school owners		03	24.214
Total					508.810

Audit is of the view that huge amount of subsidy was paid to the government serving employees in violation of SEF subsidy policy/rules. This indicates weak financial and internal controls of the management.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that all the data pertaining to the registration of Partner Organizations, details of individual partners, bank accounts of the Partners, data of Schools, and student profiles are available. The reply for AIR#03 was not received till the finalization of audit report. The DAC directed the management to produce record to audit for verification, but no record was produced till finalization of this report.

Audit recommends a detailed review of the disbursed subsidies to ensure compliance with applicable rules. Immediate steps should be taken to recover unauthorized payments, and strict measures must be implemented to prevent government employees from engaging in such activities in the future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 & 2023-24, vide para number 5.5.19 & 8.5.16 having financial impact of Rs 5273.35 million. Recurrence of same irregularity is a matter of serious concern.

(DP#04&07)

30.5.7 Non-recovery from Trust despite Court orders – Rs 2.340 million

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed:

- i. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money
- ii. The expenditure shall not be more than what the occasion demand.

During audit of office of the Managing Director, Sindh Education Foundation Karachi, for the financial year 2022-23, it was observed that the management could not recover outstanding loan amounting to Rs 2.340 million despite court order for the said recovery from Haji Moula Bux (H.M.B) Trust.

Audit is of the view that persistent non-recovery of the outstanding loan amount, despite a court order in favor of the Foundation, indicates ongoing challenges in executing the recovery process effectively.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that M/s Haji Moula Buksh defaulted on the repayment of the loan amount, thus breaching the finance agreements executed between the SEF and Haji Moula Buksh. Consequently, the SEF pursued legal action in order to recover the outstanding loan amounts from this organization. The reply is not tenable as recovery should be made

Audit requires effecting recovery besides fixing of responsibility on the person(s) at fault.

(DP#08/AIR#47)

30.5.8 Irregularities in appointments and deviation from Merit

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed:

- i. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money.
- ii. The expenditure shall not be more than what the occasion demand.

As per Service Rules of Sindh Education Foundation notified by of Sindh Education and Literacy Department issued on 28.03.2022, referred to notification No.SO(G-III) SE&LD/Rules /SEF/3-1290/2021: Part-IX Code of Conduct Rule-74 (ix) every employee shall not carry out part time work or work as freelance except permission from the competent authority.

During audit of the office of the Managing Director, Sindh Education Foundation Karachi for the financial year 2022-23, it was observed that the appointments were made beyond the merit, exceeding the number of posts advertised without final recommendation of the third-party recruitment agency and also appointed several employees who were found to have private businesses as evident from online verification of FBR. The details are given as under:

Sr.#	Name of office	Financial Year	AIR Para #	Particulars
01	Managing Director of the Sindh Education Foundation in Karachi	2022-23	07	Ignored the candidates at merit
			09	appointed private business holders
			10	Exceeding the number of posts advertised
			11	Without recommendation of the third-party recruitment agency
			12	Without inclusion in the final merit list

Audit is of the view that this lack of vigilance of the management raises concerns regarding compliance with organizational policies and may potentially impact the integrity and transparency of SEF's operations. This indicates weak internal controls within the formation.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that the SEF Selection Committee in its " Minutes of the SEF Departmental Selection Committee Meeting " stated that: "The Committee also decided that in case the principal candidate

on the merit list does not accept the position, the Managing Director SEF may offer the position to the alternate candidate." The DAC directed the management to produce record for verification to audit but no record was produced for verification till finalization of this report.

Audit recommends a review of irregular appointments, ensuring future adherence to merit and advertised positions. Responsibility should be fixed for violations, especially regarding employees with private businesses, and strict compliance with recruitment rules and financial propriety must be ensured to prevent future irregularities.

(DP#13)

30.5.9 Doubtful payment to vendor on purchase of furniture – Rs 142.920 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 on the accounts of the office of Director Secondary & Higher Secondary Education Karachi, for the financial years 2019-20 to 2022-23, it was observed that furniture worth Rs 142.920 million was procured from a blacklisted vendor. Despite a court stay order dated 01/07/2022 and an enquiry initiated by CMIT on 19/05/2023, no report or action taken against responsible persons, suggesting possible undue favor to the vendor. Furthermore, essential documents like PC-I or inception papers were not provided for verification, and the required inspection by experts and committees was not conducted. Visits to a few schools revealed either non-delivery or incomplete delivery of furniture.

Audit is of the view that the procurement process lacked transparency and compliance with regulations, leading to possible misuse of public funds and ineffective project implementation.

The matter was reported to the management during November, 2023. DAC meeting was held on 13th December 2024. The management replied that prescribed procedure followed for procurement of furniture, however, reply of department is not tenable as para-wise supporting documents are not attached.

Audit recommends inquiry into the matter along with complete reconciliation of supply of furniture with schools/institute management.

(DP#22/AIR#02)

30.5.10 Non/short supply of furniture – Rs 6.145 million

According to Para 40-B Appendix 18-A (1) of SFR 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.” As per SPPRA Rules 2010, the “Corrupt and Fraudulent Practices” means either one or any combination of the practices given below.

- (iv) “Fraudulent Practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

During audit on the accounts of the office of Director Secondary & Higher Secondary Education Karachi, for the financial years 2019-20 to 2022-23 it was observed that Rs 6.145 million was paid for the purchase of furniture, but short or non-supply of items was noted in multiple schools. Despite a supply deadline of 30th June 2023, the vendor failed to deliver the furniture, as detailed below. Advance payment was made, yet the furniture remained undelivered by Audit date, indicating the supplier's reluctance to fulfill the contract. The details are as under:

(Amount in Rupees)

Sr.#	Name of schools	Items short/non-supplied	Qty	Rate	Amount
1	Govt. Boys high School Quideen Block-6 PECHS	Dual Desk	145	21,500	3,117,500
		Chairs with Arms	36	9,900	356,400
		Teacher Table	27	13,500	364,500
		Steel Almirah	1	45,000	45,000
2	Govt. Boys high School Jail Road	Dual Desk	47	21,500	1,010,500
		Teacher Table	27	13,500	364,500
3	Govt. Boys Sec School Jam Murad.	Dual Desk	29	21,500	623,500
		Teacher Table	17	13,500	229,500
		H.M revolving chair	1	18,000	18,000
		Wooden rostrum	1	18,500	18,500
Total					6,145,470

Audit is of the view that advance payment without ensuring timely delivery reflects poor financial and contract management, resulting in non-compliance with procurement terms and inefficient use of public funds.

The matter was reported to the management during November, 2023. DAC meeting was held on 13th December 2024. The management replied that the delivery challan of said schools were attached. However, reply of department is not tenable as irrelevant documents were attached with reply.

Audit recommends recovery of payments for undelivered furniture, action against the vendor, and fixing responsibility for non-compliance. Strengthened monitoring and strict adherence to procurement rules should be ensured to prevent such irregularities.

(DP#23/AIR#03)

30.5.11 Irregular payments made to different schools in single bank account – Rs 4,535.813 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it

may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of office of the Managing Director, Sindh Education Foundation Karachi for the financial year 2022-23, it was observed that a subsidy totaling Rs 4,535.813 million was transferred to a single bank account of operators. Crucial documentation pertaining to school registration, tax returns, ownership details of school buildings, and teacher qualifications were found missing. Further the consolidation of payments from various schools into one bank account has raised suspicions about transparency and potential misuse of funds. The details are given at Annex-4 of Chapter-30.

Audit is of the view that payments of different schools into one bank account without maintenance of relevant record was irregular and financial mismanagement.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that all the data pertaining to the registration of Partner Organizations, details of individual partners, bank accounts of the Partners, data of Schools, and student profiles are available. the reply is not tenable as the DAC required production of relevant record.

Audit requires inquiry in the matter for fixing responsibility on person(s) at fault besides taking remedial measures.

(DP#24/AIR# 15)

30.5.12 Loss incurred from withholding tax on profit and bank transactions – Rs 13.912 million

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed: -

- i. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money
- ii. The expenditure shall not be more than what the occasion demands.....

During audit of office of the Managing Director, Sindh Education Foundation Karachi for the financial year 2022-23, it was observed that different banks deducted withholding tax amounting to Rs 13.912 million on the profit earned by the office. The office was eligible for exemption under its Free Tax Number (FTN). These deductions on profit earned and other transactions indicate a significant oversight in tax management, in violation of Section 49 of the Income Tax Ordinance, 2001. The details are given at Annex-5 of Chapter-30.

Audit is of the view despite exemption, the income tax was deducted by the bank from the funds of foundation which is against the section-49 of Income Tax Ordinance 2001.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management in its reply stated that the exemptions available for a Non-profit Organization under Pakistan Tax Laws. Non-profit Organizations may obtain an exemption certificate from the Federal Board of Revenue (FBR) regarding the taxes withheld under different sections by fulfilling the conditions mentioned in the relevant section. The reply is not tenable as DAC required to provide relevant record.

Audit recommends immediate reconciliation with the concerned banks to recover the withheld amount and strengthen tax management procedures to ensure compliance with exemption entitlements.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 and 2022-23, vide para number 5.5.17 and 7.5.100, respectively having financial impact of Rs 26.911 million. Recurrence of same irregularity is a matter of serious concern.

(DP#27/AIR# 17)

30.5.13 Loss due to imprudent investment – Rs 10.412 million

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed:

- i. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money
- ii. The expenditure shall not be more than what the occasion demands.....

During audit of office of the Managing Director, Sindh Education Foundation, Karachi, for the financial year 2022-23, it was observed that SEF invested Rs 1167.425 million at lower than even KIBOR during FY 2022-23 in various Banks. This investment on lower rates than KIBOR rates has caused a loss of Rs 10.412 million. The Details are as under:

(Rs. in Million)

Sr. #	Bank	TDRs	Investment Date	Tenure	Rate	KIBOR/ Bid	Difference in rate	Loss
01	Bank of Punjab	141.069	24.05.2023	1 year	21.80%	21.88%	0.08%	0.113
02	Sindh Bank Limited	126.551	16.05.2023	1 year	21.75%	21.84%	0.09%	0.114
03	Pak Kuwait	357.667	18.04.2023	1 year	20.50%	21.80%	1.30%	4.649
04	Askari Bank	140.817	10.04.2023	1 year	20.55%	21.80%	1.25%	1.760
05	Askari Bank	148.344	10.04.2023	1 year	20.55%	21.80%	1.25%	1.854
06	Samba Bank	252.977	27.01.2023	1 year	17.01%	17.77%	0.76%	1.922
Total		1167.425						10.412

Further, TDRs/Funds were invested even lower than KIBOR rates due to imprudence of the management. SEF did not approach head offices of the scheduled banks as the head office could circulate investment offers to its all branches so that maximum profit rate could be achieved, instead only selective branches were contacted via email.

Audit is of the view that the SEF has sustained loss due to investment on rates lower than KIBOR rates of the corresponding periods.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that the Foundation invested the Endowment Funds in TDRs based on the monetary policy announced by the Central bank i.e State of Pakistan from time to time during the fiscal year. The Monetary Policy statement issued by the Monetary Policy Committee, Statement Bank of Pakistan, it is justified that the SEF invested the Endowment funds in TDR from higher than the interest rate of Monetary Policy statement issued by the

Statement Bank of Pakistan. The reply is not tenable as DAC required the department to inquire into Audit observation and fix responsibility.

Audit requires to ensure compliance with the Government directives besides fixing responsibility on the person(s) at fault.

(DP#28/AIR#18)

30.5.14 Un-recovered Loan from Educational Society – Rs 5.741 million

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed:

- i. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money
- ii. The expenditure shall not be more than what the occasion demand.

During audit of office of the Managing Director, Sindh Education Foundation Karachi for the financial year 2022-23, it was observed that Rs 6.485 million was disbursed to Alam Educational Society for constructing Khuwaja Karak Abdal College of Technology for Women. Out of this, Rs 5.741 million was recognized as a long-term interest-free loan, secured by a mortgage. The Society failed to repay the loan of Rs 5.741 million. The Foundation filed a revision application in 2017, which remains pending in court, delaying recovery and increasing financial risks.

Audit is of the view that the Foundation's inability to recover the outstanding balance from Alam Educational Society. The delay in recovery not only affects the Foundation's liquidity but also raises concerns regarding the effectiveness of its credit assessment and legal strategies.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that the SEF had granted loan to the Alam Educational Society in accordance with the Asian Development Bank Eligibility Criteria during the period of 1997 to 2002. M/s Alam Educational Society defaulted on the repayment of the loan amount, thus breaching

the finance agreement executed between the SEF and Alam Educational Society. Consequently, the SEF pursued legal action in order to recover the outstanding loan amounts from this organization. The reply is not tenable as DAC required the department to provide the recovery details and status.

Audit recommends expediting the legal process to recover the outstanding amount besides fixing of responsibility on person(s) at fault.

(DP#29/AIR#45)

30.5.15 Irregularities in Scholarship Program Implementation Management – Rs 1,076.109 million

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed:

- I. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money
- II. The expenditure shall not be more than what the occasion demand.

During audit of office of the Managing Director, Sindh Education Foundation Karachi for the financial year 2022-23, it was observed that Rs 1,076.109 million was spent on scholarship-based education without disclosing the selection criteria for institutions. Additionally, Rs 13.638 million remained undisbursed due to awarding scholarships without sufficient budget allocation. Scholarship eligibility requires a minimum score of 60% in class 8 and/or class 10 exams, but 79 students who scored below this threshold were granted scholarships, with no evidence of corrective action. Furthermore, class 8 examination results were not provided for verification. The details are as under:

(Rs. in Million)

(Rs. in Million)

One-Time Cost Schedule IV					
Sr. #	Financial Year	Partner School	Expenditure	Paid	Deficit
1	2022-23	Public School Mirpurkhas	9.338	9.211	0.127
2		Public School Korangi	1.705	1.380	0.325
3		Public School Hyderabad	35.750	29.661	6.089
4		NJV Akhuwat	15.700	8.603	7.097
Total			62.493	48.855	113.638

Class-X				
Sr.#	Institute	59%-50%	49%-40%	39%-30%
1	Dr. AQ Khan	3		
2	NJVHSS	2	1	
3	SIBA CC & PS	48	16	4
4	PS Hyderabad	5		

Audit is of the view that awarding scholarships to ineligible students and failing to disclose institutional selection criteria reflect poor oversight, non-compliance with scholarship policies, and potential favoritism, leading to inefficient utilization of public funds.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that the foundation engages with the scholarship partner institutions on review of performance of students, comprehensive merit and waiting lists, along with entry test marks and district-wise seat allocations along with batch-wise student details receiving scholarships and record of dropouts were available. The reply is not tenable as the DAC required the department to provide the relevant record for verification.

Audit recommends a comprehensive review of the scholarship process to ensure adherence to eligibility criteria. Undisbursed amounts should be reallocated appropriately.

(DP#30/AIR#20)

30.5.16 Non-utilization of funds in 04 Lagging Districts – Rs 60.000 million

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed: -

- I. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money
- II. The expenditure shall not be more than what the occasion demands.....

During the audit of the office of the Managing Director, Sindh Education Foundation (SEF), Karachi, for the financial year 2022-23, it was observed that

Rs 60.000 million was transferred by the Reform Support Unit (RSU) under the ASPIRE initiative to MD SEF for supporting the Accelerated Learning Program to mitigate negative effects of Covid-19 pandemic on the education system of Pakistan in four districts including Dadu, Tharparkar, Umerkot, and Shaheed Benazirabad. However, the funds remained unutilized, and no steps were taken to implement the program, resulting in failure to achieve its objectives. The details are as under:

(Rs. in Million)

Sr.#	Number	Date	Number	Date	A/c Code	Credit
1	SEF-BR23-016-00347	03-05-23	348109	20-03-23	Amount received from Govt. of Sindh against ASPIRE Funds	60.000

Audit is of the view that the failure to utilize funds and initiate the Accelerated Learning Program under the ASPIRE initiative reflects weak financial and project management. This mismanagement not only delayed the intended benefits for the targeted districts but also undermined the program's objectives, wasting valuable resources.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that the MoU between the Sindh Education Foundation and Reform Support Unit was signed on 08th March 2023 to facilitate the implementation of the Action to Strengthen Performance for Inclusive and Responsive Education (ASPIRE) Project under Adolescent and Adult Learning & Training Program (AALTP). SEF initiated a competitive process for the selection of ALC in 04 lagging districts. Subsequent to the final interview stage, conducted in December 2023, final decision was made in January 2024 which coincided with the time of national elections in February 2024. The reply is not tenable as the DAC required the department to provide relevant record.

Audit recommends an immediate review of the program's status and formulation of a clear implementation plan to ensure proper utilization of funds.

(DP#33/AIR#29)

30.5.17 Stipend Disbursement Discrepancies and Efficiency Concerns – Rs 34.938 million

As per para 10 of SEF (Finance, Audit and Accounts) Rules 2017, in incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed: -

- i. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money
- ii. The expenditure shall not be more than what the occasion demand.

During audit of office of the Managing Director, Sindh Education Foundation Karachi for the financial year 2022-23 it was observed that Rs 34.938 million was spent on stipends for girl students to improve education, but only 40% of eligible beneficiaries received payments. Discrepancies in data management and the use of unspent funds without proper approval were noted, breaching financial rules. United Bank Limited, despite poor performance in stipend disbursement, had its contract extended, and delays caused potential financial losses. These issues highlight inefficiencies and the need for immediate corrective measures to improve the stipend distribution system.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that the disbursement of the girl's stipend, approved by the Board, has been made in accordance with the policy of the Government. The disbursement is made through third party (selected through competitive process) after biometric verification. The reply is not tenable as the DAC required the department to provide relevant record.

Audit recommends a comprehensive review of the stipend distribution system to address inefficiencies and data discrepancies. Contracts with service providers should be re-evaluated based on performance, and strict adherence to financial rules should be ensured. Timely disbursement of stipends must be prioritized to maximize the program's impact and avoid further losses.

(DP#06/AIR#36)

30.5.18 Failure to Enforce Contractual Deductions for Poor Performance – Rs 9.446 million

As per Clause 5.1.1 and 5.1.7 of agreement with school partners i. In the advent of first poor performance in assessment, 5% of the subsidy of the subsequent two quarters of an academic year shall be deducted. This shall be counted as first year for poor performance.

During audit of office of the Managing Director, Sindh Education Foundation Karachi for the financial year 2022-23, it was observed that numerous partner schools scored an average of 40% or lower in their annual assessments, indicating poor performance. However, 5% of the subsidy, amounting to Rs 9.446 million, for poorly performing school partners for the subsequent two quarters was not deducted as per the contract. The details are given at Annex-6 of Chapter-30.

Audit is of the view that failure to deduct the penalty for poor performance creates an unfair advantage for these schools compared to those that met the performance standards.

The matter was reported to the management during February, 2024. DAC meeting was held on 13th December 2024. The management replied that due to the devastating floods and its aftermath in 2022, there were huge educational losses as well as economic hits to the Partners (who did not get any support from the Government for rehabilitation of schools). The reply is not tenable as DAC required the department to report the issues to the concerned Board of Directors and provide the relevant approvals of reports and record for verification.

Audit recommends enforcing the contractual terms by recovering the undeducted subsidy of Rs 9.446 million. Regular performance reviews of partner schools should be conducted, and strict compliance mechanisms should be implemented to ensure adherence to performance standards.

(DP#39/AIR#19)

30.5.19 Doubtful release of funds by way of re-appropriation 2971% beyond the actual budget – Rs 43.850 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of office of the Additional Director, Teachers Training Institutions, Hyderabad, Sindh, for the financial years 2018-19 to 2023-24, while reviewing the expenditure statements for the year 2022-23 it was observed that an initial operating expenses budget of Rs 5.043 million for 2022-23 was exceeded by Rs 43.850 million through re-appropriation, significantly surpassing the approved allocation. No justification or supporting evidence for this substantial increase was provided, as relevant records were reportedly taken by the previous DDO. This highlights poor budget monitoring, weak financial oversight, and a lack of transparency in financial management.

Audit is of the view that the significant re-appropriation without justification reflects inadequate financial controls, poor planning, and non-compliance with budgeting protocols, leading to inefficiencies and potential misuse of public funds.

The matter was reported to the management during October 2024. DAC meeting was held on 13th December 2024, but no reply was received.

Audit recommends a comprehensive investigation into the circumstances leading to the excessive re-appropriation of funds, with the aim of identifying any irregularities or potential financial mismanagement.

(DP#67/AIR#11)

30.5.20 Irregular Award of work to 3rd lowest bidder resulting into loss – Rs 3.915 million

As per Para-5.61 of The World Bank Procurement Regulations for IPF Borrowers “The Borrower shall not reject all Bids/Proposals and invite new Bids/Proposals using the same request for bids/request for proposals document solely to obtain lower prices”.

During audit of office of the Project Coordinator, Sindh Early Learning Enhancement Through Classroom Transformation Project, Karachi for the financial year 2023-24, it was observed that the lowest bidder, M/s Prime Marketing, was disqualified on minor technical grounds for the procurement of Samsung Galaxy Tablet A7. The contract was awarded to the third-lowest bidder, resulting in a price difference of Rs 3.915 million and a financial loss to the government. The details are as under:

(Rs. in Million)

Name of Supplies	Name of contractor	Amount of first lowest bidder	Amount of bid of 2nd lowest bidder	Amount of bid of 3rd lowest bidder	Difference b/w 1st& 3rd lowest bidder
Samsung Galaxy Tab A7	M/S Prime Marketing	18,565,176	-	-	3.915
	M/S Add-wise Supplies & Services	-	20.988		
	M/S T.K Medical Instruments	-	-	22.480	

Audit is of the view that award of work to 3rd lowest bidder by ignoring the 1st lowest bidder without negotiation, resulted into loss of millions of rupees which indicates prevalence of weak internal controls within the department.

The matter was reported to the management during November 2024. DAC meeting was held on 13th December 2024, but no reply was received.

Audit recommends investigation into the matter along with taking remedial measures besides fixing of responsibility on the person(s) at fault.

(DP#78/AIR#01)

30.5.21 Unjustified Cash Withdrawal of public money from bank accounts – Rs 3.489 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 office of the Principal Government Elementary College for Men Hyderabad for the financial year 2018-19 to 2023-24, it was observed that Rs 3.489 million was drawn from bank account no. 4103785537 & 4103782263 maintained with NBP Market Area Branch Hyderabad in cash instead of crossed cheques which creates doubts regarding transparency of payments. Furthermore, details/ purpose of such payments and two bank accounts, duly supported with acknowledgement receipts were also not provided to audit.

Audit is of the view that cash withdrawal is strictly prohibited, and the practice may lead to misappropriation and loss to the government. It shows lack of internal controls on the part of the management.

The matter was reported to management during October 2024. DAC meeting was held on 13th December 2024, but no reply was received.

Audit recommends stoppage of these payments with immediate effect and responsibility may be fixed on the person at fault for previous violations.

(DP#87/AIR#24)

30.5.22 Fictitious expenditure under hardware & Software – Rs 5.815 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 office of the Principal Government Elementary College for Men Hyderabad for the financial years 2018-19 to 2023-24, it was observed that an expenditure of Rs 5.815 million was incurred under the head of accounts Hardware and Software, but no licensed software was found available. It was further observed that 48 computers which were in use since 2015, were neither upgraded nor repaired. All software was reported as pirated, suggesting that the claimed expenses were falsified, indicating possible misappropriation of funds.

Audit is of the view that the falsified vouchers and misrepresentation of expenses reflect serious financial irregularities and potential fraud, highlighting a lack of oversight and accountability in the management of public funds.

The matter was reported to management during October 2024. DAC meeting was held on 13th December 2024, but no reply was received.

Audit recommends a detailed investigation into the alleged misappropriation of funds, with recovery of the misused amount besides fixing of responsibility on person(s) at fault.

(DP#91/AIR#21)

30.5.23 Non preparation of financial statements of the project – Rs 18.932 million

According to Article 84 of Audit code, it is an essential function of 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 office of the Project Director, Upgrading Primary Girls schools into Elementary schools in rural areas of Sindh, it was observed that the project's financial statements were not prepared or submitted for authentication and verification of accounts.

Audit is of the view that non-preparation of Financial Statement audit could not verify authenticity expenditure incurred and chances of misappropriation could not be ruled out.

The matter was reported to the management during November 2024, DAC meeting was held on 13th December 2024, but no reply was received.

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

(DP#94/AIR#02)

30.5.24 Unauthentic distribution of Tablet, A7 Lite – Rs 20.629 million

According to Rule 114 of Sindh Financial Rules, when materials are issued from stock, the Government servant in charge of the stores should see that an indent has been made by a properly authorized person. When materials are issued, a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched, or from a duly authorized agent.

During audit of office of the Project Coordinator, Sindh Early Learning Enhancement Through Classroom Transformation Project, Karachi for the financial year 2023-24, it was observed that Rs 20.629 million was spent on purchasing 400 Samsung Galaxy Tab A7 Lite tablets for schools and District Education Offices. However, the distribution records, including recipient details (name, CNIC, address), acknowledgment receipts, and signed acquaintance rolls, were not maintained. The tablets were delivered directly to schools and teachers without proper documentation or a prior need assessment, raising concerns about transparency and accountability in the distribution process. The details are as under:

(Rs. in Million)

Sr. #	Vendor Name	Particular	Qty	Rate	Inv#/ Date	San#/ Date	Delivery/ Date	S/O. Date	Chq #	Date	Amount
1	M/S T.K Instruments Company	Samsung Galaxy Tab A7 Lite	400	47,627	87/ 27.04.24	17/ 18.04.24	87/ 27.04.24	41/ 2024	33048463	03.06.24	20.629

Audit is of the view that in absence of proper record of distribution, the expenditure incurred cannot be authenticated.

The matter was reported to the management during November 2024. DAC meeting was held on 13th December 2024, but no reply was received.

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

(DP#100/AIR#03)

Chapter - 31

Services General Administration & Coordination Department

31.1 Introduction

Services Wing

Services Wing of SGA & CD deals with the establishment matters of the officials of the Government of Sindh including the federal government officials who are on deputation with the Government of Sindh.

The service areas taken up by the Services Wing include transfer and posting of the government officials, promotion cases of the officials, matters relating to retirement, pension GP Fund, Ex-Pakistan leave, absorption of the employees of the surplus pool, study leave, capacity building of the officers, etc. The cases of the recruitment on son quota are scrutinized in the Services Wing of the SGA&CD. Hiring consultants for various technical assignments and framing their terms of hiring is the clear jurisdiction of the Services Wing. This wing ascertains the vacancy position against which the recruitment has to be made by sending requisition to the Sindh Public Service Commission (SPSC).

General Administration & Coordination Wing

General Administration and Coordination (GA&C) Wing of the Government of Sindh is responsible for the general administration and coordinating with the administrative departments of the Government of Sindh. As a regulatory wing, it deals with the framing of rules, regulation and offering opinion in various service matters of critical nature. Financial management of Government Employees Benevolent Fund is the eminent function of the GA&C Wing. Coordination function of Government of Sindh deals with the execution of directives relating to the office of the President, Prime Minister, Governor, Chief Minister and Secretaries Committees meeting, etc.

Development schemes of SGA&CD including housing, foundations and authorities are taken up in the general administration wing of the Government of Sindh. Estate Office is pivotal in matters of Government accommodations to the government employees. Issues like self-hiring, allotment and vacation of Government

accommodations, recovery of rent, dues and utility liabilities and court matters are the domain of the estate office.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	41	12	11,060.691	114.845
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

31.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
65,245.876	5,354.946	66,441.128	(6,142.941)	(921.689)	129,977.320	123,422.575	(6,554.746)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 6,554.746 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
350.000	100.000	1,451.616	1,351.616

Revenue estimates were reduced up to 71% in revised estimate. Actual receipt was 1452% of revised estimate.

31.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 1,987.784 million. This included Rs 567.924 million due to non-production of records, Rs 79.100 million related to HR/Employees related irregularities, Rs 821.854 million of procurement irregularities, and Rs 459.116 million attributed to Management of Accounts with Commercial Banks. Additionally, weaknesses in internal controls accounted for Rs 59.790 million, while recoverable amounts stood at Rs 61.544 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	567.924
2	Irregularities	
A	<i>HR/Employees related irregularities</i>	79.100
B	<i>Procurement related irregularities</i>	821.854
C	<i>Management of Accounts with Commercial Banks</i>	459.116
3	Others	
A	Internal Control Weakness	59.790

31.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	4	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	16	0	0	0	-
4	2001-02	0	0	0	0	-
5	2004-05	5	2	0	2	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
6	2005-06	0	0	0	0	-
7	2006-07	10	8	0	8	-
8	2007-08	8	1	0	1	-
9	2008-09	3	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	1	1	0	1	-
12	2014-15	0	0	0	0	-
13	2016-17	0	0	0	0	-
Total		47	12	0	12	-

31.5 AUDIT PARAS

31.5.1 Non-production of auditable record – Rs 567.924 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of following offices of Services General Administration & Coordination Department, it was requested to provide auditable record of Rs 567.924 million on account of various heads, but the management did not provide despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given as under:

(Rs in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman Chief Minister's Inspection, Enquiries, & Implementation Team (CMIT)	2022-23	01	All Auditable record requisitioned by Audit record - both the employees related and the contingences - were not produced to audit.	101.906
02	Project Implementation Unit (PIU) Commissioner Karachi to Execute the Anti-Encroachment Operations	2022-23	07	The detail of contributed share of fund by the federal and the provincial governments not provided.	466.018
Total					567.924

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during the months of March, 2024. The management replied that all the relevant record is available for audit. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last three (03) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#01)

31.5.2 Non-deduction of taxes - Rs 36.754 million

According to Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/ contractors w-e-f 01-07-2015. 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 treasury.

During Audit of various offices of Services General Administration & Coordination Department, Government of Sindh, for the financial year 2023-24, it was observed that Government sustained a loss of Rs 36.754 million due to non/less deduction of withholding/ Income Tax. The details are given at Annex-1 of Chapter-31.

Audit is of the view that due to non-deduction and less deduction of withholding Tax/Income, government sustained loss of revenue.

The matter was reported to the management in the month of October 2024. The management replied that all taxes are being deducted by A.G. Sindh/ DAO offices at source as per applicable rates. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the

earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit requires recovery may be affected besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2020-21, 2022-23 and 2023-24 vide para number 27.5.16, 31.5.50 and 29.5.7 respectively, having financial impact of Rs 434.879 million. Recurrence of same irregularity is a matter of serious concern.

(DP#31, 32, 33 & 36)

31.5.3 Unjustified payment of Ex-Gratia grant – Rs 35.000 million

As per Finance Department Letter No. FD(SR-III)5-205/2017 dated 1st January, 2018, and in continuation of Policy Circular NO. FD(SR-III)2004, dated 13th June, 2005, the competent authority (i.e. Chief Minister, Sindh), Government of Sindh approved following revised Financial Assistant Package to the families of Sindh Civil Servants, who expire during service w.e.f 01-07.2017: The details are as under:

Basic Pay Scale	Existing Rates	Revised Rates
01 to 04	Rs. 200,000	Rs. 600,000
05 to 10	Rs. 300,000	Rs. 900,000
11 to 15	Rs. 400,000	Rs. 1,200,000
16 to 17	Rs. 500,000	Rs. 1,500,000
18 to 19	Rs. 800,000	Rs. 2,400,000
20 and above	Rs.1,000,000	Rs. 3,000,000

During audit of office of the Secretary, Services, General Administration & Coordination Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that an amount of Rs 35.00 million was paid to the families of deceased employees as Ex-Gratia in addition to Financial Assistance. The payments made were not supported by Government rules and paid by quoting the precedent of Capt. (R) Abdul Sattar Essani (Late) PAS (BPS-19), whose family was paid Rs 30.00 million during 2022-23. The rationale for the additional payment is generally applicable, affecting the majority of families of deceased employees but all were not considered uniformly. Moreover, the length of service of Late Meer Arsalan Mangrio

was 3 years, 3 months, which is short of required qualifying service of 10 years for getting due benefits. The details are as under:

(Rs. in Million)

Sr.#	Name of officer	Name of payee	Cheque #	Dated	Amount
1.	Imran Atta Soomro, PSS (BS-21)	Raheela Imran (widow)	5053043	31-08-2023	30.000
2.	Meer Arsalan Mangrio PMS (BS-17)	Shahul Khatoon (Mother)	5260565	06-03-2024	5.000
Total					35.000

Audit is of the view that practice of the payments without a formal framework may lead to perceptions of favoritism and inconsistency in financial assistance distribution among affected families.

The matter was reported to the management in the month of July, 2024. The management replied that Ex-Gratia grant were paid to the families of Late Imran Atta Soomro, PSS (BS-21) and to Late Meer Arsalan Mangrio, PMS (BS-17) after approval by the Honourable Chief Minister, Sindh. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends justification for the additional payment of Ex-Gratia grants beyond the approved financial assistance package and recovery of any undue payments. Responsibility should be fixed for granting payments without uniform application of rules. Strict compliance with financial regulations must be ensured to prevent such irregularities in the future.

(DP#9/AIR#25)

31.5.4 Discrepancies in procurement and execution of services – Rs 538.518 million

According to Rule 10 (i) and (iv) of General Financial Rules, Volume-I, states that, “every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Public moneys should not be utilized for the benefit of a particular person or section of the community”.

During audit of office of the Project Implementation Unit (PIU) for the financial year 2022-23, it was observed that an expenditure of Rs 538.518 million was incurred on procurement and execution of services for anti-encroachment derive through Commissioner Karachi without due care and diligence as various discrepancies were observed as per the detail given at Annex-2 of Chapter-31.

Audit is of the view that highlighted discrepancies are the result of negligence on the part of the management and overlooking established safeguarding measures. The lapses indicate improper watch and absence of internal controls.

The matter was reported to the management during the months of March, 2024. The management replied that all the expenditure was incurred after fulfilling codal formalities. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends justification for the procurement and execution of services without due diligence and rectification of the observed discrepancies. Responsibility should be fixed for financial mismanagement, and measures should be taken to ensure transparency, accountability, and adherence to procurement regulations in future expenditures.

(DP#02)

31.5.5 Non-invitation of tenders – Rs 246.582 million

According to Methods of Notification and Advertisement prescribed under Rule 17 of Sindh Public Procurement (SPP) 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. The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages”.

During audit of following offices of Services General Administration & Coordination Department, Government of Sindh, for the financial year 2022-23, it was

observed that procurement of various items & services amounting to Rs 246.582 million was made without inviting open tenders. The details are as under:

(Rs.in Million)

Sr.#	Name of Office	AIR Para #	Particulars	Amount
01	Secretary SGA&CD	08	Various purchases for Protocol Cell, VIP Flight CMs Helicopter Flight were made without calling tender	196.757
02	Deputy Commissioner, Larkana	08	Purchase of miscellaneous items and services were made without procurement plan and invitation for open tender. The consumption account was also not mentioned.	27.735
		07	Expenditure on hiring of vehicles for conferences and different events without open tender	11.391
03	Deputy Commissioner, Sanghar	08	Expenditure on hiring vehicles, Human Resources and other miscellaneous items without inviting open tender.	10.699
Total				246.582

Audit is of the view that there was failure of the management to follow SPPRA Rules and other codal formalities which resulted in non-achievement of competitive rates.

The matter was reported to the management in October 2024. The management replied that the expenditure was incurred during Election-2024, therefore tenders were not invited. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends immediate justification for the non-invitation of tenders and the rectification of procurement procedures to ensure compliance with SPPRA rules. Responsibility should be fixed for bypassing the tendering process, and measures should be taken to ensure transparent, competitive procurement practices in the future. Strict adherence to procurement regulations must be ensured to prevent such irregularities.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 29.5.8; for Audit Year 2022-23 vide para number 31.5.31 and for

Audit Year 2021-22 vide para 26.5.14 & 26.5.21, having financial impact of Rs 478.687 million. Recurrence of same irregularity is a matter of serious concern.

(DP#21&25)

31.5.6 Unjustified retention of funds in DDO account - Rs 459.116 million

According to Rule 290 of Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

During audit of following offices of Services General Administration & Coordination Department, Government of Sindh for the financial year 2023-24, it was observed that an amount of Rs 459.116 million was withdrawn from government treasury and was retained in DDO account. The same was neither disbursed to actual payees nor surrendered as savings. The details are as under:

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Particulars	Amount
01	Secretary SGA&CD	10	Funds were drawn into DDO account instead of direct payment to the vendor.	148.622
		11	Funds were retained in bank account instead of surrendering the savings in time.	114.521
02	Deputy Commissioner, Shaheed Benazirabad	01	Funds withdrawn from government treasury were retained in DDO account to avoid surrendering the savings into government treasury.	50.727
		04		6.913
03	Deputy Commissioner West, Karachi	01		42.516
04	Deputy Commissioner, Khairpur	02		35.664
05	Deputy Commissioner, Sanghar	04		32.682
06	Deputy Commissioner, Kamber @ Shahdadkot	03		17.879
07	Deputy Commissioner Dadu	14		9.592
Total				459.116

Audit is of the view that management cannot retain funds in DDO account beyond the close of financial year, but the management did not deposit the same into public exchequer which indicates weak financial & administrative control in the entity.

The matter was reported to the management during October 2024. The management for Sr#1 replied that payments were drawn in DDO account for payment in foreign exchange and for Sr#2 to 7 the management replied that the funds were drawn in DDO account for various reasons like payment for land acquisition, remuneration for census duties etc. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends immediate deposit of funds into government account and production of required record besides fixing responsibility on a person(s) at fault for the negligence.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 29.5.11, to 29.5.14, 2022-23 vide para number 31.5.5, 31.5.59 & 31.5.69, for Audit Year 2021-22 vide para number 26.5.7, 26.5.17 & 26.5.22 and for Audit Year 2020-21 vide para number 27.5.20 & 27.5.21 having financial impact of Rs 2,365.003 million. Recurrence of same irregularity is a matter of serious concern.

(DP#29, 39 & 40)

31.5.7 Non-recovery of outstanding revenue – Rs 24.790 million

According to 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 of competent authority for their adjustment must be sought.”

During audit of office of the MD Sindh Public Procurement Regulatory Authority, Karachi for the financial year 2023-24, it was observed that revenue of Rs 24.790 million from uploading charges on SPPRA website for 3,794 NITs remained

unrecovered by the end of the financial year. Additionally, agency-wise and department-wise records of dues, recoveries, and outstanding amounts were not maintained, impeding accurate determination of the total outstanding revenue. The management failed to take adequate measures to recover the amount, resulting in a loss of revenue to the government.

(Rs.in Million)			
Details	Amount Due	Amount Recovered	Outstanding Balance
Website upload charges against 3,794 NITs	39.535	14.745	24.790

Audit is of the view that the lack of recovery efforts and failure to maintain proper records reflect weak financial management and inadequate internal controls, leading to revenue loss.

The matter was reported to the management in August 2024. The management replied that the efforts are being made to recover the outstanding dues. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends immediate recovery of the outstanding revenue, with a detailed record of dues, recoveries, and outstanding amounts maintained by the concerned departments. Responsibility should be fixed for failing to take timely action to recover the revenue. Measures should be implemented to ensure efficient tracking and recovery of outstanding amounts in the future.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24, vide para number 26.5.16, 31.5.50 and 29.5.15 respectively having financial impact of Rs 448.907 million. Recurrence of same irregularity is a matter of serious concern.

(DP#30/AIR # 01)

31.5.8 Irregular continuation of service of employees after 60 years of age – Rs 79.100 million

According to SGA&CD's Circular Letter No. SOIX- Reg (SGA&CD) 1/D/1-73(4), dated 28-02-1974, and in according to contents of Para 3 thereof, the Administrative Department was required to lay down the method of appointment, qualification & other under sub-rule (2) of 3 of Sindh Civil Servants (Appointment, Promotion and Transfer) rules, 1974 in consultation with this department only. However, after coming into force of the Sindh Public Service Commission Ordinance 1978, the commission is also required to be consulted in the matter of qualification and Method of Recruitment as provided in Section 7 (ii) *ibid.* in the case of posts belonging to Grade-16 and above” and the honorable Supreme Court’s ruling regarding the upper age limit of the employees “The employment contracts of all those employees who have either reached or surpassed the age of 60 years be therefore terminated”.

During audit of office of the Secretary, Services, General Administration & Coordination Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that an expenditure amounting to Rs 79.100 million was incurred on account of payment of salaries to officers/officials. However, the said officers/officials were found over-age and their appointment stands irregular in presence of orders of Supreme Court of Pakistan. The details are given as under:

(Amount in Rupees)

Sr. #	Name of Officer/Official	Job Title	Pay Scale	Birth Date	Age	Amount
VIP Flight						58,308,088
1	Major(R) S. Muhammad Abbas	Chief Pilot	20	02.08.1958	66	
2	Major(R) Tariq Kaleem	Chief Engineer	19	05.06.1961	63	
3	Atta Rasool	Technician	16	01.01.1955	69	
4	Muhammad Khalid	Technician	16	26.01.1958	66	
5	Muhammad Akram Shahid	Technician	16	01.03.1964	60	
CMs Helicopter Flight						20,791,644
6	Mushtaq Ahmed	Chief Engineer	19	10.12.1950	73	
7	Muhammad Anwar	Technician	16	01.07.1958	66	
8	Muhammad Iqbal	E.M. Engineer	16	01.02.1954	66	
9	Muhammad Amir Khan	Technician	16	04.05.1964	60	
Total						79,099,732

Audit is of the view that payment was made to over-age employees in violation of Sindh Civil Servants Act, 1973 without adherence of rules and in violation of honorable supreme courts orders.

The matter was reported to the management in the month of July, 2024. The management replied that the expenditure on TA/DA was incurred after observing all codal requirements. DAC meeting was held on 21-01-2025. The PAO did not issue minutes of the DAC meeting despite written request to issue the same at the earliest to incorporate decisions. However, minutes were not received till finalization of this report.

Audit recommends justification for the continuation of employees beyond the age of 60 years and recovery of undue payments made. Responsibility should be fixed for violating government rules and Supreme Court directives. Strict compliance with service regulations must be ensured to prevent such irregularities in the future.

(DP#08/AIR#6)

Chapter - 32

Sindh Higher Education Commission

32.1 Introduction

In order to promote and improve higher education, research and development in Sindh, the Sindh Higher Education Commission was established through an Act called Sindh Higher Education Commission Act, 2013. Some of the functions of the Commission are as under:

- i. To formulate policies, guidelines and priorities for higher education institutions for promotion of socio-economics development of Sindh.
- ii. To assist build capacity of existing council or similar bodies
- iii. To advise government on proposal for granting a charter to award degree in both public and private sector institutions.
- iv. To advise institutions in raising funds from the sources other than government.
- v. To advise the institutions in ensuring a proper balance between teaching and research
- vi. To develop guidelines and facilitate the implementation of a system of evaluation of performance of faculty members and institutions.
- vii. To take measure including the allocation of funds for establishment of fellowship, scholarship, visiting professorship etc.
- viii. To prepare in consultation with the institutions, plan for the development of higher education system
- ix. To provide guidelines to ensure maintenance of higher standard of higher education in Sindh
- x. To submit to the government the recurring and development budget for the public sector institutions and allocate funds to the public sector institutions from the block allocation made by the Sindh Government.
- xi. To provide guidelines as regards minimum criteria and qualifications for appointment, promotion, salary structure and in consultation with the Finance Department, and other terms and conditions of service of faculty for adoption by individual institutions and review its implementation.
- xii. To facilitate the introduction of educational programmes that meets the needs of the employment market and promote the study of basic and applied sciences in every field of national and international importance in the institutions.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	13	-	-	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

32.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
26,468.000	492.412	785.272	(785.272)	(823.757)	26,136.655	25,240.174	(896.481)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 896.481 million were observed which were not surrendered in time.

32.3 Classified Summary of Audit Observations

The audit revealed financial irregularities amounting to Rs 12,805.497 million. This included Rs 667.934 million due to non-production of records, Rs 2,720.523 million HR related irregularities, Rs 2,711.285 million procurement related irregularities, Rs 282.304 million on management of accounts related irregularities, Rs 3,900.981 million attributed to operational inefficiencies and Rs 1,000.000 million fall under record keeping & data accuracy. Additionally, weaknesses in internal controls accounted for Rs 1,626.512 million, while recoverable amounts stood at Rs 2,557.795 million. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	667.934
2	Irregularities	
A	HR/Employees related irregularities	2,720.523
B	Procurement related irregularities	2,711.285
C	Management of Accounts with Commercial Banks	282.304
3	Others	-
A	Operational Inefficiency	3,900.981
B	Record Keeping & Data accuracy	1,000.000
C	Internal Control Weakness	1,522.470

32.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 9%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	14	10	0	10	-
2	1998-99	37	11	8	3	72.72
3	1999-2000	40	0	0	0	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
4	2001-02*	12	5	0	5	-
5	2004-05*	33	27	0	27	-
6	2005-06	23	6	0	6	-
7	2006-07	16	14	0	14	-
8	2007-08	18	8	0	8	-
9	2008-09	19	14	0	14	-
10	2009-10	27	2	0	2	-
11	2010-11	15	15	0	15	-
12	2014-15	0	0	0	0	-
13	2016-17	09	6	3	6	33.33
Total		263	118	11	110	9

32.5 AUDIT PARAS

32.5.1 Non-production of record – Rs 667.934 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of various offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, it was requested to provide Auditable record. The record of Rs 667.934 million was requisitioned for the financial years 2021-22 to 2022-23. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given at **Annex-1 of Chapter 32**.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during the months from March, 2024 to May, 2024. DAC meeting was held on 19-12-2024 wherein the management regarding Sr.# 02, (Aror University) stated that the record was transferred from QUEST despite letters and reminders. DAC directed that the required record be made available during the next audit and responsibility be fixed on person(s) at fault. However, no progress has been intimated to audit. Despite written requests, DAC meeting of remaining formations was not convened by the PAO till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last three (03) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP#62)

32.5.2 Non-verification of degrees before appointment – Rs 2,339.410 million

According to the orders passed by Honourable Supreme Court of Pakistan dated 08-03-2013 in CMA 1145/2013, *Suo Moto Case No.16/2011*, “*Both Federal and Provincial Government should take necessary steps to ensure that re-employment or employment on contract basis are not made in violation of the relevant laws*” **READ WITH** Rule 10 (i) and (iv) of General Financial Rules, volume-I, states that, “every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Public money should not be utilized for the benefit of a particular person or section of the community”.

During audit of office of the Vice Chancellor, Dow University of Health Sciences, Karachi for the financial year 2022-23, while reviewing the personal files of the contractual employees it was noticed that the degrees and other character antecedents were not verified from the boards and universities or concerned agencies at the time of appointment. The details of expenditure on account of salaries of short-term and long-term contractual employees are given as under:

(Rs. in Million)

Sr.#	Particulars	Amount
1	Salaries of Short-term Contracts	2,143.267
2	Long term Contracts	196.143
Total		2,339.410

Audit is of the view that in the absence of such verification, the appointment of contractual employees was irregular. The chances of bogus degree certificates cannot be ruled out.

The matter was reported to the management in the month of June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of the matter and implement a rigorous verification process for degrees and character antecedents from relevant agencies prior to appointing contractual employees.

(DP#65/AIR#22)

32.5.3 Unjustified payment of dual qualification pay to employees – Rs 261.470 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of office of the Vice Chancellor University of Karachi for the financial years up to 2022-23, it was observed that a significant number of employees were awarded dual qualification pay of Rs 261.470 million without any justification or provision in the rules. Moreover, required academic qualification for the posts of such employees was not shown to audit to ascertain whether grant of such pay/allowance was admissible to them under the rules.

(Rs. in Million)

Financial Year	Qualification Pay	Addl. Qual. Pay	Total Payments
2021-22	4.376	6.564	131.270
2022-23	4.340	6.510	130.200
Total	8.716	3.074	261.470

Audit is of the view that the payment of dual qualification pay was an undue favor to employees and an extra financial burden on the university funds.

The matter was reported to the management in May, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommended the stoppage of such practice besides fixing of responsibility.

(DP#185/AIR#10)

32.5.4 Unjustified upgradation of employees – Rs 115.317 million

According to para (v) of Governor House Sindh letter No.GS/11-6/2005/(SO-I)/869 dated 19-07-2010, “the hardship cases of teaching staff be addressed on the basis of guidelines provided in Annexure-I in light of which each University should formulate an Anomaly Committee to consider these cases and submit recommendations to the respective Syndicate and all such cases of up-gradation allowed previously be also processed accordingly for which consent of the Chancellor shall be sought collectively”. According to Annexure-I, the Assistant Professors (BPS-19) with following eligibility criteria may be considered for up-gradation in BPS-20.

- Age Fifty (50) years and above
- Twenty (20) years of total service with (08) years as Assistant Professor
- Proven research interest
- ACRs of last five years (Good)
- No disciplinary action by authority
- Scholarship not availed for higher education.

During audit of office of the Vice Chancellor University of Karachi for the financial years up to 2022-23, it was observed that 19 Assistant Professors and 2 Associate Professors were upgraded on hardship basis and paid Rs 115.317 million in pay and allowances. However, the upgradation was made without adhering to the prescribed criteria for hardship-based upgradation. The details are given at **Annex-2 of Chapter-32**.

Audit was the view that undue favors were extended to employees by upgrading them into higher grades, which increases financial burden on the exchequer of institution.

The matter was reported to the management in May, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification and reassess the upgradations for compliance with prescribed criteria besides fixing of responsibility on the persons at fault.

(DP#188/AIR#40)

32.5.5 Recovery of pension and pensionary benefits – Rs 2.112 million

As per Manual of Pension Procedures B. RATE AND SCALE OF PENSION
3. (a) Pension shall be calculated at the rate of 70% of average emoluments on completion of 30 years qualifying service. Where qualifying service is less than 30 years but not less than 10 years, proportionate reduction in percentage shall be made. *Gratuity for service of less than 10 years but not less than 5 years.* —Should it be revised on the basis of the provisions contained in para 4 of Finance Division Office Memorandum of 7th January, 1977, where payment have already been made and difference paid.

During Audit of the Office of the Vice Chancellor, University of Karachi, for the financial years up to 2022-23, it was observed that Ms. Anjum Pervez, a professor, was appointed in the TTS pay scale (B-21). Prior to her appointment in the TTS pay scale, she had served in a regular position at the university for 9 years, 9 months, and 25 days. As she did not complete 10 years of regular service, she was not entitled to pension and other related benefits amounting to Rs 2.112 million. The entire period served by the professor on TTS was included in her regular service. Additionally, her pay was re-fixed in the BPS scale at the time of retirement, and the entire period served in TTS was incorrectly included in her total service.

Audit is of the view that undue favor was extended in the payments of pensionary benefits to the officer without considering her length of regular service.

The matter was reported to the management in May, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires effecting recovery from the concerned besides fixing of responsibility against the persons at fault.

(DP#177/AIR#07)

32.5.6 Undue Favour granted to suppliers/consultants by irregular award of work/contract – Rs 1,202.780 million

According to Rule 48 of SPP Rules, 2010, “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 various offices of the Sindh Higher Education Commission (SHEC), Department of Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that works amounting to Rs. 1,202.780 million were awarded to various contractors. However, some contractors were favored over others by being allowed to re-submit bids, receive biased scoring, or change the specifications of the products after the award of the contract, particularly when a supplier was unable to deliver the required "make and model" of the equipment. The details are provided in **Annex-3 of Chapter-32**.

Audit is of the view that undue favor was extended to one bidder over another, which violates the procurement rules SPPRA.

The matter was reported to the management in November, 2023, March and May, 2024. DAC meeting was held on 08-11-2024 wherein the management stated regarding Sr.#03 (GC University) that due to ban on importing luxury items, the supplier requested an adjustment in specifications based on available market resources. A technical committee was constituted, and alternative product was selected ensuring compatibility with market prices and enhanced specifications. The DAC directed to provide relevant record for verification. However, no record was produced to audit till finalization of this report. Despite written requests, DAC meeting of remaining formations was not convened by the PAO till finalization of this report.

Audit recommends investigate procurement irregularities, ensure recovery of undue benefits, and enforce accountability for non-compliance.

(DP#94)

32.5.7 Unauthorized transfer of money from Assignment Account to DDO Account – Rs 166.699 million

According to Para-2 (vi) of revised procedure of operation of Assignment circulated by Controller General of Accounts, Islamabad vide letter No.AC-II/1-39/08-Vol-V/632 dated 24.09.2014 “the officer holding Assignment Account will

ensure that no money is drawn from these accounts unless it is requiring for immediate disbursement. Money will not be drawn for deposit into chest or any bank account. A certificate to this effect will be recorded on the schedule of payment mentioned in Para-2 (i) above. The cheque for payment on account of purchase / supplies will be drawn in the name of contractor / supplier. AGPR/DAO will endorse only those cheques, which are drawn in the name of contractor/supplier/ vendor/salaried individuals only in lieu of their payments on account-of-purchases Supplies, salaries etc. Moreover, AGPIUDA0 will not- endorse any-cheque, under any circumstances, which-are-drawn-in-the name of project-authorities or drawer/payer for lump _sum transfer of funds from Federal Consolidated Fund/Central Account No:I to their-commercial bank account(à) or deposit in to any chest –

During audit of office of the Vice Chancellor, NED University of Engineering and Technology, Karachi, for the financial year 2022-23, it was observed that University authorities transferred an amount of Rs 166.699 million from NBP Assignment Account to DDO Account in violation of above rule. The details are given as under:

(Rs. in Million)

Sr. No.	Description	In favor of	Cheque No.	Date	Amount
1	Transfer of funds on account of Laboratory Equipment	NEDUET Director Finance	321096	06.04.2023	108.903
2	Transfer of funds on account of salaries of project staff	-do-	374409	18.05.2023	41.296
3	Transfer of funds on account of contingency payment	-do-	321062	05.12.2022	4.000
4	Transfer of funds on account of salaries of project staff	-do-	321080	22.02.2023	12.500
Total					166.699

Audit is of the view that management of the University violated the rules of assignment account which indicates weak financial discipline and administrative controls of the management.

The matter was reported to the management in November, 2023. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO/entity.

Audit recommends inquiry into the matter for fixing the responsibility on the persons at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 34.5.18 and for Audit Year 2020-21 vide para number 31.5.34 & 31.5.69 having financial impact of Rs 1,537.037 million. Recurrence of same irregularity is a matter of serious concern.

(DP#05/AIR#06)

32.5.8 Irregular expenditure without inviting tender – Rs 198.558 million

As per Rule 11(1) of SPPRA Rules 2010 “Mandatory Provision of Procurement Plan -All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements”.

As per Rule 17(1) of SPPRA Rules 2010 “Procurements over three hundred thousand rupees and up to one 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 various offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, for the financial year 2021-22 & 2022-23, it was observed an expenditure of Rs 198.558 million was incurred on account of various procurements without inviting tender in violation of SPPRA rules. The details are given as **Annex-4 of Chapter-32**.

Audit is of the view that due to non-invitation of tender the competitive and economical rate could not be obtained which indicates prevalence of administrative and financial indiscipline within formations.

The matter was reported to the management during November, 2023, February & March, 2024. The DAC meeting with management of (SMIU, Karachi) was held on 12-08, 2024. The management clarified that the IT equipment procurement in May, 2018 included server machines delivered in December 2018 with a three-year warranty expiring in 2021. In 2022, both servers were found defective, confirmed by a third-party evaluation. Dell advised against repair, recommending a warranty extension for one year at Rs. 1,020,000 through M/s Orbin, their authorized partner. The DAC directed to produce record to audit for verification. DAC meeting was held on 19-12-2024. Wherein the management of (Aror University) stated that due to technical nature of job, tender was not invited rather NED University Testing Service was hired in

accordance with financial rules. DAC directed to produce record for verification. However, no record was produced till finalization of this report. Despite written requests, DAC meeting of remaining formations was not convened by the PAO till finalization of this report.

Audit recommends justification and ensuring all procurements follow a transparent and competitive tendering process.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24, 2022-23 and 2021-22 vide para number 34.5.17, 36.5.31 and 31.5.26 respectively, having financial impact of Rs 1,633.078 million. Recurrence of same irregularity is a matter of serious concern.

(DP#26 & 100)

32.5.9 Loss to government due to award of work to 2nd lowest bidder – Rs 57.476 million

According to Rule-49 of the Sindh Public Procurement Rules 2010, “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 the following offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, for the financial years 2021-22 & 2022-23, it was observed that works of Rs 57.476 million were awarded to the 2nd lowest bidder without providing any justification in violation of the SPPRA rules. The details are given as under:

(Rs. in Million)

S#	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	NED University, Karachi	2022-23	02	M/s. Pakteck Instruments Company Karachi for Procurement of equipment for Fats & Oil Laboratory for Department of Food Engineering	53.100
2	Sindh Madressatul Islam University, Karachi	2021-22 to 2022-23	02	M/s Security Communication (Pvt) Ltd, for providing Installation of CCTV Cameras	4.376
Total					57.476

Audit is of the view that there was intentional violation of SPPRA Rules to provide undue benefit/favour to the 2nd lowest bidder by disqualifying the lowest bid. The lapse on part of the management indicates the prevalence of financial indiscipline.

The matter was reported to the management during the month of November, 2023 and February, 2024. The DAC meeting with management at **Sr. # 2 (SMIU, Karachi)** was held on 12-08, 2024. The management in response to **AIR Para # 2** replied that the endowment fund was created to reserve funds independently of the Government of Sindh for future development. Investments, including those in the NBP, were executed through a competitive process and approved by the Finance and Planning Committee and Syndicate. Audit recommendations have been recognized, and corrective actions are actively being pursued. The DAC directed the management to submit record for verification. However, no reply was received from other office.

The para at serial no 1 was approved as critical issue raised during audit by the office of Auditor-General Pakistan. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO/entity.

Audit recommends justification and ensuring compliance with SPPRA rules, besides holding responsible persons accountable for violations.

(DP#23)

32.5.10 Withdrawal of funds through fake vouchers and quotations – Rs 55.669 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 the Sindh Higher Education Commission (SHEC), Department of Government of Sindh, for the financial year 2022-23, it was observed that Rs. 55.669 million were drawn on account of various contingent heads, where either fake vouchers and quotations were used to draw payments or payments were made without supporting vouchers. The details are provided below:

(Rs in Million)

S#	Name of office	AIR Para #	Particulars	Amount
1	Quaid e Awam University of Engineering, Science & Technology, Shaheed Benaizrabad	87	Cash memos of different suppliers with same handwriting. Computer generated cash memos on the other hand did not bear date and reference numbers.	31.177
		16	Handwriting on all the quotations was the same and without mentioning the address and phone numbers of the suppliers. Instead, the formal printed letter head of the supplier, the questions seemed to be computer generated. Further, similar handwriting suggests the quotations were not called but fake quotations were managed locally.	13.244
		91	Utility bills of water charges were presented on simple letterhead and hand written instead of the properly printed ones making the bill doubtful.	0.384
2	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	41	Payment was made to suppliers without detailed supporting vouchers	10.000
3	Dow University of Health Sciences, Karachi	12	Payment of Iftaar Allowance without supporting documents	0.864
Total				55.669

Audit is of the view that funds were drawn by using fake and self-generated vouchers. This shows weak financial controls.

The matter was reported to the management in April, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends inquiry into the matter for fixing responsibility on the persons at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 36.5.127 having financial impact of Rs 2.580 million. Recurrence of same irregularity is a matter of serious concern.

(DP#63 & 118)

32.5.11 Non-recovery of university dues – Rs 2,232.227 million

According to Para 28 of GFR Volume-I “No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable, the orders of competent authority for their adjustment must be sought”.

During audit of various offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 2,232.227 million on account of various university dues was not recovered. As a result, the government sustained financial loss. The details are enclosed as **Annex-5 of Chapter-32**.

Audit is of the view that non-recovery of university dues indicates prevalence of weak internal controls and poor financial management practices in the department.

The matter was reported to the management during the period from November, 2023, February to June, 2024. DAC meeting was held on 08-11-2024 wherein the management at Sr. #6 stated that some recoveries have been made and efforts are ongoing to collect the remaining fees. DAC directed to furnish record for verification. However, no record was produced till finalization of this report. Despite written requests, DAC meeting of remaining formations was not convened by the PAO till finalization of this report.

Audit requires effecting recovery from the concerned and implement measures to prevent future recurrence besides fixing of responsibility for the financial loss.
(DP#137)

32.5.12 Non-recovery of government dues – Rs 88.513 million

According to Para 28 of GFR Volume-I “No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable, the orders of competent authority for their adjustment must be sought”.

During audit of the following offices of Sindh Higher Education Commission (SHEC), Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that Rs 88.513 million, on account of various government dues, were not recovered. As a result, the government sustained financial loss. The details are given as under:

(Rs. in Million)

S.No	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Shaheed Benazir Bhutto University, Shaheed Benazirabad	2022-23	03	Tuition Fees & Misc. Fees	84.20
				Hostel Fees outstanding against 32 students	0.384
2	Sindh Madressatul Islam University, Karachi	2020-21 and 2022-23	06	Students Fees	2.368
3	Begum Nusrat Bhutto Women University	2019-20 to 2022-23	19	Admission Fees	1.400
			20	Hostel Fees	0.161
Total					88.513

Audit is of the view that non-recovery of government dues by management indicates prevalence of weak internal controls and poor financial management practices in the department.

The matter was reported to the management during the period from February to March 2024. The DAC meeting with management at Sr. # 2 (SMIU, Karachi) was held on 12-08, 2024. The management replied in response to AIR Para # 6 that students frequently delayed fee payments or request installment plans. All fees are collected online. As of now, Rs 2.368 million remains outstanding from 152 students. Breakdown: 99 students paid Rs. 1.553 million, 13 defaulters of Rs 0.194 million, 6 scholarships adjusted Rs 0.094 million (from Ehsas Scholarship), and 1 scholarship adjusted Rs 0.0165 million (from Need-based Scholarship). Additionally, 33 students with Rs 0.509 million outstanding have their documents and transcripts withheld. DAC directed to furnish of record of recovered amount of Rs 1.6635 and the remaining amount of Rs 0.703 to be recovered within three months. However, replies from other offices were not received.

Audit requires prompt recovery of outstanding government dues and establish accountability for the financial loss.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023- 24 and 2022-23, vide para number 34.5.24, 36.5.64 having financial impact of Rs 1,275.730 million. Recurrence of same irregularity is a matter of serious concern.

(DP#06)

32.5.13 Non-recovery of various taxes – Rs 116.921 million

According to Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors w-e-f 01-07-2015.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%

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 various offices of Sindh Higher Education Commission (SHEC), Department, Government of Sindh, for the financial years 2020-21 to 2022-23, it was observed that various taxes amounting to Rs 116.921 million were not deducted on account of procurement of various goods and services. The details are given at **Annex-6 of Chapter-32**.

Audit is of the view that due to non-recovery of taxes, the government was deprived of its revenue.

The matter was reported to the management during November, 2023 and February to March, 2024. DAC meeting was held on 08-11-2024 wherein the management at Sr. #13 (AIR#10) (GC University) stated that as per SRO 97 dated 12-02-2002 Circular # 05 dated 11-04-2002, GST is not applicable to goods supplied from imports and regarding (AIR#11) management stated that supplier provided an undertaking that taxes were paid. DAC directed to produce record for verification. However, no record was produced till finalization of this report. The DAC meeting regarding Sr#16 was held on 31-12-2024 wherein, the department replied that they followed Stamp Duty Act, 1899 and levied the required stamp duty on contract agreements. DAC directed to submit complete record for verification. However, no record was produced till finalization of this report. Despite written requests, DAC meeting of remaining formations was not convened by the PAO till finalization of this report.

Audit recommends that recovery may be affected, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 34.5.25, for Audit Year 2022-23 vide para number 36.5.74 and for Audit Year 2021-22 vide para number 31.5.62 having financial impact of Rs 359.201 million. Recurrence of same irregularity is a matter of serious concern.

(DP# 08, 60, 145, 178, 201)

32.5.14 Less deduction of taxes - Rs 1.933 million

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011, “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 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. 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 gross amount”. As per section 72 the read with section 2[5,6,9,13,26] and 75 of the Sindh Sales Tax on Service Act, 2011.

During audit office of the Sukkur IBA University, Sukkur for the financial year 2022-23, it was observed that an expenditure of Rs 24,088,098 were incurred under the head of various accounts, but income tax and tax on services, were less deducted from the bills of suppliers/contractors, resulting into loss of Rs 1.933 million.

Audit is of the view that the under-deduction of taxes has resulted in a financial loss to the public exchequer and highlights poor financial controls within the department.

The matter was reported to the management, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

(DP#203/AIR#5)

32.5.15 Unjustified Construction of Substandard Work – Rs 36.218 million

According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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 office of the Vice Chancellor, Sukkur IBA University, Sukkur for the financial year 2022-23, it was observed that Rs 36.218 million was spent on the supply, installation, and commissioning of mounting structures for bus parking and related items. The items were of sub-standard quality and had lower efficiency compared to higher-quality alternatives. The engineer's estimated rates were significantly lower than wholesale prices, potentially compromising project quality and causing substantial financial losses to the university.

Audit is of the view that the procurement of sub-standard items reflects weak internal controls and poor project management, resulting in financial and operational inefficiencies.

The matter was reported to the management, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends inquiry besides fixing of responsibility against the person(s) at fault.

(DP#197/AIR#19)

32.5.16 Irregular award of works beyond the cost of PC-I – Rs 22.205 million

As per approved of PC-I, Development of Department of Food Engineering and Infrastructure at NED University of Engineering and Technology, Karachi. The cost of component for “Fats and Oil Laboratory” was approved Rs.31.100 million.

During audit of office of the Vice Chancellor NED University of Engineering and Technology, Karachi, for the financial year 2022-23, it was observed that the approved cost of the scheme in PC-I was Rs 31.100 million. However, the work was irregularly awarded at an inflated cost of Rs 53.305 million without revision of PC-I. The details are given as under:

(Rs. in Million)

Sr. No.	Name of scheme	Cost as per approved PC-I	Tender Cost	Difference
1	Procurement of Equipment for Fats & Oil Laboratory for Food Engineering Department	31.100	53.305	22.205
Total				22.205

Audit observed that the management of NED University awarded works exceeding the approved cost of the PC-I, which constitutes a violation of the approved PC-I. This highlights weaknesses in the university's internal and administrative controls.

The matter was reported to the management in the month of November, 2023. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO/entity.

Audit recommends justification besides fixing of responsibility on the persons at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 36.5.85 and for Audit Year 2021-22 vide para number 31.5.87 & 31.5.98 respectively, having financial impact of Rs 131.406 million. Recurrence of same irregularity is a matter of serious concern.

(DP#25/AIR#04)

32.5.17 Unjustified payment of huge premium of 201% on an item of work – Rs 11.392 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 to 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”.

According to Chief Engineer, Building Department Sindh, Hyderabad letter No: Scheduled/Rates-T(ii)/D. S/1365 dated 05-05-2014 the ceiling of premium has been fixed by this department.

During audit of office of the Vice Chancellor, Shaheed Benazir Bhutto University, Shaheed Benazirabad for the financial year 2022-23, it was observed that an amount of Rs 11.392 million was paid to the contractor on account of premium at a hefty rate of 210% above on item of work “filling, watering & ramming earth. The cost of item of work executed was Rs 5.427 million but premium paid on that item was above 200%, which was unjustified and undue financial favour was extended to the contractor. The details are given as under:

(Rs. in Million)

CV # & Date	W/Order #	Name of Work	Item of Work	Qty	Rate	Amount
21-2214/29-11-22	213/19-04-2022	Const of roads with external development (Package-1) at SBBU SBA, Earth Work by M/s Irshad Ali Dahri	Filling watering and ramming earth	1494966 cft	3630 p. %cft	5.426
				209.91% premium		11.392
Total						16.818

Audit is of the view that extraordinary rate of premium allowed on item of work was due to weak financial management and poor internal controls. Due to that, undue financial favour was extended to the contractor which has resulted in undue financial burden on government exchequer.

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires recovery of excess premium paid and fixing of responsibility on the person at fault.

(DP#30/AIR#10)

32.5.18 Unjustified Changes of Specifications of items of work – Rs 281.711 million

As per para 11.1.3 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) on Revised Administrative Approval, PC-I of the scheme/work is required to be revised when original scope is modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate.

During audit of office of the Vice Chancellor, Sukkur IBA University, Sukkur for the financial year 2022-23, it was observed that management changed the specification of items of works amounting to Rs 281.711 million. The change of specification and insertion of new items of work is against PC-I and technical sanction.

(Rs. in Million)

Name of scheme	date of administrative approval	stipulated date of completion	PC-I component	Approved cost	expenditure of June 2023
Installation of solar system & LED lights	17/02/2015	16/02/2017	equipment's	257.234	281.711

Audit is of the view that the changes in specifications and inclusion of new items of work that were not originally outlined in the PC-I and in technical sanction indicate weak internal and financial control.

The matter was reported to the management, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

(DP#195/AIR#33)

32.5.19 Irregular cash withdrawals - Rs 115.605 million

According to Rule-290 of Central Treasury Rules, Volume-I, no money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand, or to prevent lapses of budget grant. **AND** 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". **Further**, as per Accountant General Sindh, Karachi circular No. TM/Policy/556 dated 16-04-2007 "The salary and other personal claims of Government employees are required to be paid through their bank accounts and no payment may be made to them in cash".

During Audit of various offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, for the financial year 2022-23, it was

observed that an amount of Rs 115.605 million was drawn in cash from various bank accounts for payment to the contractors/suppliers instead of direct crediting in their respective bank accounts or through cross cheque. Moreover, Fidelity bond of person drawing money from bank account was also not shown to audit. The details are given at **Annex-7 of Chapter-32**.

Audit is of the view that cash withdrawals instead of payment through cross cheques, chances of misappropriation of government money could not be ruled out.

The matter was reported to the management in November 2023, February and April 2024. DAC meeting was held on 12-08-2024. The management at serial No. 2 replied that the university disbursed payments recently: Rs 1,554,830 refunded to 20 students for cancelled admissions and excess challan payments via open cheques, Rs 334,000 in G.P Fund advances to two employees via crossed cheques, and Rs 2,243,670 advanced to 13 employees for departmental payments, totaling Rs 4,132,500. All advances were adjusted, with supporting evidence. The DAC directed strictly avoiding cash payments in any case and directed to produce record to authenticate that cash payment was made due to extraordinary circumstances. The reply of the entities at serial number 1,3,4 and 5 was not received.

Audit recommends stopping payment through cash forthwith.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 34.5.20; for Audit Year 2022-23 vide para number 36.5.52 and for Audit Year 2021-22 vide para number 31.5.45 & 31.5.129 having financial impact of Rs 75.809 million. Recurrence of same irregularity is a matter of serious concern.

(DP# 12, 14, 130, & 174)

32.5.20 Non-initiation of disciplinary action against absconders – Rs 1.711 million

According to clause 9(7) of Civil Servants (Efficiency and Discipline) Rules, 2020, “The inquiry officer or the inquiry committee, as the case may be, shall complete the inquiry within sixty days or, within such an extended period which the authority may allow on the request of inquiry officer or Inquiry Committee, as the case may be, for reasons to be recorded and shall submit his or its report to the authority within seven days of the date of completion of inquiry. The inquiry report must contain clear findings as to whether the charge or charges have been proved or not proved and specific recommendations regarding exoneration or imposition of minor or major penalty or penalties upon the accused.”

During audit of office of the Vice Chancellor, Shaheed Mohtarma Benazir Bhutto, Medical University Larkana, for the financial year 2022-23, it was observed that an amount of Rs. 1.711 million was paid to various scholars for getting Ph.D. degree from foreign countries but they did not return after completion of the course. However, neither their salary was stopped nor any disciplinary action was initiated against the absconders by the university. The details are given as under:

(Rs. in Million)

Sr #	Name of Employee	University	Period	Date From	Date To	Amount
1	Dr. Zafar Ali Abro	University of Magdeburg, Germany	4 Years	July 2017	May 2021	0.653
2	Dr. Shah Alam Solangi	Heidelberg University, Germany	4 Years	August 2017	May 2021	0.529
3	DR. Benzair Abbasi	National University of Ireland	4 Years	December 2017	November 2021	0.529
Total						1.711

Audit is of the view that due to non-returning of the employees, the university sustained loss of payment of salaries and scholarship

The matter was reported to the management in March, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends action to be taken against absconders & recovery be made under intimation to audit.

(DP#88/AIR#14)

32.5.21 Illegal occupation of land and property – Rs 133.955 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of various offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, for the financial years from 2019-20 to

2022-23, it was observed that residential houses, plots and other property of government universities were illegally occupied by the retired employees and the land grabbers, resulting in loss of property worth millions of rupees. The exact estimate of the loss could not be measured. However, the estimated loss based on the estimates obtained from few universities, a significant loss of property amounting to Rs 133.955 million was observed. Universities failed to take any action against the individuals involved in the illegal occupation. The details are given at **Annex-8 Chapter-32**.

Audit is of the opinion that the illegal occupation of university flats/residential houses and land reflects weak internal controls within the university.

The matter was reported to the management in November, 2023 and February to June, 2024. DAC meeting was held on 08-11-2024 wherein the management at Sr. #5 (GC University) stated that the matter was brought before the honorable High Court of Sindh, DC and Secretary for vacation, but no positive response was received. DAC directed to submit complete record for verification. However, no record was produced till finalization of this report. Despite written requests, DAC meeting of remaining formations was not convened by the PAO till finalization of this report.

Audit recommends taking immediate action to vacate the illegally occupied flats, residential houses, and land. Efforts should also be made to recover the rent for the entire period of illegal occupation besides fixing responsibility on the person(s) at fault.

(DP#152)

32.5.22 Non-utilization of Computers & Printers procured in 2022 – Rs 32.338 million

According to Rule 290 of Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

During audit of office of the Vice Chancellor, Shaheed Benazir Bhutto University, Shaheed Benazirabad for the financial year 2022-23, it was observed that computers and printers amounting to Rs 32.338 million were purchased without demand. The items purchased were issued from main store to I.T Center but the same were not utilized and were lying in store of I.T Center since June, 2022. Hence, the

government money was blocked by purchasing the computers & other items which were not required or demanded by the department concerned.

Audit is of the view that purchase of equipment without demand was result of improper watch and poor financial management practices.

The matter was reported to the management in March, 2024; but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends inquiry into the matter and ensure their immediate utilization, besides fixing responsibility for unnecessary purchases that led to the blocking of government funds.

(DP#40/AIR#05)

32.5.23 Loss to University due to non-recovery of rent – Rs 115.563 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 treasury.

During audit of the following offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, for the financial year 2021-22 to 2022-23, it was observed that outstanding rent amount of Rs 115.563 million was not recovered from the tenants. Further, canteens and shops were illegally occupied by the tenants. They were utilizing electricity and gas of the university and were allowed to operate without rental agreements. The details are given as under:

(Rs. in Million)

S.No	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	University of Karachi	2021-22 to 2022-23	29	Non recovery of rent from retired employees illegally occupying university residences. Three times rent to be recovered from their pension in compliance with resolution passed by the syndicate	76.044
			26		33.025
2	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2022-23	19	Non-recovery of rental income form shops and canteens illegally occupied.	3.900

(Rs. in Million)

S.No	Name of office	Financial Year	AIR Para #	Particulars	Amount
3	Mehran University of Engineering Technology, Jamshoro	2022-23	31	Non-recovery of rent form MCB banks	2.594
Total					115.563

Audit is of the view that due to weak internal control rental income was not recovered.

The matter was reported to the management in the month of March to May, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires effecting recovery from the concerned, evict unauthorized occupants, regularize tenancy through proper agreements, and fix responsibility for the lapse.

(DP#156)

32.5.24 Un-justified retention of Lapsable Grant-in-Aid funds – Rs 60.837 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During Audit of the following offices of Sindh Higher Education Commission (SHEC) Department, Government of Sindh, for the financial year 2021-22 to 2022-

23, it was observed that Grant-in-Aid funds amounting to Rs 102.061 million were released by Government of Sindh out of which Rs 41.224 million were utilized and the remaining amount of Rs 60.837 million was retained in bank accounts. The same was utilized in next financial year without obtaining permission of Finance Department. Hence retention of lapsable grant-in-aid funds & utilization in next financial year without prior permission from FD stands irregular & unauthorized. The details are given as under:

(Rs. in Million)

Name of office	Financial Year	AIR Para #	Releases	Total Exp.	Balance
Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 & 2022-23	01	56.00	1.41	54.590
Shah Abdul Latif University (Shahdadkot Campus), Khairpur	2022-23	15	46.061	39.814	6.247
Total			102.061	41.224	60.837

Audit is of the opinion that due to unauthorized retention of lapsable amount, resulted violation of applicable rules & orders of competent authority.

The matter was reported to the management in March and May, 2024. DAC meeting was held on 19-12-2024 wherein the management regarding Sr.# 01, (Aror University) stated that unspent amount was carried forward as permitted under the rules. Considering the above facts, DAC stands the para as no rule covers the point of view of the management. Despite written requests, DAC meeting of remaining formation was not convened by the PAO till finalization of this report.

Audit recommends inquiry into the matter for fixing responsibility on the person at fault.

(DP#149)

32.5.25 Non-inclusion of details of investments into Appropriation / Annual Account of University – Rs 1,000.000 million

As per APPM Section 2.3.2.3 regarding Completeness of information in the accounts states, “the information in the accounts and the supporting subsidiary records shall be a complete representation of all past transactions that have occurred during the reporting period”.

During audit of office of the Vice Chancellor, Shaheed Benazir Bhutto University, Shaheed Benazirabad for the financial year 2022-23, it was observed that university administration invested funds of Rs1,000 million, but the same was not

shown in appropriation/annual accounts of university. Hence, due to non-inclusion of investment figures, the annual accounts of university did not reflect true & actual financial position which resulted incomplete financial statements in annual accounts of university.

Audit is of the opinion that due to non-inclusion of investment details; the annual accounts of university did not reflect true & actual financial position which resulted incomplete financial statements in annual accounts of university by finance section.

The matter was reported to the management in March, 2024. Subsequently, on 24.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO/entity.

Audit recommends inclusion of development receipts & expenditure into final/annual accounts of university besides fixing responsibility on person(s) at fault.
(DP#43/AIR#01)

32.5.26 Irregular advance payment to employees – Rs 165.836 million

As per Rule-303 of Central Treasury Rules, “A 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.”

During audit of various offices of Sindh Higher Education Commission (SHEC), Department, Government of Sindh, for the financial year 2019-20 to 2022-23, it was observed that Rs 165.836 million were paid to employees as reimbursement or advance payments for incurring the contingent expenditure instead of direct purchase through vendors. The details are given at **Annex-9 of Chapter-32**.

Audit is of the view that payment was made to employees / officials instead of vendor / contractors which reflect poor internal controls within formations.

The matter was reported to the management in November, 2023, February, 2024 and March, 2024; but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires the recovery/adjustment of advances and the cessation of advance payments to employees for contingent expenditures.

(DP#07, 147 & 207)

32.5.27 Less recovery of electricity charges from residential employees – Rs 2.638 million

According to rule-28 of General Financial Rules Vol-I, states “no amount to government should be left outstanding without sufficient reasons, and when any dues appear to be irrecoverable, the orders of the competent authority must be sought.

During audit of office of the Vice Chancellor, NED University of Engineering and Technology, Karachi, for the financial year 2022-23, it was observed that an amount of Rs 11.322 million was deducted instead of actual amount of Rs 13.960 million resulting in a shortfall of Rs 2.638 million on account of electricity charges from employees. The detail is given as under:

(Rs. in Million)

Period	Total Units charged on Resident	Total Amount	Amount Deducted from the residents	Less deduction of electricity charges
July 2022 to Jun 2023	436,884	13.960	11.322	2.638

Audit is of the view that less recovery from the employees on account of electricity charges is unjustified, and the university had no mechanism to ascertain which employees’ outstanding dues had contributed to the shortfall.

The matter was reported to the management in November, 2023 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends conducting of thorough review and reconciliation of the electricity charges on residential employees and the outstanding balances of individual residential employees may be recovered.

(DP#50/AIR#14)

32.5.28 Non-approval of Revised Budget Estimate for the F.Y 2022-23 from Senate – Rs 1,356.634 million

According to clause 23 (b) Sindh Madressatul Islam university code regarding powers and duties of the senate that the "The Senate shall have the power to consider and pass resolution on the annual report, annual statement of account and the annual and revised budget Estimates".

Further, clause 3(1) of SMIU (Financial) statutes 2014 the budget shall be prepared by the Director Finance and placed before the finance and planning committee & Syndicate for consideration and shall be submitted to the Senate for approval.

During audit of office of the Vice Chancellor, Sindh Madressatul Islam University, Karachi for the financial year 2021-22 to 2022-23, it was observed that an expenditure of Rs 1,356.634 million was incurred. However, the Revised Budget Estimate for the financial year 2022-23 was not approved by the Senate, as required by the SMIU code/statute, resulting in a violation of university regulations.

(Rs. in Million)

Sr.#	Financial Year	Expenditure
1	2021-22	559.298
2	2022-23	797.336
Total		1,356.634

Audit is of the view that the failure to obtain Senate approval for the Revised Budget Estimate reflects weak governance and non-compliance with statutory requirements, which undermines financial accountability.

The matter was reported to the management in February, 2024. DAC meeting was held on 12-08, 2024. The Director Finance clarified that the expenditures for FY 2021-22 were approved by the Senate during its 5th Meeting on November 18, 2021, with detailed minutes available for verification. Subsequently, the Senate approved the expenditures for FY 2022-23 and the Revised Estimates for 2021-22 during its 6th Meeting on February 28, 2023. These approvals ensure transparency and compliance with governance procedures at SMI University. The DAC directed the management to produce the record to audit for verification, but no record was produced.

The same was approved as critical issue raised during audit by the office of Auditor-General Pakistan. Subsequently, on 14.05.2024 the same was forwarded to concerned PAO for immediate necessary action.

Audit requires justification and obtain Senate approval for the Revised Budget Estimate as required by university regulations besides responsibility be fixed for non-compliance.

(DP#42/AIR#22)

32.5.29 Unjustified payment against rejected items – Rs 1.831 million

As per Para-15(iii) of contract schedule issued vide contract No. PC(FED)/NED/Equip/ F. Biochem Lab/02/8172/2022 dated 22.12.2022 by Procurement Cell of NED University that “if the supply is not according to the specification or unsatisfactory, the contract will be rejected and cancelled at risk and cost of firm”.

During audit of office of the Vice Chancellor NED University of Engineering and Technology, Karachi, for the financial year 2022-23, it was observed that an amount of Rs 1.831 million was paid to M/s. Mughul Traders, Karachi without paying any regard to the fact that the Inspection Committee had rejected the items. The Inspection Committee had rejected the items on 07.03.2023 and recorded the reasons of rejection (rejected and unsatisfactory). The details are given at **Annex-10 of Chapter-32**.

Audit is of the view that due to procurement of rejected items the quality and genuineness of the material can be compromised. This shows weak internal controls of the management.

The matter was reported to the management in November, 2023. Subsequently, on 24.05.2024 the same was forwarded to concerned PAO for immediate necessary action. However, no reply was received from concerned PAO/entity.

Audit requires clarification of the matter and ensure payments align with inspection approvals. The responsibility should be fixed for disregarding the rejection.

(DP#57/AIR#03)

32.5.30 Excess procurement of civil work items - Rs 421.734 million

According to Rule-290 of CTR, Volume-I, no money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand, or to prevent lapses of budget grant.

During the Special Audit of Sukkur IBA University Sukkur, for the financial year(s) 2020-21 to 2022-23, it was observed that an expenditure Rs 421.734 million was incurred on account of purchase of equipment, furniture, contingency etc. against the approved quantity in the PC-I. Thus, the expenditure over & above the required quantity stands unjustified which resulted into excess payment.

(Rs. in Million)

Name of scheme	Component	PC-I provision	Expenditure	Excess	Percentage %
Establishment of Science Lab and Creative Art Centre at Sukkur IBA University	Civil work	306.43	515.18	208.75	68.12
Establishment of IT Institute as IT College, Khairpur	Recurring	43.779	91.485	47.706	108.97
	Contingency	4.501	23.153	18.652	414.40
Upgradation and strengthening of essential facilities at Sukkur IBA University	Civil work	491.249	589.799	98.55	20.06
Craib	Transport	1.218	2.694	1.476	121.18
Establishment of Benazir Bhutto Shaheed Institute of Management Science, Dadu	Human resources	28	48.006	20.006	71.45
	Transport	15.974	18.25	2.276	14.25
	Soil Investigation	0.8	2	1.2	150.00
	Recurring	21.408	40.684	19.276	90.04
	TPM	3.904	7.746	3.842	98.41
Total				421.734	

Audit is of the view that excess procurement was violation of PC-I and undue financial burden that shows poor financial management.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit seeks justification in the matter and urges strict adherence to PC-I provisions besides fixing of responsibility on the persons at fault.

32.5.31 Running of bank accounts in the names of employees

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

During audit of office of the Vice Chancellor Quaid-e-Awam University of Engineering & Technology, Shaheed Benazirabad for the financial years 2022-23, it was observed that there are 30 bank accounts running in the university, but these accounts are running in the name of the employees instead of name of the university, which could be led to any fraud, misappropriation.

Audit is of the view that running bank accounts with the names of employees is a serious violation. This shows negligence and financial indiscipline prevail in the department.

The matter was reported to the management in April, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of the matter, transfer all bank accounts to the university's name and fix responsibility for the existing discrepancies.

(DP#133/AIR #89)

32.5.32 Unjustified increase in covered area and changes in scope of work – Rs 1,267.248 million

As per para 11.1.3 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) on Revised Administrative Approval, PC-I of the scheme/work is required to be revised when original scope is

modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate.

During the Special Audit of Sukkur IBA University, for the financial year(s) 2020-21 to 2022-23, the PC-I cost for the works was Rs 1,460.392 million while the work orders issued to the contractors were of Rs 2,429.863 million. This resulted in an excess payment of Rs 1,267.248 million over the PC-1 cost.

Audit is of the view that this significant overrun suggests possible changes in project design and estimates raises question over engineer's performance.

The matter was reported to the management in June, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit seeks clarification into the matter besides fixing of responsibility on the persons at fault.

32.5.33 Excess execution of items of works more than BOQ – Rs 270.519 million

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

During the Special Audit of Sukkur IBA University Sukkur, for the financial year(s) 2020-21 to 2022-23, it was observed that an amount of Rs 270.519 million was paid to the contractors against various works wherein it was noticed that the quantities of various items were executed in excess as compared to the approved estimate / BOQ without revision of estimate.

(Rs. in Million)

Name of work	Work done	Contract price	Excess work	Remarks %
Construction of masjid at campus –ii	15.003	8.507	6.496	76
Construction of senior faculty residencies	159.860	128.914	30.946	24
Construction of footpath at Campus-II	7.842	5.053	2.789	55
Construction of IT College, Khairpur	236.403	20.267	216.136	1066
Construction of paver road at campus-I, boundary wall	19.593	11.355	8.238	73
Construction of plumbing, fire-fighting infrastructure & ancillary works	6.423	0.509	5.914	1162
Total			270.519	

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

The matter was reported to the management in May and June 2024, but no reply was received. Despite written requests, DAC meeting was not convened by PAO till the finalization of this report.

Audit recommends justification in the matter besides fixing of responsibility on the persons at fault.

Chapter - 33

Sindh Revenue Board

33.1 Introduction

Consequent upon the 18th Constitutional Amendment (specifically in relation to item No. 49 of Part A of the Fourth Schedule thereof) and pursuant to Articles 8 and 9(2) of the 7th NFC Award, notified in 2010, the Government of Sindh (GOS) enacted the Sindh Revenue Board Act, 2010 (Sindh Act No.XI of 2010), to regulate the matters relating to the fiscal and related economic policies; administration, management; imposition, levy and collection of taxes, duties, cess and other levies, by creating an organization (SRB) capable of enforcing the tax system through application of modern techniques of information and developing automated system of collection and assessment of tax and the matters ancillary thereto in the Province of Sindh.

GoS enacted the Sindh Sales Tax on Service Act, 2011 (Sindh Act No.XII of 2011), for the levy and collection of Sindh Sales Tax (SST) on the services provided or rendered. This Act became effective from July 01, 2011, and SRB was made responsible for the administration, collection and enforcement levied of SST under the said Act. SRB is also responsible for the overall tax policy, taxpayers' education, taxpayers' facilitation and tax administration. SRB is headed by Chairman who is assisted by 4 Members, one each for Taxation (previously known as 'Operations'), Tax Policy, Audit and Support Services

The Board meeting of SRB is held every month which is attended by the Chairman and the Members. The Secretary, SRB, acts as the Secretary of the Board. SRB is also assisted by a strong IT team and a state-of-the-art Data Centre, capable enough to absorb, assimilate and store the data of all the provincial taxes in Sindh, is also operational in SRB. All registration, enrolment, tax payment and return-filing are on-line and done electronically. The database is used for assessment, audit, tax monitoring, tax coordination, and verifications.

SRB is envisaged to be the primary source and resource for provision of assistance and monitoring of all the tax revenue functions in Sindh.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	1	-	-	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

33.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,619.600	-	-	-	(3.750)	1,615.850	1,614.600	(1.250)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 1.250 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
230,000.000	230,000.000	206,526.625	(23,473.375)

Revenue estimates were not revised. Actual receipt were 90% of revised estimate.

33.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 39,100.440 million were raised as a result of this audit. This amount also includes recoverable of Rs 14,065.321 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	<i>HR/Employees related irregularities</i>	165.692
2	Value for money and service delivery issues	14,063.230
3	Others	
A	<i>Operational Inefficiency</i>	764.47
B	<i>Record Keeping & Data accuracy</i>	2,4861.429
C	<i>Internal Control Weakness</i>	10.089

33.4 Comments on the Status of Compliance with PAC Directives

The SRB came into existence through SRB Act, 2010. Therefore, it was not included in Audit reports (1992-93 to 2010-11) discussed by the PAC. However, the department has been included in Audit Report 2016-17. The overall compliance by the department was 42.30%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
16	2019-20	6	2	4	2	66.67
17	2020-21	20	13	7	13	35
Total		26	15	11	15	42.30

33.5 AUDIT PARAS

33.5.1 Non-production of auditable record

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of Chairman, Sindh Revenue Board, Government of Sindh, Karachi for the financial year 2022-23, it was requested to provide Auditable record through requisitions i.e. detail of suspension cases, withdrawal of suspension cases, detail of suspension cases who did not respond in due time, and the actions taken. Whether registration of such cases was cancelled or not, detail of notices served for registration cancelled, detail of revocation cases & detail of Nil filler etc.

The record was requisitioned for the year 2022-23. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported in the month of March, 2024 and DAC meeting was held on 21 November, 2024. The DAC directed the management that the relevant record may be produced to audit for verification. During verification of record, the management produced partial record i.e. detail of suspension cases, detail of

withdrawal of suspension cases, certificate that no notices were served for cancellation of registration of taxpayer and no register person responded against suspension. However, detail of “Null filer” and “Nil filer” was not produced to audit. Hence, para stand.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last year and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP #1/AIR #36)

33.5.2 Non-imposition of penalty – Rs 14,052.269 million

According to Section 30(1) of the Sindh Sales Tax on Services Act, 2011, every registered person shall furnish, not later than the due date, a true and correct return in the prescribed form to a designated bank or any other office specified by the Board, indicating the tax due and paid during a tax period, and such other information, as may be prescribed. And Section 43(2), of the Act *ibid*, where any person fails to furnish a return within the due date, such person shall be liable to a penalty of ten thousand rupees per month or a fraction thereof; Provided that if a return is filed within ten days of the due date, a penalty of three hundred rupees for each day of default shall be paid.

During Audit of the office of the Chairman, Sindh Revenue Board, Government of Sindh, Karachi, for the financial year 2022-23, it was observed that several registered persons failed to file sales tax returns and discharge their tax liabilities for the tax periods of 2022-23. Under Section 43(2) of the Sindh Sales Tax Act, 2011, such omissions made these registered persons liable to penalties. However, no penalties were imposed by the department. This resulted in a loss to the government amounting to Rs. 14,052.269 million. The detail is as under;

(Rs. in Million)

AIR Para#	Particulars	Amount
25	During examination of computerized system maintained by the department, it was observed that various registered persons failed to file sales tax returns for the tax periods 2022-23. This omission attracted the provisions of section-43(2) of the Sindh Sales Tax on Services Act, 2011 and made them liable to pay penalty which was neither paid by the registered persons nor imposed by the department.	13522.700
28	During examination of computerized system maintained by the department, it was observed that various registered persons failed to pay their tax liability for the tax periods 2022-23. This omission attracted the provisions of section-43(2)(a) of the Sindh Sales Tax on Services Act, 2011 and made them liable to pay penalty which was neither paid by the registered persons nor imposed by the department.	56.329
33	During examination of computerized system maintained by the department, it was observed that various registered persons failed to file sales tax returns for the tax periods 2022-23 with in stipulated time period. This omission attracted the provisions of section-43(2) of the Sindh Sales Tax on Services Act, 2011 and made them liable to pay penalty which was neither paid by the registered persons nor imposed by the department.	473.240
Total		14,052.269

Audit is of the view that gaps in tax enforcement by the management led to the non-imposition of penalties for non-filing of sales tax returns on services, reflecting poor performance by the management.

The matter was reported in the month of March, 2024 and DAC meeting was held on 21-11-2024. The DAC directed the management to provide the requisite record to audit. During verification the management did not provide any detail of action taken against non-filer/ late filer in respect of AIR paras nos 25 & 33 respectively. As regard to AIR para #28, the management produced evidence/ CPR to audit. The representative of the department informed that due to technical error the non-payment was reflecting in the system generated report. On scrutiny of produced record, it was revealed that out of 42 registered persons, 23 registered persons paid the amount of tax after due date, therefore, the late payment of tax attracts penalty under section 43(3) of Sales Tax on Services which was neither workout by the department nor recovered from registered person. Therefore, the verification remained inconclusive.

Audit recommends that action need to be taken against the non- filers in the light of relevant law in order to ensure recovery.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 27.5.7 having financial impact of Rs 6.000 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#14)

33.5.3 Non-assessment of default surcharge from suppliers due to late deposit – Rs 10.963 million

According to Section 44 of Sindh Sales Tax on Services Act, 2011, Default Surcharge. —

- (1) Notwithstanding the provisions of section 23, if a registered person does not pay the tax due or any part thereof, whether willfully or otherwise, in time or in the manner specified under this Act, rules or notifications issued there under, he shall, in addition to the tax due and any penalty under section 43, pay default surcharge at the rate mentioned below: -
 - (a) the person liable to pay any amount of tax or charge, shall pay default surcharge at the rate of Inter-Bank Rate plus three per cent per annum of the amount of tax due; and
 - (b) in case, the default is on account of tax fraud, the person who has committed tax fraud shall pay default surcharge at the rate of two per cent per month, of the amount of tax evaded, till such time the entire liability including the amount of default surcharge is paid.
- (2) For the purpose of calculation of default surcharge, the period of default shall be reckoned from the day following the due date prescribed for the tax period to which the default relates to the day preceding the date on which the tax due is actually paid.

Explanation. - For the purpose of this section tax due does not include the amount of penalty.

During audit of office of the Chairman, Sindh Revenue Board, Government of Sindh, Karachi for the financial year 2022-23, it was observed on scrutiny of PRAL generated report that default surcharge was not charged to suppliers on delayed payment of tax liability amounting to Rs 10.963 million. Thus, the government sustained loss.

Audit is of the view that imposing a default surcharge would have increased government revenue and ensured timely future deposits.

The matter was reported in the month of March, 2024. DAC meeting was held on 21-11-2024. The management stated that there is no short payment therefore the question of default surcharge does not arise in these cases. The DAC directed the management to submit record to audit for verification. During verification the management produced evidence/ CPR to audit. The representative of the department informed that due to technical error the short payment was shown in the system generated report. On scrutiny of produced record, it was revealed that out of 42 registered persons 22 registered person paid the amount of tax after due date, therefore, the late payment of tax attracts Default Surcharge under section 44 of Sales Tax on Services Act which was neither workout by the department nor recovered from registered person. Therefore, the verification remained inconclusive.

Audit recommends that amount of default surcharge may be workout and strenuous efforts may be made for recovery of the same from registered person.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 32.5.3 having financial impact of Rs 3,375.750 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#17/AIR#32)

33.5.4 Unjustified variation in records – Rs 24,861.429 million

According to Rule-77 (V) of Central Treasury Rules Volume-I, read with the order of Finance Department No. FD-510 (FD) 759/59 dated 05/12/59 it was the responsibility of the Drawing & Disbursing Officer, to obtain a consolidated list of all cheques, issued by the A.G. Sindh / DAO (Payment for each month) in order to verify the correctness of the amount drawn from Bank and posting of each transaction of cheques made in the Government Cash Book, and also to ensure that all such cheques were not omitted and have been properly recorded, in Cash Book.

During audit of office of the Chairman, Sindh Revenue Board, Government of Sindh, Karachi for the financial year 2022-23, it was observed on scrutiny of PRAL

generated report that there is a variation of Rs 24,861.429 million between date wise Monitoring Report, date wise collection Report and sector wise collection report. The detail is as under:

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para#	Particulars	Amount
1	Chairman, Sindh Revenue Board, Government of Sindh, Karachi	2022-23	27	Variation between date wise Monitoring Report and date wise collection Report	24,455.157
			30	Variation between sector wise collection report and date wise collection report	406.272
Total					24,861.429

Audit is of the view that the discrepancies between the date-wise monitoring and collection reports indicate a potential loss of revenue.

The matter was reported in the month of March, 2024. DAC meeting was held on 21-11-2024. The management stated that Revenue Monitoring and Collection Report are prepared from two different tablet / database each with a different purpose. Comparing these two reports is neither logical nor synonymous. Revenue Monitoring Report is designed for monitoring PSIDs generated by the registered persons declaring their intention of payment. Revenue collection report reflects actual payment made by the taxpayer. The DAC directed the management to provide evidence of duplicate/incorrect PSIDs on major amounts in respect of para#27. As regard to para#30, the DAC directed the management to submit the evidence to audit for verification. During verification of record, in response of AIR Para # 27, the management did not provide evidence of duplicated/ incorrect PSIDs and evidence of rectification of variance between Sector wise collection report and date wise collection report.

Audit recommends production of documentary evidence of duplicate/incorrect PSIDs and evidence of rectification of variance duly supported with approval from competent forum to audit for verification.

(DP#15)

33.5.5 Irregular payment on account of professional fees – Rs 8.000 million

As per “Rule 61; Selection of Consultancy Services”, the selection of consultants shall be guided by the following considerations:

- i. Best quality of services available.
- ii. Need for economy and efficiency.
- iii. Need to give all qualified consultants an equal opportunity to compete.
- iv. Encouragement of local consultants without any unfair competitive advantage; and
- v. Transparency in the selection process.

During audit of Chairman, Sindh Revenue Board, Government of Sindh, Karachi for the financial year 2022-23, it was observed that payments amounting to Rs 8.000 million were made for the procurement of various items and services related to professional fees. The following issues were noted: tender documents for hiring legal consultants, as required under Rule 61 for the selection of Consultancy Services, were not provided; details of legal cases were missing from the bills; no contract agreement specifying the agreed consultation charges between SRB and the consultant was available; SST of Rs 1.040 million was not deducted from the bills; the advertisement for the consultant position was not produced; and attendance records or evidence of case hearings in the honorable court were not provided.

Audit is of the view that management awarded works without fulfillment of codal formalities by extending undue favor to the contractors at the cost of taxpayers.

The matter was reported in the month of March, 2024 and DAC meeting was held on 21 November, 2024. The DAC directed the management to produce the relevant record/justification to audit for verification. During verification, the management produced detail of legal cases, wakalatnama of legal consultant and attendance record. In respect of non-deduction of SST, the representative of the management added that the case of deduction of SST from lawyers/ legal consultant is still pending before High Court vide CP No. D-3014 of 2013 and this office is unable to detect SST in the instant cases. However, tender document for hiring of legal consultant was not provided to audit for verification.

Audit recommends production of tender documents in respect of hiring of legal consultant besides fixing of the responsibility on the person(s) at fault.

(DP # 9/AIR Para # 18)

33.5.6 Loss of government revenue due to non-recovery of Sindh Sales Tax (SST) - Rs 2.089 million

Under section(8) (1) of Sindh Sales Tax on services Act, 2011, “there shall be charged, levied and collected a tax known as sales tax on the value of a taxable service at the rate specified in the Schedule in which the taxable service is listed and under section (23) (1) Where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the SRB, not below the rank of Assistant Commissioner SRB is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made short payment, the officer shall make an assessment of sales tax actually payable by that person and shall impose a penalty and charge default surcharge in accordance with sections 43 and 44.

During audit of office of the Chairman, Sindh Revenue Board, Government of Sindh, Karachi for the financial year 2022-23, it was observed on scrutiny of record of service recipient that M/s Gul Ahmed Textile Mills and M/s Ideas Pvt Ltd have short paid amount of SST of Rs 2.089 million, which resulted into loss to the Government Exchequer. The detail is as under;

(Rs. in Million)

Service Recipient		Withholding Statement			
NTN	Name	Value of services	SST Due	SST Withhold	SST short paid
06988283	Gul Ahmed Textile Mills Ltd	1.131	0.147	0.029	0.118
2276732	Ideas (Private) Ltd	18.958	2.464	0.493	1.971
Total		20.089	2.611	0.522	2.089

Audit is of the view that government sustained a loss of revenue due to non-deposit of sales tax by M/s Gul Ahmed Textile and M/s Ideas (Pvt.) Limited.

The matter was reported in the month of March, 2024. DAC meeting was held on 21-11-2024. The management stated that SRB has already taken action in this case and when the matter is decided, necessary action will be taken for recovery of the

adjusted amount. The DAC acknowledged and directed to provide the status of recovery to audit. During verification of record, the management informed that the matter is still pending at commissioner (Appeals).

Audit recommends that strenuous effort may be made to expedite the process and status of recovery may be shown to audit.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22 and 2022-23 vide para number 27.5.6 and 32.5.6 having financial impact of Rs 317.099 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#22/AIR#39)

33.5.7 Non-authentication of performance activity – Rs 764.47 million

According to Section 30(1) of the Sindh Sales Tax on Services Act, 2011, every registered person shall furnish, not later than the due date, a true and correct return in the prescribed form to a designated bank or any other office specified by the Board, indicating the tax due and paid during a tax period, and such other information, as may be prescribed. And Section 43(3)(a), of the Act *ibid*, where any person fails to deposit the amount of tax due or any part thereof in the time or manner laid down under this Act and the rules made there under, such person shall be liable to a penalty of ten thousand rupees per month or a fraction thereof the default is more than three days or five percent of the total tax payable for that period whichever is higher

During audit of Chairman, Sindh Revenue Board Karachi for the financial year 2022-23, it was observed from the scrutiny of examination of Annual Report of SRB 2022-23, that 90 cases were finalized by audit wing and an amount of Rs 764.470 million was detected/pointed out by the department. However, the nature of irregularities and final status of cases whether the amount has been recovered, in process or under litigation was not provided to audit to authenticate the performance of the Audit wing of SRB.

Audit is of the view that without progress reports duly supported by documentary evidence, the progress of the Audit wing cannot be verified.

The matter was reported in the month of March, 2024 and DAC meeting was held on 21 November, 2024. The DAC directed the management to submit record of 64 cases to audit and expedite the due process in remaining cases. During verification, it revealed that the management did not expedite the due process in the remaining cases as no documentary evidence/ progress was provided to audit. Moreover, the department did not submit record of 64 cases as directed in the DAC meeting.

Audit recommends production of record besides acceleration the process of recovery under intimation to audit.

(DP #12 /AIR Para # 29)

33.5.8 Undue favor extended to employees – Rs 140.117 million

As per Para 11 of General Financial Rules Volume–I, “each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.”

During audit of Chairman, Sindh Revenue Board, Government of Sindh, Karachi for the financial year 2022-23, it was observed that an amount of Rs 140.117 million was incurred. However, undue favor was extended to the government employees on account of providing bonus, health insurance and additional charge allowance. The detail is as under;

(Rs in Million)

AIR Para#	Particulars	Amount
02	1. Sindh Government Notification regarding Bonus was not provided. 2. Approved policy regarding payment of Bonus was not provided. 3. Bonus paid to the employees on Annual Gross Pay without constituting Strategy and Policy Committee by the Board and formulation of Incentive Policy. 4. Neither performance evaluation of employees was carried out nor was the same presented before the board.	111.550
07	An amount of Rs 28.567 million paid to M/s United Insurance Company on account of health insurance of employees. This was an extraordinary facility provided to the employees of the SRB because health insurance facility has not been provided to Federal and Provincial government employees. The same facility was not approved by the Government.	28.567
Total		140.117

Audit is of the view that the management has extended undue favor to the employees, resulting in an adverse financial impact on public funds.

The matter was reported in the month of March, 2024 and DAC meeting was held on 21 November, 2024. The DAC directed the management to produce the relevant portion of HR policy and parameters of the committee for grant of Bonus in respect of para#02. As regard to para#07, the DAC directed the management to provide approval of the board and Insurance policy showing entitlement and facilities admissible to employees. Moreover, in connection with para#12, DAC directed the management to submit approval of the board and revised policy duly approved by the Board allowing additional charge allowance. During verification, the management produced record i.e., relevant portion of HR policy, copy of Sindh Revenue Board Act authorizing to grant performance based additional allowances or any other incentives (bonuses), minutes of meeting of board for grant of Bonus along with Insurance policy and HR policy showing entitlement of medical facility to the employees in respect of AIR para-Nos 2 & 8 respectively. However, the approval of HR policy from competent forum was not provided.

Audit recommends production of approval of HR policy from competent forum besides fixing responsibility against the person(s) at fault.

Note: The issue was reported earlier also in the Audit Report(s) for the Audit Year(s) 2021-22 and 2022-23 vide para number 27.5.1 and 32.5.10 having financial impact of Rs 557.136 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP # 2)

33.5.9 Irregular payment of life & medical insurance for the employees – Rs 25.575 million

As per Appendix-II of Sindh Financial Rules Volume-I and 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 Chairman, Sindh Revenue Board, Government of Sindh, Karachi for the financial year 2022-23, it was observed that an expenditure of Rs 25.575 million was paid to M/S United Insurance Company for SRB employees and their dependents for providing life & medical insurance without justification of getting dependents of SRB employees. Furthermore, terms & conditions of insurance and board approval was also not attached with the record.

Audit is of the view that the management has extended undue favor to the employees, resulting in an adverse financial impact on public funds.

The matter was reported in the month of March, 2024 and DAC meeting was held on 21 November, 2024. The DAC directed the management to produce the medical insurance policy duly approved from the competent forum and record of employee's dependents to audit for verification. During verification the management produced insurance policy duly approved by board and contract agreement with insurance company allowing admissibility to dependent employees. In support the management also produced relevant portion of HR policy showing admissibility of full family medical coverage. However, the approval of said HR policy from the competent forum was not produced to audit.

Audit recommends production of approval of HR policy from competent forum besides fixing responsibility against the person(s) at fault.

(DP # 8/AIR Para #17)

Chapter - 34

Social Protection Department

34.1 Introduction

The main role of the Social Protection Department is:

1. To steer the Health and Nutrition CCT (H&N CCT) program
2. To bolster the operational capabilities of The Sindh Social Protection Authority (SSPA)
3. To provide essential administrative support.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	123.033	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	1	1	1,224.347	-

34.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
17,746.385	-	31.284	(8,384.616)	(6,736.426)	2,656.627	1,396.782	(1,259.845)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 1,259.845 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	1.040	1.040

Revenue estimates were not fixed. However, receipts of Rs 1.040 million was realized.

34.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 25.849 million were raised as a result of this audit. This amount also includes recoverable of Rs 3.279 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Value for money and service delivery issues	22.570
2	Others	
A	Internal Control Weaknesses	3.279

34.4 Comments on the Status of Compliance with PAC Directives

This department has been included in Audit Report 2023-24 first time.

34.5 AUDIT PARAS

34.5.1 Non-achievement of target for enrolment of Beneficiaries

As per PC-I, Appendix-I, Annexure-B: Activities Cost of Component I, the targets were required to be achieved as mentioned below.

Activity Name	Total Districts in 2nd year	Total Beneficiaries registration/ targets in 2nd year
B. Beneficiary Grants, disbursement and verification Registration	10	391806

During audit of office of the Project Director, Strengthening Social Protection Delivery System in Sindh Karachi (FAP) for the financial year 2023-24, it was observed that management did not achieve the assigned target of registration of disbursement and verification of 239,955 beneficiaries/clients as per PC-I. The current status in respect of registration of beneficiaries/clients is as under.

Activity Name	Total Districts in 2nd year	Total Beneficiaries registration/ targets in 2nd year	Current status of Total target achieved	Less achievement of target
B. Beneficiary Grants, disbursement and verification Registration	10	391,806	151,851	239,955
Total				239,955

Audit is of the opinion that, the failure to achieve the beneficiary registration target deprived entitled individuals of health security benefits, specifically the mother and child financial benefits through cash disbursements.

The matter was reported to the management in July and October, 2024. DAC meeting was held on December 10, 2024 wherein, the management replied that PC-I targets for enrolment of beneficiaries are based on calendar year targets and the project started late therefore, disbursement was made in May, 2023. The DAC directed that PD/ CEO should review and find out reasons for non-achievement of said targets within stipulated time and prepare and submit the plan for achieving the targets. During verification, the department neither provided findings and review of PD nor plan for achievement of targets. Hence, verification remained inconclusive.

Audit recommends target beneficiary may be enrolled immediately, besides fixing of responsibility on the person (s) at fault.

(DP#15/ AIR #02)

34.5.2 Unjustified bidding process of Health facility & readiness survey – Rs 22.570 million.

According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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”. According to Rule 2(jj) of Sindh Public Procurement (SPP) Rules 2010, “Value for Money means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency’s requirements”.

During audit of office of the Project Director, Strengthening Social Protection Delivery System in Sindh Karachi (FAP) for the financial year 2023-24, it was observed that Rs 22.570 million was paid to M/s AASA Consultancy Pvt. Ltd. for "Service Availability and Readiness Assessment Survey of Health Facilities." Several irregularities were noted: (a) Only one bidder, M/s PHC Global Pvt. Ltd., was present during the technical bid opening, but the contract was awarded to M/s AASA, who did not attend; (b) the survey report was submitted two months late (May 2024) instead of within the stipulated three-month period from January to March 2024, without justification; (c) Rs 3.385 million was paid for an approved inception report, but no evidence of its approval was attached; and (d) Rs 4.514 million was paid for data collection, but no supporting report was provided.

Audit is of the view that the procurement and payment processes lacked transparency and compliance with contractual terms, resulting in questionable financial transactions and weak internal controls.

The matter was reported to the management during September, 2024. DAC meeting was held on December 10, 2024. The management replied that procurement

activity was conducted in accordance with relevant World Bank procurement regulations. The DAC directed to produce record for verification. During verification, the management produced irrelevant record besides the department's stance that representation in the technical evaluation committee is not mandatory is incorrect. Hence, verification remained inconclusive.

Audit recommends inquiry into the matter for fixing responsibility on the person(s) at fault.

(DP#09/ AIR #05)

34.5.3 Non/less-recovery of various taxes – Rs 3.279 million

According to Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/ contractors w-e-f 01-07-2015.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%

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

During audit of following offices of Social Protection Department, Government of Sindh for the financial year 2023-24, it was observed that an amount of Rs 3.279 million on account of various taxes (i.e., Income Tax, Sindh Sales Tax on Services, MV Tax, property tax etc.) was less/not deducted. The details are given as under;

(Amount in Rupees)

Sr. #	Name of Office	AIR Para #	Head of account	Particulars	Total Exp	Due tax	Deducted	Less deduction
1	Project Director Strengthening Social Protection Delivery System Sindh (FAP)	5	Rent of Building & Software, Management	Less-deduction of IT,	20,321,520	1,377,161	108,055	1,269,106
		6	Rent of Building & Software	Less-deduction of SST,	5,723,660	135,831	4,188	131,643

(Amount in Rupees)

Sr. #	Name of Office	AIR Para #	Head of account	Particulars	Total Exp	Due tax	Deducted	Less deduction
2	Project Director Social Protection Strategy Unit	3	Delay in Delivery of Supplies	Non-Recovery of Liquidity damages	9,227,000	922,000	0	922,000
		8	Mobicash Service charges	Non-deduction of SST,	2,673,000	347,000	0	347,000
		9	Salary	Income tax on Salary	11,760,000	3,111,000	3,026,815	84,185
3	Secretary Social Protection Department	1	Rent of Building	Less-deduction of IT & SST	4590144	550816	0	550816
Total					54,295,324	6,443,808	3,139,058	3,304,750

Audit is of the view that due to non-deduction of due taxes, government sustained financial loss. Moreover, it also reflects that the management is not fully sensitized about the importance of implementation of tax regime of the Government.

The matter was reported to the management in July and October, 2024. DAC meeting was held on December 10, 2024 wherein, the management replied that tax amount has been deducted / recovered and the same was deposited into government treasury. The DAC directed to produce recovery record and also take up the issue with SRB and AG Sindh regarding SST. During verification, the management did not produce the required record hence, the verification remained inconclusive.

Audit recommends expeditious recover of various taxes, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 30.5.1 having financial impact of Rs 2.122 million. Recurrence of same irregularity is a matter of serious concern.

(DP#11)

Chapter - 35

Social Welfare Department

35.1 Introduction

The Social Welfare Department was established to organize voluntary Social Welfare Service through participation, organize rehabilitation programme for the destitute and under privileged women. The department also establishes service for the rehabilitation of handicapped and disabled children/adults, register, guide and supervise voluntary social welfare agencies to organize training programmes.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	1,355.890	4.126
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

35.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
4,212.379	187.621	1,040.334	(1,040.334)	(259.596)	4,140.404	3,121.325	(1,019.079)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 1,019.079 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	25.732	25.732

Revenue estimates were not fixed. However, receipts of Rs 25.732 million was realized.

35.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,281.786 million were raised as a result of this audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Reported cases of fraud, embezzlement and misappropriation	200.000
2	Irregularities	
A	<i>Procurement related irregularities</i>	109.420
3	Others	
A	<i>Internal Control Weaknesses</i>	972.366

35.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 50%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	9	0	0	0	-
4	2001-02	0	0	0	0	-
5	2004-05	0	0	0	0	-
6	2005-06	0	0	0	0	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
7	2006-07	0	0	0	0	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2014-15	5	2	1	1	50
12	2016-17	3	0	0	0	-
Total		14	2	1	1	50

35.5 AUDIT PARA

35.5.1 Irregularities in disbursement of Grant in Aid to NGOs – Rs 972.366 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

2 (b) Grant-in-aid refer to monies given by the Government to various public entities, societies, voluntary organizations, local bodies, clubs, and individuals for fulfillment of a particular purpose.

3.(b) **Grant-in-aid may be sanctioned for:** (1) Voluntary organizations or Non-Government Organizations carrying out activities which promote the welfare schemes and programs of the Government should be selected on the basis of departmental regulations regarding financial and other resources, credibility and type of activities undertaken.

During audit of office of the Secretary, Social Welfare Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that Grant in Aid amounting to Rs 972.366 million was distributed to various NGOs. However, the management released these funds without fulfilling essential requirements typically associated with such grants, such as: proper agreements defining terms and conditions, obtaining sureties or guarantees and monitoring

mechanism. Furthermore, key records such as supporting vouchers, bank statements and other relevant record was not produced.

Audit is of the view that this lapse indicates a lack of due diligence and weak financial controls exposing public funds to misuse.

The matter was reported to the management in September, 2024. DAC meeting was held on 09-12-2024. The management replied that all NGOs have been guided to implement Monitoring and Evaluation Mechanism and provisions contained in Sindh Financial Rules-2023, and they are being persuaded through Monitoring and Evaluation Committee constituted by Social Welfare Department. Utilization Report(s) for the financial year 2023-24 will have to be received from all NGOs and would be examined by such committee and further release of funds will be considered, accordingly. DAC directed to verify the Utilization Report, Vouchers, Bank Statement and other relevant records.

Audit recommends stopping immediately the practice of issuing Grant in aid without observing the essential requirement, besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 28.5.3, having financial impact of Rs 884.500 million. Recurrence of same irregularity is a matter of serious concern.

(DP#08/AIR#22 & 29)

35.5.2 Unjustified release of GiA instead of blacklisting the NGO – Rs 200.000 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of

Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During the audit of the Secretary Social Welfare Department, Government of Sindh, Karachi, for the financial year 2023-24, it was observed that despite occurrence of a fraud of Rs 691.642 million identified in a forensic audit conducted by AKAZ Consultants (Pvt.) Ltd. on September 20, 2022, the Social Welfare Department released Rs 200.00 million to the NGO “Darul Sakoon” as GiA during financial year 2022-23 and 2023-24.

Audit is of the view that due to lack of accountability and poor financial controls the government funds have been embezzled, which cause loss to public exchequer.

The matter was reported to management in September 2024, and DAC meeting was held on December 9, 2024. Management responded that the alleged mismanagement was attributed to the previous administration, as detailed by M/s. Darul Sukoon Welfare Society in the documents attached to their reply on AIR#13, 2023-24. They further stated that the release of budgetary provisions for FY 2023-24 was not required to be linked to the mismanagement of funds for FY 2021-22, as it reportedly did not pertain to the Government of Sindh's grant-in-aid. DAC directed management to conduct an inquiry and furnish the report to the audit team. However, no progress has been reported till finalization of this report.

Audit recommends inquiry and legal proceedings including lodging an FIR against the person (s) at fault.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 31.5.2, having financial impact of Rs 200.00 million. Recurrence of same irregularity is a matter of serious concern.

(DP#09/AIR#13& 14)

35.5.3 Irregular award of work – Rs 89.408 million

According to Rule-49 of the Sindh Public Procurement Rules 2010, “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.

As per Rule-39 of SPPRA Rule 2010- **Performance Security** (1) Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price.

During audit of office of the Secretary, Social Welfare Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that a work order amounting to Rs 89.405 million was awarded to M/s Creative Contractors for the construction of the M/s HANDS new office building block. The following irregularities were noted: the tender was irregularly awarded to the second-lowest bidder, M/s Creative; performance security at 10% was not obtained from M/s Creative; and the PC-I was not produced.

Audit is of the view that management failed to fulfill the codal formalities which was violation of SPPRS rules.

The matter was reported to the management in September, 2024. DAC meeting was held on 09-12-2024. The management replied that Grant-in-Aid was provided to M/s. HANDS, they incurred expenditure as per policy approved by their Board of Directors including transfer of funds to private bank account of their organization which could be their internal procedure and its utilization as well as invitation of tender, deduction of Sale Tax, Procurement of Goods, deduction of GST, execution of Works, etc. Relevant record of NGO may be verified by an audit team of Director General, Audit, Sindh, Karachi. The DAC observed that the NGO did not follow the SPPRA Rules. The Chair has informed the forum that it is not clearly mentioned in Sindh Financial Rules, 2023 that all NGOs may follow the SPPRA rules, the representative of FD also endorse the chair, as such, matter may be further verified.

DAC directed the management to provide record for verification to audit. However, no record was provided to audit for verification till finalization of this report.

Audit recommends rules and regulations of the government should be followed by the NGOs while making expenditure from grant in aid.

(DP#05/AIR # 21,23& 30)

35.5.4 Non-invitation of open tenders – Rs 20.012 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 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 following offices of Social Welfare Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 20.012 million was incurred from the grant in aid by the NGO, Health & Development Nutrition Society (HANDS) on account of Education, Renovation/Repair & Maintenance and other office expenditure including other stores, others, & software items without inviting open tender. This deprived the government of the opportunity to obtain competitive rates. The details are given as under:

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
01	Secretary, Social Welfare Department, Karachi	2023-24	18	Education, Renovation/Repair of & Maintenance	15.012
02	Directorate of Social Welfare Sindh, Karachi	2023-24	08	Cost of other store, Others & software	5.000
Total					20.012

Audit is of the view that the management incurred made expenditure without inviting open tenders resulting in a potential loss to government due to non-achievement of economical rates.

The matter was reported to the management in September & November, 2024. DAC meeting was held on 09-12-2024. The management of office at S.No.1 replied that No detail of Rs 15.012 million towards expenditure incurred by HANDS, have been provided by Audit. Furthermore, it is clarified that Grant-in-Aid was provided to NGO HANDS and they incurred expenditure as per policy approved by their Board of Directors. Management of office at S.No.2 replied that the procurements were made on need basis, on quotation basis and work orders were issued to the vendors whose rates were found comparatively in lower side as provided in the SPPRA Rules. Besides, funds were received on a quarterly basis and the expenditure was incurred, accordingly monthly, under respective head of account/object elements. DAC directed to provide clarification for repair of buildings from the Grant-in-Aid funds and MoU / Agreement signed between Government of Sindh and NGO. However, no record was provided to audit for verification till finalization of this report.

Audit recommends fixing of responsibility on the person(s) at fault for violating SPPRA Rules.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 31.5.4, having financial impact of Rs 19.990 million. Recurrence of same irregularity is a matter of serious concern.

(DP#03)

Chapter - 36

Sports & Youth Affairs Department

36.1 Introduction

The major functions of the department are:

- To deal with Physical Culture
- To deal with Youth Affairs including Scouts
- To maintain/protect buildings under Heritage Act

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	3	3	988.397	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

36.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
4,798.608	-	168.939	(168.939)	(1,652.955)	3,145.653	3,064.930	(80.723)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 80.723 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	92.671	92.671

Revenue estimates were not fixed. However, receipts of Rs 92.671 million were realized.

36.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 226.308 million were raised as a result of this audit. This amount also includes recoverable of Rs 209.826 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	<i>Procurement related irregularities</i>	209.826
B	<i>Management of Accounts with Commercial Banks</i>	1.208
2	Value for money and service delivery issues	-
3	Others	
A	Operational inefficiency	15.274

36.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 62.5%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	0	0	0	0	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
4	2001-02	0	0	0	0	-
5	2004-05	2	2	0	2	-
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-
8	2007-08	0	0	0	0	-
9	2008-09	5	5	0	5	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-
12	2014-15	0	0	0	0	--
13	2016-17	10	8	05	03	62.5
Total		17	16	1	15	62.5

36.5 AUDIT PARAS

36.5.1 Non -deduction of Taxes/duty – Rs 209.826 million

According to Para 153(1)(a)(b) & (c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001. Income tax is required to be deducted at source while making payment to suppliers/contractors w.e.f. 01-07-2015.

As per Para 22-A of Stamps Act, “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.

During audit of various offices of Sports & Youth Affairs Department, Government of Sindh, for the financial year 2023-24, it was observed that payment of Rs 209.826 million was made to various suppliers, but the government taxes/duty were non-deducted at source. The details are as under;

(Rs. in Million)				
Sr. #	Name of Offices	Nature of Tax	AIR Para #	Amount
01	Secretary, Sports & Youth Affairs	Non-deduction of withholding tax	11	0.084
		SST on services	15	0.087
		Non-realization of stamp duty	09	0.184
		Non-realization of stamp duty	30	0.139
02	Executive Engineer, Sports Department (Engineering Wing), Karachi	Non-realization of stamp duty	16	0.267
		Non-deduction of Income tax	17	50.742
		Non-deduction of SST	18	158.323
Total				209.826

Audit is of the opinion that due to non-deduction of Govt. taxes resulted undue financial favor to suppliers/vendors & loss to Govt.

The matter was reported to the management in August, 2024. DAC meeting was held on 13-01-2025 wherein, the department replied that taxes and stamp duty have been deposited through challans and some amounts were mis-calculated by audit part. The DAC directed that relevant record be verified by audit. However, no record was produced till finalization of this report.

Audit recommends recovery of various taxes from concerned suppliers & service providers and deposit into government account.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23, 2021-22 and 2020-21 vide para number 32.5.10, 32.5.13, 34.5.22 and 29.5.11 respectively having financial impact of Rs 84.667 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#04)

36.5.2 Un-authorized drawal of salaries through DDO account – Rs 1.208 million

As per Rule-303 of Central Treasury Rules, “A 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 DDO 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 office of the Secretary, Sports & Youth Affairs Department, Government of Sindh, for the financial year 2023-24, it was observed that an expenditure of Rs 1.208 million was incurred (under Sindh Sports Board) on account of salaries paid to employees of regional offices through DDO account instead of direct transfer into payee’s bank account. The details are as under:

(Rs. in Million)

Sr.#	Name of Payee	Cheque #	Date	Amount
1	Assistant Director Sports Hyderabad	24443650	28-12-2023	0.226
2	Sindh Sports Board Complex/Hostel Hyderabad	24443651	28-12-2023	0.982
Total				1.208

Audit is of the view that payment of salaries through DDO Account instead of direct crediting into the bank account of respective employees is unauthorized.

The matter was reported to the management in the month of August, 2024. The management replied that the department has endorsed Audit observation regarding the salaries were paid through DDO account due to non-availability of personal account of employees of Sindh Sports Board. DAC meeting was held on 13-01-2025 wherein, the DAC directed that the management should provide all essential documents to audit for verification. However, no record was produced till finalization of this report.

Audit recommends immediately stopping the practice of payment of salary through DDO account, besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2022-23 and 2021-22 vide para number 32.5.8 and 34.5.6 respectively having financial impact of Rs 185.578 million. Recurrence of the same irregularity is a matter of serious concern.

(DP# 08/AIR #18)

36.5.3 Improper utilization of Grant-in-Aid – Rs 15.274 million

According to Chapter 19 - Grant in Aid of Volume I of the Sindh Financial Rules, 2023, institutions or organizations receiving government grants are required to maintain subsidiary accounts specifically for these grants. They must provide the Finance Department, through the concerned department, with a set of audited statements of accounts, regardless of the grant amount. These audited statements should be submitted after the grant-in-aid has been utilized or upon request. Furthermore, the accounts of all grantee institutions or organizations must be open to inspection by the sanctioning authority and are subject to audit by Auditor-General of Pakistan as per Auditor General's Ordinance 2001. Additionally, they may be audited by any Chartered Accountant firm if required. This auditing provision must be included in all orders sanctioning the grant-in-aid. For non-recurring grants, a certificate of actual utilization must be submitted to confirm that the funds were used for their intended purpose. This requirement should be included as part of the order sanctioning the grant-in-aid.

During audit of office of the Secretary, Sports & Youth Affairs Department, Government of Sindh, for the financial year 2023-24, it was observed that Rs 15.274 million was disbursed as Grant-in-Aid to various sports associations and organizations without defined criteria, terms of reference, or adherence to rules and regulations. Additionally, no separate accounts were opened for the grants, utilization reports and certified audited financial statements were not provided, and no monitoring or evaluation was conducted to assess the performance of the recipient organizations. The details are given as under;

(Rs. in Million)			
Sr.#	Cost Center	Description	Expenditure
1	KQ-0705	Grant for Sports Activities	10.400
2	KQ-0708	Directorate of Youth Affairs	4.874
Total			15.274

Audit is of the view that the disbursement of grants without proper controls, documentation, and performance assessments reflects weak governance and financial mismanagement, posing a risk of fund misuse.

The matter was reported to the management in August, 2024. DAC meeting was held on 13-01-2025 wherein, the DAC directed the management to ensure the compliance of opening of separate account of Grant in Aid and provide required record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends establishing clear criteria and terms of reference for Grant-in-Aid disbursement, ensuring the submission of utilization reports and audited financial statements besides fixing the responsibility on person(s) at fault.

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 34.5.5 having financial impact of Rs 762.2 million. Recurrence of the same irregularity is a matter of serious concern.

(DP#01/AIR #22)

Chapter – 37

Transport and Mass Transit Department

37.1 Introduction

The Transport and Mass Transit Department is responsible for the overall discipline of the transport and mass transit services of the province. Preparation of annual provincial budget, formulation of plans and maintenance of an effective and efficient transport system are the major assignments of this Department.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	3	2	6,282.532	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	4	10,911.487	-

37.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
100,861.218	3,531.706	411.415	(64,394.238)	(5,898.169)	34,511.932	19,511.673	(15,000.259)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 15,000.259 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
409.000	190.000	228.677	38.677

Revenue estimates were reduced 54% in revised estimate. Actual receipt was 120% of revised estimate.

37.3 Classified Summary of Audit Observations

The audit revealed financial irregularities and inefficiencies totaling Rs 12,428.73 million. This included Rs 5.22 million in fraud, embezzlement, and misappropriation, Rs 12.66 million in HR-related irregularities, Rs 6,925.87 million in procurement-related issues, and Rs 136.33 million related to the management of accounts with commercial banks. Additionally, Rs 5,041.81 million pertained to value-for-money and service delivery issues, Rs 210.37 million to operational inefficiencies, and Rs 67.68 million to internal control weaknesses. Recoveries amounting to Rs 28.79 million were also identified. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Reported cases of fraud, embezzlement and misappropriation	5.22
2	Irregularities	
A	<i>HR/Employees related irregularities</i>	12.66
B	<i>Procurement related irregularities</i>	6,925.87
C	<i>Management of Accounts with Commercial Banks</i>	136.33
3	Value for money and service delivery issues	5041.81
4	Others	
A	<i>Operational Inefficiency</i>	210.37
B	<i>Internal Control Weakness</i>	67.68
C	Recovery	28.79

37.4 Comments on the Status of Compliance with PAC Directives

This department was not included in Audit reports (1992-93 to 2010-11 and 2016-17) discussed by the PAC. However, the department has been included in Audit Report 2014-15 and yet to be discussed in PAC.

37.5 AUDIT PARAS

37.5.1 Misappropriation of project funds due to payment made to non-contractual entity - Rs 5.221 million

As per contract agreement title: Consulting Services in Preparation of Detailed Design, Procurement Support and Construction Supervision for Yellow Bus Rapid Transit Corridor, Contract No. PK-SMTA-122605-CS-QCBS, Between, the Sindh Mass Transit Authority (SMTA) and M/s Dar-al-Handasah Consultant (Shair & Partner) JV M/s National Engineering Services Pakistan (Pvt.) Ltd. on 2nd September 2021. As outlined in clause 42.2.4 The accounts are:

For foreign Currency.

Bank Name	Arab Bank plc. Bahrain
Bank Address	Building 540/542, Diplomatic Area, Road 1706 Manama, Block 317 Kingdom of Bahrain
Account Name	Dar AlHandasah Consultants Shair & Partners B.S.C. Closed
Account No.	2002-680294-511
Swift Code	ARABBHBMXXX
IBAN #	BH94 ARAB 0200 2680 2945 11

For local currency:

Name of Bank	National Bank of Pakistan (NBP)
Name of Branch	PNSC Branch
Name of Beneficiary	National Engineering Services Pakistan (Pvt.) Ltd.
Account No	3000312779
Branch Code	0250
IBAN #	PKGINBPA0250003000312779

During audit of office of the Project Director of Karachi Mobility Project (KMP) for the financial year 2023-24, it was observed that an unauthorized payment of PKR 5.221 million was made to an entity named M/s Daural Handasa Pakistan (SMC-Pvt.) Ltd., which is not recognized in the original contract agreement. Payments were disbursed in Pakistani Rupees (PKR) to this entity, despite it was not listed in the contract, and operating under the name resembling the original contractor, M/s Dar Al-Handasah Consultants Shair & Partners (B.S.C.). However, no documented evidence exists linking this company to the contract. The agreement explicitly stipulates that payments were to be made in USD to the specified Bahraini bank account or in PKR to the authorized local beneficiary, National Engineering Services Pakistan (Pvt.) Ltd. The details are given as under:

(Rs. in Million)

Sr#	Head	Cheque #	Party Name	Payment Description	Cheque Amount PKR
1	PIC Consultant	35339766/ 09.08.2023	Daural Handasa Pakistan (SMC- Pvt) LTD	PIC JV Invoice 5 Jam Sadiq Bridge Evaluation	1.383
2		35339800/ 27.09.2023		Design Consultant JV Bills	2.079
3		35339861/ 17.11.2023		5% release of withheld amount Inv 3 & 4	1.759
Total					5.221

Audit is of the view that the disbursement of payments to an unrecognized entity with a similar name demonstrates significant lapses in financial controls and verification mechanisms, creating a risk of fraudulent transactions and potential misappropriation of project funds. This highlights the critical need for stringent adherence to contractual terms and enhanced oversight to prevent such irregularities.

The matter was reported to the management in September, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that the JV Consultant requested a payment distribution mechanism for Pakistani Rupee (PKR) component of the PD Karachi Mobility Project (SMTA) on November 15, 2021, specifying a split between DAR (PKR 41,867,977) and NESPAK (PKR 122,081,000). The employer (PD KMP SMTA) approved the request without modifying the contract agreement, leading to an amendment being made and forwarded to the World Bank for approval after discussions with the JV Consultant. No excess payment was made to the JV Consultant, and the contract amendment is under process with the World Bank. The DAC, directed to constitute Inquiry Committee and submission of the same to audit for verification. However, no progress was reported to audit till finalization of this report.

Audit recommends management to conduct a thorough investigation into the unauthorized payment and recover the amount and ensure that future payments strictly comply with contract terms and approved beneficiaries to prevent financial irregularities.

(DP#06 /AIR#08)

37.5.2 Loss due to unauthorized annual increment of staff – Rs 12.659 million

As per HR policy Transkarachi “Employees' performance is rated on a 4-point scale, with 4 as "Excellent" and 1 as "Below Average." The PC-1 allows a 10% annual budget increase for increments, combining a fixed inflation adjustment and performance-based increments, effective every July. **Increment eligibility:** Employees with at least six months of service are eligible for pro-rated increments. Employees with less than six months are ineligible.

Employee Categories and Increment Breakdown:

- 1. Categories by Salary:**
 - Category-1: 300,000+ PKR
 - Category-2: 100,000–299,999 PKR
 - Category-3: Below 100,000 PKR
- 2. Fixed Inflation Component:**
 - Category-1: 5%
 - Category-2: 5%
 - Category-3: 6%
- 3. Performance Component:**
 - Rating 4: 4-5%
 - Rating 3: 3%
 - Rating 2 & 1: 0%

During audit of office of the Project Director of Karachi Bus Rapid Transit Red Line Project (BRT), Karachi for the financial year 2023-24, it was observed that the management incurred a loss of Rs 12.659 million due to unauthorized salary increments given to staff, in violation of the approved performance appraisal policy of TransKarachi. The policy, as outlined in the approved PC-I, permits a maximum annual increment of 10%, which includes both a fixed inflation-adjusted component and a performance-based component. However, several staff members were granted increments exceeding the 10% limit, leading to overpayments. Additionally, the policy stipulates that increments should be effective from July each year, yet in some cases, increments were applied outside the prescribed timeframe.

Audit is of the view that unauthorized increments resulted in an avoidable loss of Rs 12.659 million, which was in contravention of the established performance appraisal and increment policy of TransKarachi. The management’s failure to enforce the policy has caused a financial burden on the project.

The matter was reported to the management in October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management replied that the increments and increases in the salaries of employees were as per approved policy by the Board. DAC directed the management to produce the relevant HR Policy to audit for verification. However, no record was produced to audit till finalization of this report.

Audit recommends recovery and strict adherence to the increment policy to prevent such losses.

(DP#08 /AIR#02)

37.5.3 Irregular appointment of Managing Director by ignoring instruction of SMTA Act 2016

According to Rule 16 (41 of Sindh Mass Transit Authority Act 2016 “There shall be a full-time Managing Director of the Authority who shall be appointed by the Board on such terms and conditions as it may determine. (2) The Managing Director shall be an eminent professional of known integrity and competence having experience of at least fifteen years, including in various urban infrastructure development projects or schemes with global exposure of mass transit systems, and having experience in public or private sector management especially in the context of managing human resources, financial management, program implementation and may additionally have technical understanding of Mass Transit systems.”

During audit of office of the Sindh Mass Transit Authority, Transport & Mass Transit Department, Karachi, for the financial year 2021-22 & 2022-23, it was observed that the management posted a Managing Director of the Authority without taking into account the requirements of the post, as required under the Act i.e., experience of at least fifteen years, including in various urban infrastructure development projects or schemes with global exposure of mass transit systems, and may additionally have technical understanding of Mass Transit systems.

Audit is of the view that management has not followed the prescribed rules, due to which whole expenditure stands doubtful.

The matter was reported to the management in September, 2023. DAC meeting was held on 24-12-2024. In DAC meeting the management stated that the Managing Director is an executive position of the authority and posting of the head of the authority and officers of Executive cadre has been made by the Service General Administration & Coordination Department in accordance with the provision of

section 16 of the SMTA act & Rule 10 of the Recruitment Rules of Authority. DAC directed to produce copy of SMTA Act for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to review the appointment process for the Managing Director to ensure compliance with the eligibility criteria outlined in the Act. Additionally, necessary corrective actions should be taken to prevent non-compliant appointments in the future

(DP#11 /AIR #38)

37.5.4 Award of Contract beyond approved PC-I Cost - Rs 12.531 billion

As mentioned in the Preliminary Design (Infrastructure Development) of approved PC-1, 2019 pertaining to Karachi Urban Mobility Project (Yellow BRT Corridor) April 30, 2019, the cost of New Jam Sadiq Bridge (Package-4) was Rs 3.05 billion. PC-1 also states in Project Specific Information that “New Jam Sadiq Bridge (Approximately 1.1 km) will be constructed. In addition, the existing bridge at Jam Sadiq will be rehabilitated under this project.

During audit of office of the Project Director Karachi Mobility Project for the financial year 2023-24, it was observed that a contract worth Rs. 12.531 billion was awarded to M/s Zahir Khan & Brothers for the New Jam Sadiq Bridge project. Initially new Jam Sadiq Bridge with rehabilitation of existing bridge was planned in PC-I. However, the scope of the work was revised with two new bridges instead of one new bridge. As a result, the cost of the Package-IV exceeded the original cost of Rs 3.05 billion to Rs 12.531 billion, without due approvals. This gross deviation not only violates the PC-I but also breaches the permissible cost escalation limit of 15%, which mandates a revision of the PC-I and proper authorization for any such increase. The project management has failed to enforce financial discipline and adhere to procurement regulations, resulting in a serious violation of established guidelines.

Audit is of the view that that lack of compliance with prescribed limits demonstrates a fundamental failure in project planning, cost management, and oversight, necessitating immediate corrective action

The matter was reported to the management in September, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management replied that the approved cost for the New Jam Sadiq Bridge with the rehabilitation of the existing bridge was Rs 3.422 billion in the PC-1 dated May 8, 2019. However, following an assessment

and rehabilitation survey of the existing bridge conducted by the JV Consultant in October 2021, it was concluded in January 2022 that the bridge had a poor structural condition, with an AASHTO health index of 0.44, making it eligible for replacement according to FHWA and AASHTO standards. The survey also revealed significant settlement differences, material inadequacies, and a need for various repair schemes. The consultant recommended replacing the bridge due to its short life expectancy and high rehabilitation costs. Consequently, the project scope was revised to replace the existing Jam Sadiq Bridge with a new bridge, including the design and construction of a 1 km bridge parallel to the existing one and the replacement of the demolished bridge. DAC directed the management to produce the relevant record to audit for verification. However, no record was produced to audit till finalization of this report.

Audit recommends project management team to initiate the process of revising the PC-I to accurately reflect the awarded contract amount. Additionally, responsibility should be assigned to the individuals accountable for this oversight.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 35.5.12 having financial impact of Rs 27.101 million. Recurrence of same irregularity is a matter of serious concern.

(DP#13 /AIR#01)

37.5.5 Doubtful preparation of engineer's estimate caused variation in quoted items - Rs 3,874.699 million

According to clause 5.65 of Procurement Guidelines that an abnormally low Bid / proposal is one in which the bid / proposal price, in combination with other elements of the Bid / proposal, appears so low that it raises material concerns with the borrower as to the capability of the Bidder / Proposer to perform the contract for the offered price. As per para 5.66 where the borrower identifies a potentially abnormally low Bid / proposal, the Borrower shall seek written clarification from the Bidder / propose, including detailed price analysis of its Bid price in relation to the subject matter of the contract, scope, proposed methodology, schedule, allocation of risks and responsibilities, and any other requirement of the request for bid/request for proposals document And para 5.67 states that if, after evaluating the price analysis, the Borrower determines that the Bidder / Proposer has failed to demonstrate its capability to deliver the contract for the offered price, the borrower shall reject the bid / proposal.

During audit of office of the Project Director of the Karachi Mobility Project (KMP) for the financial year 2023-24, it was observed that management prepared a

faulty Engineer's Estimate for the construction of the New Jam Sadiq Bridge under Package-IV, Segment-3, resulting in significant variations in the quoted work price, amounting to Rs. 3,874.699 million. The faulty estimate revealed variations ranging from 25% to 82,918%. The details are given at **Annex-1 of Chapter-37**.

Audit is of the view that the project management's preparation of a faulty Engineer's Estimate has led to excessively high amounts quoted by the contractor, raising concerns about potential misappropriation.

The matter was reported to the management in September, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management replied that the contract for the construction of the New Jam Sadiq Bridge (Package-4) was awarded to M/s Zahir Khan & Brothers on a lumpsum basis (FIDIC Yellow Design-Build) for Rs 12,531,623,102, which is lower than the engineer's estimate of Rs 14,622,181,019.72. During the bidding process, five qualified proposers participated, with Zahir Khan & Brothers being the most advantageous, followed by China Civil Engineering Construction Corporation. After technical and financial evaluations by the JV Consultant and approval from the World Bank, Zahir Khan & Brothers was awarded the contract. Their quoted price was below the engineer's estimate. DAC, directed to get expert opinion from consultant and vet by the competent authority. However, no progress was reported to audit till finalization of this report.

Audit recommends management to conduct a thorough review and revision of the Engineer's Estimate to align with market rates and project requirements. Additionally, corrective measures should be implemented to prevent financial mismanagement in future projects

Note: The issue was reported earlier also in Audit Report for Audit Year 2021-22 vide para number 30.5.9 having financial impact of Rs 496.768 million. Recurrence of same irregularity is a matter of serious concern.

(DP#14/AIR#10)

37.5.6 Non-recovery of mobilization advance – Rs 2,478.834 million

As per rule 9.3 (2) Advance Payments of SPPRA Procurement Regulation Works: (b) Mobilization Advance: Mobilization advance is extended to the contractors, up to 10% of contract cost stated in the letter of acceptance, usually for the projects worth Rs. 2.5 million and above to enable them to make initial arrangements for starting work. Mobilization advance is allowed on the contracts

where contract conditions provide for same, or the authority competent to accepting tender can allow the mobilization advance on the works subject to following conditions:

- (j) contractor has signed the contract,
- (ii) contractor has provided the performance security.
- (iii) contractor has furnished the irrevocable bank guarantee of amount equal to mobilization advance in specified form from a scheduled bank in Pakistan in favor of the procuring agency.

During audit of office of the Project Director of Karachi Bus Rapid Transit Red Line Project (BRT), Karachi for the financial year 2023-24, it was observed that the mobilization advance of Rs 2,478.834 million (ADB & AFD Share) @10% of contract amount was not recovered till 30th June 2024. Non-recovery of mobilization advance stands unjustified and undue favor to the contractors. The details are given as under:

(Rs. in Million)

AIR#	Loan No.	ADB / AFD SHARE
15	ADB-3799	1,377.130
05	AFD-8366	578.395
05	AFD-8368	523.309
Total		2,478.834

Audit is of the view that the non-recovery of mobilization advance indicates extension of undue favor to the contractors.

The matter was reported to the management October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that that the Mobilization advance @ 10% was given to the contractors against Bank Guarantees which are still valid. The management further submitted that Mobilization Advance was not recovered as per Clause 14.2 (a) of the contract agreement. DAC, directed to start deducting of mobilization advance and verification under intimation to audit. However, no record was produced to audit till finalization of this report.

Audit recommends management to provide a justification for the non-recovery of the mobilization advance and ensure compliance with contractual provisions.

Note: The issue was reported earlier also in Audit Report for Audit Year 2023-24 vide para number 33.5.5 having financial impact of Rs 2,478.833 million. Recurrence of same irregularity is a matter of serious concern.

(DP#15)

37.5.7 Unauthorized inclusion of utility relocation costs in contract - Rs 250.00 million

As per PC-I, 6 Description and Justification of the Project. h) Relocation of Utilities: The relocation of utilities is a critical element in the execution of an urban infrastructure project. The preemptive measures to identify the quantum and types of utility are vital to negotiate project delays that may occur due to the relocation of utilities. Cost for Relocation of Utilities will be excluded from project Civil Works Cost and will be 100% borne by GoS. The purpose is to coordinate with all the concerned authorities that operate, manage and maintain the utilities passing through the Yellow BRT corridor. These include, but not limited to, Karachi Water and Sewerage Board (KW&SB), K-Electric (KE), Sui Southern Gas Company (SSGC), Pakistan Telecommunication Company Limited (PTCL), National Telecommunication Corporation (NTC), and other concerned authorities. Cost estimates of utilities were obtained from the respective authorities. However, the payment shall be made to the respective utility authority on the actual work done basis.

During audit of office of the Project Director of the Karachi Mobility Project (KMP) for the financial year 2023-24, it was observed that an amount of Rs 250.000 million was included in the contract awarded to M/s Zahir Khan and Brothers for the work on "Package-4 New Jam Sadiq Bridge (Yellow Corridor Segment-3)" related to utility relocation costs. According to PC-I, the complete cost for the relocation of utilities is to be borne by the Government of Sindh. The inclusion of these costs in the contract violates PC-I, which requires utility relocation expenses to be managed separately and paid to the respective utility authorities based on actual work performed. The details are given as under:

(Rs. in Million)			
Item #	Description	Unit	Amount
7	Utilities		
A	Karachi Electric (K-Electric)	Item	100.000
B	Sui Southern Gas Company (SSGC)	Item	25.000
C	Pakistan Telecommunication Corporation Limited (PTCL)	Item	25.000
D	National Telecommunication Corporation (NTC)	Item	10.000
E	Karachi Water & Sewerage Board (KW&SB)	Item	50.000
F	Any Other Utility		40.000
Total Amount			250.000

Audit is of the view the inclusion of unauthorized utility relocation costs represents a significant deviation from project guidelines and can result in budgetary mismanagement.

The matter was reported to the management in September, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that audit correctly noted that utility relocation in the BRT corridor will be funded by the Government of Sindh, with Rs 1494.1 million (USD 10.7 million) allocated in the PC-I. The construction of the New Jam Sadiq Bridge was awarded on a Design-Build (FIDIC Yellow Book) basis, making the contractor responsible for both design and construction. To prevent delays, the contractor was tasked with relocating utilities, ensuring no delay claims against the client. The contractor is also responsible for coordinating with utility agencies and managing their payments. Financial arrangements for utility relocation will be adjusted in the project's final stages, with separate records being maintained by the Project Financial Management Specialist (FMS). DAC, directed to revise PC-I under intimation to audit. However, revised reply was not submitted by the management till finalization of this report.

Audit recommends management to provide a justification for the inclusion of utility relocation costs in the contract, despite the PC-I stating that these costs should be borne separately by the Government of Sindh. The management should ensure compliance with the approved PC-I and take corrective measures to prevent misallocation of funds in future projects.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 35.5.11 having financial impact of Rs 505.00 million. Recurrence of same irregularity is a matter of serious concern.

(DP#17 /AIR#06)

37.5.8 Unjustified payment of idle charges – Rs 244.76 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 office of the Project Director of Karachi Bus Rapid Transit Red Line Project (BRT), Karachi for the financial year 2023-24, it was observed that idle charge payment of Rs. 271.954 million (Rs. 135.977 million - ADB Share) was made to M/s CR3-AM Associates JV under Interim Payment Certificates No. 07 & 08. The contractor claimed idle charges and time extensions due to delays in site access, utility relocation, construction drawings, design changes, and failure to meet contractual

obligations. The government suffered losses in idle charges, as the contractor claimed these charges despite not meeting contractual obligations. The contractor's failure to provide timely construction drawings further contributed to the government's losses. Additionally, the contractor's 7% income tax (Rs. 12.577 million) was improperly paid with project funds, and the contractor's extension applications lacked proper justifications. The details are given as under:

(Rs. in Million)

AIR Para #	Loan No.	ADB / AFD SHARE
08	ADB-3799	135.977
04	AFD-8366	57.11
04	AFD-8368	51.67
Total		244.76

Audit views this payment as lacking in proper authorization, potentially leading to financial mismanagement and unnecessary government expenses.

The matter was reported to the management in October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that **the** contractor has supported its claims with relevant documents, including correspondence in line with the Works Program, and references the applicable contract clauses. As per Clause 2.1 (Right to Access to the Site), the employer is required to provide site access within the specified time to avoid delays. If the employer fails, the Contractor is entitled to claim under Sub-Clause 20.1 (Contractor's Claim). All supporting documents for the claims have been approved by the Engineer. The matter is under review by TK and donors. The utility relocation issue involves K-Electric, KWSC, and other providers, with timelines set, but some work was delayed due to incomplete utility drawings. The design by MMP was initially issued but later revised by M/s. Minconsult-EA-CEC. The 7% income tax is applicable to the contractor, and TransKarachi will deduct it from all payments, as per government rules. DAC, directed to fix responsibility upon the officials concerned besides taking remedial measures and ensure deposit of @ 7% tax amounting to Rs 12.577 million into government treasury. However, no progress was reported to audit till finalization of this report.

Audit recommends management to justify the payment of idle charges and take corrective measures to prevent such financial losses in future. Additionally, recovery of improperly paid income tax should be ensured, and contract enforcement should be strengthened to avoid unwarranted extensions and payments.

(DP#18)

37.5.9 Excess consumption of steel – Rs 58.45 million

As per Para 528 of Public Works Department Manual, “No material alteration is sanctioned, still less in standard design may be made by a Divisional Officer in carrying out any work without the approval of the Competent Authority. Should any alteration of importance, involving any additional expenses, be considered necessary, a revised or supplementary estimate should be submitted for sanction”,

During audit of office of the Project Director of Karachi Bus Rapid Transit Red Line Project (BRT), Karachi for the financial year 2023-24, it was observed that an amount of Rs 58.45 million (ADB & AFD Share) was paid to the contractors against excess quantity of steel without provision of change in design and specification. The excess consumption of steel without justification depicted weak internal and financial control.

(Rs in Million)

AIR Para #	Loan No.	ADB / AFD SHARE
23	ADB-3799	32.47
11	AFD-8366	13.64
11	AIID-8368	12.34
Total		58.45

Audit is of the view that the excess consumption of steel without disclosure of change in design and specification was irregular.

The matter was reported to the management in October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that during the execution of Structural work in financial year 2023-24, detention cells in lieu of retention cells & additional irrigation tanks were introduced. While in execution of these new introduced structures along with elevated U-turns, flyover and Numaish Underpass substantial quality of reinforcement was consumed. DAC, directed to produce revised PC-I for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to strengthen internal controls to prevent excess material usage and ensure compliance with approved project specifications to avoid financial irregularities.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 35.5.33 having financial impact of Rs 2.306 million. Recurrence of same irregularity is a matter of serious concern.

(DP#22)

37.5.10 Non deduction of stamp duty – Rs 3.461 million

As per Para 22-A of Stamps Act, “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.

During audit of following offices of Transport and Mass Transit Department, Government of Sindh, for the financial year 2023-24, it was observed that an amount of Rs 3.461 million was not recovered from various contractors/ suppliers engaged in various contractual services on account of stamp duty.

(Rs in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Bus Rapid Transit Red Line Project (BRT), Karachi (Loan ADB 3799)	2023-24	7	Contracts amounting to Rs2,202.744 million was awarded without deducting stamp duty	0.701
02	Bus Rapid Transit Red Line Project (BRT), Karachi (Loan AFD 8366)	2023-24	3	Contracts amounting to Rs.1,874.175 million were awarded without deducting stamp duty	1.380
03	Bus Rapid Transit Red Line Project (BRT), Karachi (Loan AFD 8368)	2023-24	3	Contracts amounting to Rs.1,874.175 million were awarded without deducting the required stamp duty.	1.250
04	Karachi Mobility Project	2023-24	12	Contracts amounting to Rs.37.266 million were awarded without deducting the required stamp duty/	0.130
Total					3.461

Audit is of the view that government sustained a loss due to non-recovery of stamp duty on contracts/works.

The matter was reported to the management during September to October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that the stamp duty on the main contract agreement has been paid for

Variation Orders related to PMCSC (M/s Min Consult JV EA & CEC) and ODBM (M/s Logit Consulting Inc. JV) has been paid. For Variation Orders concerning M/s Zahir Khan & Brothers (Lot 1) and M/s CR3-AM Associates JV (Lot 2), the stamp duty will be paid from upcoming IPCs and deposited in the government treasury. With World Bank approval (Anx-1), the RFQ method was used for procuring office IT equipment, appliances, and furniture, with advertisements placed on 22 Oct 2023. After evaluation, supply orders were awarded to qualified vendors, but no tender documents were issued, and only three quotations were invited. DAC, directed to ensure recovery of stamp duty. However, no progress was reported to audit till finalization of this report.

Audit recommends recovery of the stamp duty besides ensuring that such lapses do not occur in future.

Note: The issue was reported earlier also in Audit Report for Audit Year 2022-23 vide para number 35.5.27 having financial impact of Rs 0.126 million. Recurrence of same irregularity is a matter of serious concern.

(DP#24)

37.5.11 Variation in expenditure between bank statement and financial statement – Rs 136.327 million

Under Para 7.4.1.4 of Accounting Policies and Procedures Manual provides that the key controls to be followed in the production of financial reports are as follows:

- iii. Proper review of financial information at DAO level must take place prior to the consolidation and reporting of monthly accounts. This includes reconciliation of accounting records with other services (e.g. banks, DDOs) and internal verification of accounting records and totals.
- iv. The consolidated monthly accounts, Annual Accounts and the Combined Annual Accounts shall maintain proper audit trail, in which summarized balances can be traced to general ledger and source transaction details.

During audit of office of the Project Director of the Karachi Mobility Project (KMP) for the financial year 2023-24, it was observed that there was a variation of Rs136.327 million between the expenditure as per the bank statement and the financial statement. The management provided financial statement indicating that Rs 1,654.664 million was expended, whereas the bank statement reflected an amount of

Rs 1,518.337 million debited. This variation of Rs 136.327 million between the financial statement and the bank statement is unjustified. The details are given as under:

As per Assignment Bank Account NBP				(Amount in Million)	
Opening Balance 01.07.2023	Total Deposits / Credit 2023- 24	Closing Balance on 30.06.2024	Total Drawl/ Debit 2023- 24	Expenditure as per Financial Statement on 2023-24	Variation in Expenditure in Bank Statement and Financial Statement
388.318	5,618.746	4,488.727	1,518.3388	1,654.664	136.327

Audit is of the view that the variance highlights the need for a detailed reconciliation to ensure alignment between the bank statement and financial statement. The absence of justification for this discrepancy could affect the reliability of financial reporting and require corrective measures for transparency and accuracy.

The matter was reported to the management in September, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that the variation of expenditure reported of Rs 136,326,816 in the observation memo is the amount of Direct payments to a Non-Resident International Design & Supervision Consultant **M/s Dar ul Handasah Bahrian** which was paid in **USD** online through World Bank Client Connection, the expenditure will not appear in Bank Statement but it has to be reported in Financial Statement after applying the conversion rate of equivalent Rupees. DAC directed to produce relevant record for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to reconcile the financial and bank statements, provide justification for the variation, and ensure accurate financial reporting to maintain transparency and accountability.

(DP#27 /AIR#14)

37.5.12 Unauthorized change in scope of work - Rs 4,936.392 million

According to office memorandum of Government of Pakistan, Planning Commission issued vide No.20(1)PIA-I/PC72021 dated 28th December, 2022, regarding guidelines for processing and approval of PC-I/II following instruction were issued: (iv) Any change in the scope of work or increase in cost beyond 15 percent of the original approved PC-I/II will require fresh approval from the competent forum;

(v) No case of ex-post facto approval will be processed for consideration of any forum;
(x) Steering Committee, under any project, will not be authorized to approve sub projects or alter the scope of the project. For such changes approval of a competent forum would be required.

During audit of office of the Project Director of the Karachi Mobility Project (KMP) for the financial year 2023-24, it was observed that an additional bridge was included in Package IV, amounting to Rs. 4,936.392 million. The initial plan was to construct the New Jam Sadiq Bridge along with the rehabilitation of the existing bridge. However, management decided to demolish and reconstruct the existing bridge without obtaining approval from the competent authority, thereby revising the scope to include two new bridges instead of one. This change resulted in a significant loss to the exchequer. The details are given at **Annex-2 of Chapter-37**.

Audit is of the view that the change in the scope of work, made without approval from the competent authority, has caused a significant loss to the exchequer. This situation highlights weak internal controls within the management.

The matter was reported to the management in September, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that due to unprecedented price hike in the country as a result of uncertain economic conditions of major construction material such as Steel, Cement and diesel. Contractors could not maintain the required pace of the work and as result a Supplementary Agreement was signed by all Stakeholder on May 29th, 2024 with some amendments to the Contract Clauses to facilitate Contractors facing the difficulty in arranging the materials at the B.O.Q rates agreed upon at the initial stage. So that there should be no excuse from the contractor side. In addition to the BRT Redline Project other ongoing Projects all over the Country has also been affected and time revisions were seen on other Projects as well. DAC directed to furnish extension duly approved by the competent authority. However, no record was produced to audit till finalization of this report.

Audit recommends management to obtain retrospective approval from the competent authority, assess the financial impact of the scope change, and implement stricter internal controls to prevent unauthorized modifications in project execution.

(DP#30/AIR#11)

37.5.13 Irregular payment of income tax on behalf of contractor – Rs 105.417 million

As per Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a 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- (a) for the sale of goods; (b) for the rendering of services; (c) on the execution of the contract, other than a contract for the sale of goods or the rendering service, shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in division III of part III of the first schedule. Income tax on the services provided by the IT companies is to be deducted from the gross payment at the rate of 3%.

During audit of office of the Project Director of Karachi Bus Rapid Transit Red Line Project (BRT), Karachi for the financial year 2023-24, it was observed that 1% income tax was enhanced in Finance Bill 2023-24 from 7% to 8%, and as per agreement, the additional tax liability over and above 7% would be borne by employer i.e. M/s TransKarachi. Thus, this resulted in unauthorized payment of 1% tax of Rs 105.417 million which resulted in loss to government.

Audit is of the view that undue favor was extended to the contractor which has put loss to government due to payment of income tax on behalf of contractor.

The matter was reported to the management in October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that the contract was awarded in May 2022 and June 2022, at that time the income tax withholding rate was 7% as per section 153(1) b of the income tax ordinance. This 7% income tax is Final tax on the part of recipient of payment. Since this tax is un-adjustable tax, so it is become the cost of the contract. As per contract clause 13.7 (Change in legislation). So, in view of Trans Karachi and The Engineer, that in addition to 7% income tax, 1% income tax is additional cost to the Employer as per condition of the contract clause 13.7 and This is not an undue favor extended to the contractor. DAC, directed to produce record for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to recover the unauthorized tax payment from the contractor and ensure strict compliance with contractual terms to prevent undue financial liabilities on the government.

(DP#33 /AIR#21)

37.5.14 Irregular claims on receivables charged by consultants – Rs 210.374 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 office of the of Project Director of Karachi Bus Rapid Transit Red Line Project (BRT), Karachi for the financial year 2023-24, it was observed that an amount of Rs. 210.374 million remained payable to EA Consulting Pvt Ltd (EA) and Creative Engineering Consultant (CEC), joint venture under Project Management and Construction Supervision Consultants (PMCSC). The details are given as under:

(Rs. in Million)

Sr. #	Name of Consultants	Description	Amount
1	EA Consulting Pvt Ltd	Previous invoices Receivables (Sep -2021 to Feb -2023)	166.079
2	Creative Engineering Consultant (CEC)	Previous invoices Receivables (Sep -2021 to Nov -2023)	44.295
Total			210.374

The claim includes payables under various categories i.e., remuneration "C" and "D", escalations, design change efforts, office rent, POL (Petrol, Oil, and Lubricants), car rent, etc. The outstanding claims from September 2021 to November, 2023 remained unsettled, accumulating with compound interest over the period. The basis for compound interest being charged on these claims needs to be reviewed to ensure compliance with the contractual terms. Moreover, the Trans Karachi has not provided adequate justification or evidence of efforts made to resolve these outstanding claims.

Audit is of the view that management's failure to adequately address outstanding receivable issues, resulting in potential financial losses to the government.

The matter was reported to the management in October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that the withheld amounts and outstanding claims of PMCSC were charged as per Variation Order No. 01. Claims for the period from 15 Sept 2022 to 15 Sept 2023 in appendices "C" and

"D" were not in line with the signed contract but are eligible from 15 Sept 2023 onward. PMCSC re-submitted these claims in the July 2024 invoice, which is under process. Escalation payments for both foreign and local components, as well as design change efforts, were processed and paid according to the verified attendance and contract agreement. Payments for office rent, POL, and car rent were included in the June 2024 invoice. All claims and withheld amounts have been fully settled and paid in the July 2024 invoice. DAC, directed to produce record for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to expedite the resolution of outstanding claims by verifying their legitimacy, reviewing the basis of compound interest charges, and ensuring compliance with contractual terms to prevent unnecessary financial liabilities.

(DP#38 /AIR#13)

37.5.15 Loss to government due to delay in payments – Rs 44.659 million

According to Rule 23 of Sindh Financial Rules, 2023 Volume-I, “Every Government servant shall be 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 office of the of Project Director of Karachi Bus Rapid Transit Red Line Project (BRT), Karachi for the financial year 2023-24, it was observed that an amount of Rs 44.659 million (ADB / AFD Share) was paid to M/s CR3-AM Associates JV as claims for financial charges at an interest rate of 21-26% (KIBOR + 3%) through Application for Interim Payment Certificate No. 08. The payment was made due to delay in payments beyond permissible time limit of 56 days. The claim covered period with effect from November 2022 to May 2024, lacking justification for delays. Due to inefficiency of management, the government had to pay interest to both lenders for getting loan for this project and contractor for making delayed payments despite arranging funds from ADB on payment of interest.

Moreover, as per Income Tax Rules, financial institutions withhold Income Tax @ 15% and 30% from interest income from filers and non-filers respectively, however, in this case no income tax was withhold from the contractor as this was an interest income of the contractor. The details are as under:

(Rs. in Million)		
AIR Para #	Loan No.	ADB / AFD SHARE
01	AFD-8366	23.446
01	AFD-8368	21.213
Total		44.659

Audit is of the view that delays in making payments to contractor beyond 56 days prescribed time limit raises significant concerns regarding the receivable account and associated interest payments. The persistent high level of receivables, despite substantial interest disbursements, suggests potential inefficiencies in cash flow management and recovery processes.

The matter was reported to the management in October, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that as per audit observation, Trans Karachi paid financial charges to M/s CR3-AM Associate JV at an interest rate of Kibor + 3%, in accordance with Contract Clause 14.8. The financial charges include those on an additional advance of 7.5% and various routine IPCs. A payment of Rs. 53,509,626 for the additional advance was made after an addendum to the contract was signed in May 2024, though it was delayed due to disagreements and non-compliance by the contractor. The contractor claimed financial charges for this delay, which TransKarachi paid based on the Engineer's determination, while the case was submitted to the Dispute Board for possible reversal. The matter was resolved with the contractor agreeing to reverse the charges in IPC No. 09. Additionally, Rs. 58,138,138 in financial charges were paid for routine IPCs, with some payments still pending due to conditions of the Green Climate Fund (GCF) loan agreement. While the matter is acknowledged by the donor, TransKarachi is obligated to pay delay charges on the outstanding GCF portion. Regarding income tax withholding, since the financial charges are claims and can be reversed, adjustments for excess tax paid will be challenging if the claim amount changes. DAC directed to produce record for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to take immediate measures to streamline payment processes to avoid unnecessary financial charges, ensure timely disbursement of funds to contractors, and enforce compliance with tax regulations by withholding applicable income tax on interest payments.

(DP#39)

37.5.16 Un-authorized allotment/retention of government vehicles – Rs 13.500 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 office of the Sindh Mass Transit Authority, Transport & Mass Transit Department, Karachi, for the financial years 2021-22 & 2022-23, it was observed that four official vehicles valuing approximately Rs 13.500 million were under the custody of Chairman, Ex-Minister and Secretary of Sindh Mass Transit Authority (SMTA). The management did not take any steps to get back excess government vehicles from the officers. The details are given as under:

(Rs. in Million)

Sr.#	Registration No.	To whom allotted	Model	Approximate Value
1	GSE-806	Chairman SMTA, Ex-Minister	Toyota Revo (White) 2018	6.000
2	GSE-807		Toyota Corolla XLI 2018	3.000
3	GSE-838	Secretary SMTA	Toyota Corolla XLI 2018	3.000
4	GSE-025		Suzuki Cultus 2017	1.500
Total				13.500

Audit is of the view that undue favour was extended by the management by un-authorized allotment of vehicles.

The matter was reported to the management in September, 2023. DAC meeting was held on 10-072024. In DAC meeting the management replied that all the vehicles are available with the project. The DAC directed the management to provide record to audit for verification. During verification, the management provided irrelevant record, therefore, the verification remained inconclusive.

Audit recommends management to take immediate steps to retrieve the excess government vehicles from unauthorized custody, ensure compliance with official vehicle allotment policies, and establish a mechanism to prevent such irregularities in the future.

(DP#02 /AIR# 33&34)

37.5.17 Non/less deduction of Sindh Sales Tax on Services – Rs 9.522 million

In terms of Section 3(1) of Sindh Sale Tax Act, a person who is engaged in contractual execution of providing Services or furnishing supplies is taxable within the meaning of Section 3(1) of the Sindh Sales Tax Act. The rate of services provided or rendered by persons engaged in contractual execution of work or furnishing supplies mentioned at Tariff No. 9809.00 during the financial year 2022 is 13%.

During audit of office of the Secretary Transport & Mass Transit Department, Government of Sindh, Karachi for the financial year 2023-24, it was observed that payments amounting to Rs 137.209 million were made to M/s. Deen Muhammad & Sons on acquiring services of point busses for Sindh Secretariat Staff, but Sindh Sales Tax on Services amounting to Rs 9.522 million @13% was not deducted. The contractor also not provided Sindh Sales Tax Invoices. Hence the government sustained a loss of Rs 9.522 million. The details are given at **Annex-3 of Chapter-37**.

Audit is of the view that due to non-recovery of Sindh Sales Tax on services from the contractor, Govt. sustained a financial loss.

The matter was reported to the management in August, 2024. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that Accountant General Sindh, Karachi deducted all taxes from the bills on behalf of Government offices/department before clearance. DAC directed the department to produce record for verification to audit. However, no record was produced to audit till finalization of this report.

Audit recommends management to recover the outstanding Sindh Sales Tax from the contractor, ensure proper deduction of applicable taxes in future transactions, and obtain valid Sindh Sales Tax invoices to maintain compliance with tax regulations.

Note: The issue was reported earlier also in Audit Reports for Audit Years 2021-22, 2022-23 and 2023-24 vide para numbers 30.5.6, 35.5.32 & 33.5.11 respectively having financial impact of Rs 221.128 million. Recurrence of same irregularity is a matter of serious concern

(DP#43 /AIR#07)

37.5.18 Non-preparation of annual Financial Statements

According to Rule 24 (1) of Sindh Mass Transit Authority Act 2016, “The Authority shall maintain complete records and accounts of receipts and expenditure in accordance with the Rules and Regulations. (2) The Authority shall cause proper accounts to be kept and shall after the end of each financial year cause to be prepared for that financial year a statement of accounts of the Authority which shall include a balance sheet and an account of receipt and expenditure.”

During audit of office of the Sindh Mass Transit Authority, Transport & Mass Transit Department, Karachi, for the financial year 2021-22 & 2022-23, it was observed that the management was required to prepare a statement of accounts of the Authority which include a balance sheet and an account of receipt and expenditure. However, the management did not prepare the above accounts and hence the actual financial status of the Authority is unknown.

Audit is of the view that non-preparation of accounts indicates financial indiscipline in the Authority.

The matter was reported to the management in September, 2023. DAC meeting was held on 24-12-2024. In DAC meeting the management clarified that the account statements are being prepared by the budget and accounts section of the authority. DAC directed to produce reconciled financial statement for verification. However, no record was produced to audit till finalization of this report.

Audit recommends management to prepare and maintain a statement of accounts, including a balance sheet and an account of receipts and expenditures, to ensure transparency, financial accountability, and compliance with regulatory requirements.

(DP#45 /AIR#01)

Chapter - 38

Universities & Boards Department

38.1 Introduction

The Universities and Boards Department, Government of Sindh possesses the administrative control of more than 27 public sector universities and administrative and financial control of the 8 boards and 2 attached departments. The functions of the department are as under:

- Education from Matric to Postgraduate Level.
- Coordination in International Educational Programs.
- Grant of Scholarships and Aid.
- Scientific Research Facilitation.
- Handling of Public Libraries and Libraries in Schools.
- Maintaining of Historical Records and Archives.
- Promotion of Extracurricular Activities.
- All Educational Service Matters with Cooperation of the Government Entities.
- Budget Approvals and Audits.
- Improvement of Infrastructure and Structural/Academic Development.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	7	3	5,529.735	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

38.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
13,697.351	0.001	2,378.356	(2,378.356)	(4,690.256)	9,007.096	8,335.097	(671.998)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 671.998 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
67.938	34.817	11.782	(23.035)

Revenue estimates were reduced 49% in revised estimate. Actual receipt was 34% of revised estimate.

38.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 7,533.309 million were raised as a result of this audit. This amount also includes recoverable of Rs 99.935 million as pointed out by Audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Non-production of record	22.921
2	Irregularities	
A	<i>HR/Employees related irregularities</i>	64.805
B	<i>Procurement related irregularities</i>	158.624
3	Others	
A	<i>Operational Inefficiency</i>	413.820
B	<i>Internal Control Weakness</i>	6,873.140

38.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring

compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 9%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	14	10	0	10	-
2	1998-99	37	11	8	3	72.72
3	1999-2000	40	0	0	0	-
4	2001-02*	12	5	0	5	-
5	2004-05*	33	27	0	27	-
6	2005-06	23	6	0	6	-
7	2006-07	16	14	0	14	-
8	2007-08	18	8	0	8	-
9	2008-09	19	14	0	14	-
10	2009-10	27	2	0	2	-
11	2010-11	15	15	0	15	-
12	2014-15	0	0	0	0	-
13	2016-17	09	6	3	6	33.33
Total		263	118	11	110	9

38.5 AUDIT PARAS

38.5.1 Non-production of auditable record – Rs 22.921 million

The Constitution of Pakistan (Article 169 & 170(2)), Supreme Court Judgment (08.07.2013, Para 27(b)), Section 14 of the Auditor-General's Ordinance, 2001, and the Ministry of Law & Justice Clarification (F.No.467/2024-Law-1, dated 04.09.2024) collectively establish that the Auditor-General of Pakistan is authorized and obligated to access, inspect, and audit the accounts, records, books, and documents of the Federal and Provincial Governments and any Authority or Body under their control, regardless of classification. Any obstruction in providing audit access is subject to disciplinary action under applicable Efficiency and Discipline Rules.

During audit of various offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2023-24, it was requested to provide Auditable record through requisitions. The record was requisitioned for the 2019-20 to 2023-24. However, it was refused to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit who reported the matter to PAO twice. However, the issue of non-production has remained unresolved. The details are given at **Annex-1 of Chapter-38**.

In such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor could the constitutional duty of Auditor-General of Pakistan be fulfilled.

The matter was reported to the management during January to November, 2024. DAC meeting was held on 01-01-2025, wherein the management stated that all records are available. DAC directed the management to produce the record for audit. However, no record was produced till finalization of this report.

Audit recommends responsibility be fixed on those responsible for non-production of record for the last three (03) years and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules. Further, the PAC may direct the department to get its accounts audited on regular basis in the light Constitutional mandate of Auditor-General of Pakistan.

(DP #01)

38.5.2 Misappropriation of fund – Rs 19.568 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 office of the Benazir Bhutto Shaheed Human Resource Research & Development Board for the Financial Year 2023-24, it was observed that various tenders amounting to Rs 53.494 million was awarded to different suppliers and payment of Rs 19.568 million was made. Funds were misappropriated due to several serious irregularities, including payments made despite the cancellation of the NIT process, advance payments to suppliers who did not start work even after four months or contract expiry, and payments made without performance security. Mobilization advances were improperly allowed for goods procurement without a relevant contract clause, and no goods were received by the end of the financial year. Additionally, details of stationery were missing, and mobilization advances were paid without obtaining bank guarantees, indicating significant lapses in financial controls.

Audit is of the view that the making payments despite presence of above-mentioned irregularities reflect that collusion of management with the contractor hence, misappropriation of public funds cannot be ruled out.

The matter was reported to the management in the month of August 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires inquiry into the matter besides fixing responsibility on person(s) at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2022-23 vide para number 36.5.9 having financial impact of Rs 15.689 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#44/AIR #29)

38.5.3 Manipulation/tampering in the result of annual examination

According to Chapter-VIII Efficiency and Discipline Regulation of Volume-I of BIE Calendar, (3) Ground of penalty, any one penalty maybe imposed on an employee, if he: (a) is inefficient, or has ceased to be efficient whether by reason of infirmity (b) is guilty of misconduct (c) is corrupt or may reasonably be considered corrupt.

During audit of office of the Chairman, Board of Intermediate Education Karachi for the financial years 2019-20 to 2022-23 it was observed that tampering in the HSC Annual Examinations for 2021, 2022, and 2023, particularly in the 2022 pre-medical group, was highlighted in an inquiry report. This involved increasing marks by altering award lists and overwriting scripts, award lists, and tabulation registers. Despite an inquiry directed by the Secretary, no action was taken against the officials involved, and the management failed to implement the inquiry committee's recommendations, including transferring the responsible Superintendent. Additionally, key examination records required for the inquiry were destroyed during the tenure of the then Chairman and Controller Examination, indicating negligence and lack of accountability.

Audit is of the view that, discrepancies/ tampering/cutting in the results of pre-medical section have been discovered in HSC Annual Examination 2022, and management has failed to implement the recommendation of the former Enquiry Committees against delinquent officers of the BIEK.

The matter was reported to the management in the month of April, 2024. DAC meeting was held on 01-01-2025, wherein the management stated that an inquiry has been conducted and responsible officers were dislocated from their position of posting. DAC directed the management to share inquiry report and details of departmental and criminal actions taken thereafter to audit for verification. However, no progress was reported by the management till finalization of this report.

Audit require taking strict action against officers/official involved in manipulation and inquiry into the matter for fixing of responsibility on the person(s) at fault.

(DP#02/AIR #20)

38.5.4 Undue favor to government employees working in Board without provision – Rs 6.303 million

The Benazir Bhutto Shaheed Human Resource Research & Development Board Act 2013 dated 28th March 2013 – Appointment of officers and staff – 14 (1) The Board may, for efficient performance of its functions, appoint such officers, advisers, consultants, experts and other staff possessing requisite professional, technical, ministerial or secretarial qualifications and experience on such terms and conditions as may be prescribed. (2) The officers, advisers, consultants and other staff shall be liable to such disciplinary action and in such manner as may be prescribed.

During the audit of the Secretary, Benazir Bhutto Shaheed Human Resource Research & Development Board, Karachi, for the financial year 2023-24, it was observed that several government officers and officials were irregularly working in the Board for extended periods without proper provisions. Key issues included regular transfers of Sindh government employees to the Board without justification, employees retaining liens with their parent departments despite long-term postings, lack of evidence in personal files regarding salary stoppages or Last Pay Certificates, and officers occupying higher grades than their entitled posts, indicating undue favoritism and lack of compliance with regulations.

Audit is of the view that undue favor was extended to the government employees by allowing work in board without provision.

The matter was reported to the management in the month of August 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of undue amount received from Board without admissibility, immediate cancellation of posting and repatriation of all the employees to their respective department and appointment of new employees as per Act terms and conditions.

(DP#30/AIR #07)

38.5.5 Loss of revenue due to non-recovery / deposit of taxes – Rs 99.935 million

According to Para 153 (1) (a), (b) & (c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors. As per section 3(1) of Sindh

Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable. 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 23-01-2008, that 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.

During audit of various offices of Universities and Boards Department, Government of Sindh, Karachi for the financial years 2019-20 to 2023-24, it was observed that an amount Rs 99.935 million of revenue against the various taxes and duties were either not deducted or not deposited into government treasuries/departments. The details are given at **Annex-2 of Chapter-38**.

Audit is of view that due to non-deduction of due taxes government sustained financial loss. It is further noted that management is not fully sensitized about importance of implementation of tax regime of the Sindh Government.

The matter was reported to the management in the month of July 2023 to November 2024. DAC meeting was held on 01-01-2025, wherein the management stated that Sales Tax and Income Tax has been deducted as applicable rates. DAC directed the management to produce record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends recovery may be made besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para number 31.5.62, 36.5.74 and 36.5.9 having financial impact of Rs 463.579 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#22,57 & 58)

38.5.6 Irregular Promotion of various employees of Authority

According to Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974 vide Notification No.SOIX-Reg (S&GAD)/II/11-81 dated 27.02.1984 regarding length of service for promotion to various posts in Basic Pay Scale shall be as follows:

For B-18 5 years in B-17, For B-19 12 years in B-17 and above, For B-20 17 years in B-17 and above, For B-21 22 years in B-17 and above,

Provided that:

(i) Where initial appointment of a person not being a person in government service takes place in a post in B-18, 19 or 20, the length of service specified in this notification shall be reduced by the following periods:

First appointment in Reduced by

B-18 5 years, B-19 12 years, B-20 17 years

AND According to APPENDIX-‘A’ for Schedule of Posts of STEVTA (APT) RULES 2012 detail of posts (Technical & Related studies) is as under:

Sr. No. Post Pay Scale Qualification for initial Recruitment Method of Recruitment

01. Lecturer (Technically Senior Instructor) 17 B.E. or B. Tech (Honours)
 - i) 50% by initial recruitment
 - ii) 50% by promotion
02. Lecturer (Related Studies) 17 Master’s Degree
 - i) 50% by initial recruitment
 - ii) 50% by promotion
03. Instructor (PE) 17 Master’s Degree By initial recruitment
04. Instructor 16 Bachelor’s Degree
 - i) 50% by initial recruitment
 - ii) 50% by promotion
05. Junior Instructor 14 B. Tech Honors or DAE
 - i) 70% by initial recruitment
 - ii) 30% by promotion

During the audit of Sindh Technical Education & Vocational Training Authority (STEVTA) for 2023-24 revealed irregularities in promotions. Deputy Assistant Directors (DADs) in BPS-16 were promoted to Assistant Directors (BPS-17) via a notification dated 18.03.2024, even though all promoted individuals belonged to the HR cadre as per the seniority list dated 01.06.2022. The merging of various cadres was deemed unjustified. A DAD from the SAR cadre was also promoted, despite in previous audit for the year 2021-22 highlighted the illegal transfer of cadre posts to the MIS cadre. Initially, all promoted employees were appointed under a single cadre but were later assigned to different cadres.

The promotions were conducted under APT Rules, which specify promotion percentages but do not define the method or criteria. According to the seniority list,

these employees were promoted to BPS-16 on 04.11.2020 and subsequently promoted to BPS-17 on 18.03.2024, without completing the required five years of service typically needed for such promotions. These actions were found to violate standard rules and procedures.

Audit is of the view promotions of all DADs of HR & SAR cadre without clarification in APT rules & without qualifying length of service, audit could not authenticate the promotions.

The matter was reported to the management in the month of November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of irregular promotions besides fixing of responsibilities on a person(s) at fault.

(DP#60/AIR #02)

38.5.7 Irregular engagement of retired Director (Works & Services) as consultant

Rule 66 (1 & 2) of SPP Rules states that “Depending on the selection method adopted, the procuring agency shall prepare ToRs and cost estimate or budget of the assignment”.

Rule 72 (8) (i) of SPP Rules states that Selection Process of Individual Consultants shall be adopted only if all or any of 04 conditions exist including “The scope of work is such that terms of personnel are not required”.

Rule 73 of SPP Rules states that “Request for Expression of Interest shall be advertised or announced in accordance with the provisions of Rule 17 and 18 and shall contain information including appropriate description of the assignment providing scope of the intellectual and professional services required.

During the audit of the Managing Director, Sindh Technical Education & Vocational Training Authority (STEVTA) Karachi, for the financial year 2023-24, it was observed that Mr. Ghulam Sarwar Joyo, a retired Director (Works & Services), was re-appointed as a consultant on April 5, 2024. This appointment was made under Sindh Public Procurement Regulatory Authority (SPPRA) Rules instead of the STEVTA APT Rules. The audit had previously identified irregularities in Mr. Joyo’s placement as Director in STEVTA (AIR Para #07, FY 2021-22). However, in spite of taking rectifying measures, he was re-appointed as consultant after superannuation

without TORs which raises concerns due to procedural discrepancies, as the SPPRA Rules apply to procurement of services and goods, not employment or recruitment.

Audit is of the view that the irregularities in Mr. Joyo's engagement as a consultant under these conditions raises concerns about procedural integrity and accountability in hiring practices.

The matter was reported to the management in November, 2024 but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault.

(DP# 59/ AIR #01)

38.5.8 Concealment of receipts and opening balance of funds – Rs 156.988 million

According to Para 5 and 7 of Appendix-7 of Treasury Rules Volume-II, a Cash book is required to maintain in Form T.R, 4A, in which one side contain (Receipt side) the opening cash balance and the other side (disbursement side) the closing cash balance of the month, and this balance is to be verified by the DDO by actual Cash, and the actual cash balance is required to vertical during the month by the officer in-charge of the accounts and to record a dated Certificate "Cash in hand verified and found to Rupees (in words)".

During audit of office of the Board of Intermediate and Secondary Education Mirpurkhas for the financial year 2022-23, it was observed that receipts and opening balance of Board's accounts to the tune of Rs 156.988 million were concealed as per department's annual statement of account. The details are given as under;

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Detail of Record	Amount
01	Board of Intermediate and Secondary Education, Mirpurkhas	2022-23	01	Concealment of receipt	94.630
			02	Concealment of opening balance funds	62.358
Total					156.988

Audit is of the view that concealment of receipts was made due to prevalence of weak internal controls in the formation and negligence by management. Hence final account was not presenting true and fair view.

The matter was reported to the management in the month of March 2024. DAC meeting was held on 01-01-2025, wherein the management stated that during the time of audit the income and expenditure statement was incomplete and under process. The DAC directed the management to provide record in support of reply. However, no record was produced till finalization of this report.

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

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para number 31.5.35, 36.5.2 and 34.5.19 having financial impact of Rs 2,861.496 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#3)

38.5.9 Irregular expenditure without invitation of open tender – Rs 64.031 million

Rule 17(1) & (2) of Sindh Public Procurement Rules, 2010 as amended in March 2019 states that procurement over three hundred thousand 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. And 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.

During audit of following offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that an expenditure of Rs 64.031 million was incurred without calling open tender / through splitting of the expenditure in piece meals to avoid open tenders in violation of above-mentioned rule. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	10	Non-invitation of open tender on account of maintenance of Building	7.983
02	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	09	Purchase of various items without tender	53.197
03	Chairman, Board of Intermediate & Secondary Education Mirpurkhas	2022-23	48	Splitting of expenditure on account of purchase of Stationery items	1.154
04	Chairman, Board of Intermediate & Secondary Education, Shaheed Benazirabad	2020-21 to 2022-23	02	Purchased of machinery equipment without tender	1.697
Total					64.031

Audit is of the view that there was failure of the management to follow SPPRA rules which deprived the Government of competitive rates. This indicates prevalence of weak financial & administrative controls.

The matter was reported to the management during January 2024 to November 2024. DAC meeting was held on 01-01-2025, wherein the management stated that under provision of SPPRA rule 16-b, the direct purchasing has been made by the competent authority. DAC directed the management to produce the relevant documents to audit for verification. However, no record was produced till finalization of this report.

Audit recommends compliance with prescribed rules & inquiry into the matter, besides fixing of responsibility on the person(s) at fault for the negligence.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para number 31.5.26, 36.5.31 and 34.5.17 having financial impact of Rs 1,633.078 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#10)

38.5.10 Discrepancies observed in tendering process – Rs 53.494 million

According to Rule 10 of SPPRA Rules 2010 “Transparency - 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 office of the Benazir Bhutto Shaheed Human Resource Research & Development Board for the Financial Year 2023-24, it was observed that various tenders amounting to Rs 53.494 million were awarded to different suppliers. However, various irregularities were noticed. The details are given at **Annex-3 of Chapter-38**.

Audit is of the view that above irregularities compromise the transparency of the whole tendering process and reflects laps on the part of management in general & procurement committee in particular.

The matter was reported to the management in the month of August 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides fixing responsibility on person(s) at fault.
(DP#43/AIR #28)

38.5.11 Loss to government due to hiring of furniture during lockdown – Rs 24.332 million

As per Section(I) of Appendix 18-A of SFR Vol-I, 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 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 office of the Chairman, Board of Secondary Education Karachi for the financial years 2019-20 to 2022-23, it was observed that an expenditure of Rs 24.332 million was incurred on hiring of furniture for matriculation examination during the year 2020. However, owing to the imposition of a lockdown by Sindh

Government due to the COVID-19 pandemic, the examinations were postponed. The BSEK did not arrange for the return of the hired furniture, which had been distributed to examination centers during the period of the lockdown from March to May 2020.

Audit is of the view that due to the failure to return of the hired furniture, the Board sustained a loss of Rs 24.332 million

The matter was reported to the management in the month of April 2024. DAC meeting was held on 01-01-2025, wherein the management stated that tenders were invited, and work orders were issued as date of commencement of SSC annual examination was approaching. Later, due to postponement of exam, no claim was entertained. DAC directed the management to produce record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends inquiry into the matter and fixing of the responsibility on the person(s) at fault besides conduct a thorough review of its procurement and contract management practices to prevent similar losses in the future.

(DP#12/AIR # 06)

**38.5.12 Irregular award of contract over and above the approved cost / estimate
– Rs 19.922 million**

As per section 2.22 of SPPRA Procurement Regulation (Works), 5.4(iii) Rates for enhanced quantities are decided (a) variations in quantities upto 15% of total contract price are to be executed by the contractor at the original contract rates. (b) When total cost of executed work exceeds 15% of total contract price (stated in letter of acceptance) then rates of those quantities are decided by clauses of the contract agreement.

During audit of office of the Chairman, Board of Secondary Education Karachi for the financial years 2019-20 to 2022-23, it was observed that expenditure amounting to Rs 39.922 million was incurred on account of procurement of answer scripts. However, the expenditure so incurred treated as irregular as the estimate was not made with due diligence i.e., the original estimate was Rs 20.000 million whereas the contract was awarded of Rs 39.922 million. Hence, payment of Rs 19.922 million was made in excess of cost offered by the bidders as per bid evaluation report. Further, bid evaluation report was also found vague, and revised estimates and Performance security was not furnished by the contractors. The detail is as under;

(Rs. in Million)

Sr. No.	Name of Contractor	Amount of Contract awarded (Rs.)	Total amount of contract awarded (Rs.)	Original Estimate (Rs/)	Excess (Rs.)
01	M/s New Sana Printers	35.725	39.922	20.000	19.922
02	M/s Ali Hasnain Process, Hyderabad	4.197			

Audit is of the view that the management incurred excess expenditure amounting to Rs. 19.922 million against the approved cost. This showed poor financial management on the part of management.

The matter was reported to the management in the month of April 2024. DAC meeting was held on 01-01-2025, wherein the management stated that due to market fluctuation owing to Covid-19, the rates were badly affected. DAC directed the management to provided approval of Board along with relevant documentary evidence. However, no record was produced till finalization of this report.

Audit recommends proper adherence to procurement rules for transparency besides fixing of responsibility on the person(s) at fault.

(DP#13/AIR #51)

38.5.13 Doubtful transaction as transfer of CP fund - Rs 25.165 million

As per Rule-88 of Sindh Financial Rules, Volume-I “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”. Further as per Para 11 of the GFR Volume-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

During audit of office of the Board of Intermediate and Secondary Education Mirpurkhas for the financial year 2022-23, it was observed that as per annual statement of account Rs 25.165 million was shown transferred to CP Fund by the Board but the same was not actually transferred to the CP/GP Fund bank account which is inaccurate, and misleading.

Audit is of the view that due to prevalence of weak internal controls and negligence by management hence, chances of shortage of funds could not be ruled out.

The matter was reported to the management in the month of April 2024. DAC meeting was held on 01-01-2025, wherein the management stated that the Board is an autonomous body and follows its own rules. DAC directed that an inquiry be conducted by the administrative department and report be shared with audit. However, no report was shared till finalization of this report.

Audit recommends compliance with prescribed rules & inquiry into the matter, besides fixing of responsibility on the person(s) at fault for the negligence.

(DP#25/AIR #10)

38.5.14 Irregular award of work on single bid basis – Rs 21.531 million

According to Rule 48 of SPP Rules, 2010, “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 PC-I cost or financial estimates or the prices or rates of the last awarded contract or the market prices”.

According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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 following offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that various tenders worth Rs 21.531 million were awarded to different vendors. However, the contract was awarded to a single vendor without market rate analysis and comparison of rates previous years procurements. Further, the bidding documents, complaint redressal committee, market survey etc. were not attached with the bills. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	03	Procurement of sports goods, misc. items etc.	8.494
02	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	02	Purchase of computer enhancement and miscellaneous jobs	10.232
03	Chairman, Board of Intermediate and Secondary Education Mirpurkhas	2022-23	33	Purchase of exam material	2.805
Total					21.531

Audit is of the view that award of tender to single bidder without market rate analysis and comparison of rates of previous years procurements was undue favour to the contractors.

The matter was reported to the management during January 2024 to November 2024. DAC meeting was held on 01-01-2025, wherein the management stated that all purchases are being made in accordance with SPPRA rules. DAC directed the management to produce relevant record to audit for verification. However, no record was produced till finalization of this report.

Audit recommends compliance with prescribed rules & inquiry into the matter, besides fixing of responsibility on the person(s) at fault for the negligence.

(DP#11)

38.5.15 Un-authorized transfer of funds without approval – Rs 1,896.091 million

According to the notification issued by the Finance Department, Karachi vide # B/2(63)178/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 office of the Chairman, Board of Intermediate Education Karachi for the financial years 2019-20 to 2022-23, it was observed that various funds amounting to Rs 1,896.091 million were transferred from one bank account to another accounts without approval of the competent authority / Forum. Further, in a case an amount of transfer has been added to expenditure incurred during the year not matching with any accounting principle. The details are given as under:

(Rs. in Million)

(Rs. in Lakhs)					
Description	2019-20	2020-21	2021-22	2022-23`	Total
Transfer to Capital Account	30.000	30.000	30.000	30.00	120.000
Transferred from UBL Expenditure Account	1,776.091				1,776.091
Total transferred amount from one a/c to another					1,896.091

Audit is of the view that transfer of funds without approval creates doubt on payments and reflected prevalence of poor financial management.

The matter was reported to the management in the month of April 2024. DAC meeting was held on 01-01-2025, wherein the management stated that transfer of funds

is a routine matter and budget has been approved the Finance Committee as well as BoG. DAC directed the management to produce record for verification. However, no record was produced till finalization of this report.

Audit recommends compliance with prescribed rules & inquiry into the matter, besides fixing of responsibility on the person(s) at fault for the negligence.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para number 31.5.34, 36.5.47 and 34.5.18 having financial impact of Rs 2,992.575 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#14/AIR #02)

38.5.16 Irregular expenditure on hiring of rental furniture - Rs 107.718 million

According to Rule 4 of Sindh Public Procurement (SPP) Rules 2010, “Principles of Procurements - 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 following offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that an expenditure of Rs 107.718 million was incurred on hiring of furniture for annual examination while the designated examination centers (Schools / Colleges) already possessed their own furniture. Thus, the decision to hire additional furniture was unjustified. Furthermore, center-wise requirements for the furniture were not raised. Hence, it was difficult to accurately assess whether there was any need to procure hiring of the furniture. Additionally, instead of awarding contract to one vendor, the contract was awarded to various vendors at different rates. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	61	Hiring of furniture while designated examination centers @ Schools already possess their own furniture	77.408
02	Chairman, Board of Intermediated Education Karachi	2019-20 to 2022-23	36	Hiring of furniture despite colleges have their own furniture	30.310
Total					107.718

Audit is of the view that the procurement of hiring of the furniture was unjustified and waste of public money.

The matter was reported to the management in November 2023 and January 2024. DAC meeting was held on 01-01-2025, wherein the management stated that hiring of furniture is a routine matter during examination. DAC directed to submit proper justification along with evidence. However, no record was produced till finalization of this report.

Audit recommends compliance with prescribed rules & inquiry into the matter, besides fixing of responsibility on the person(s) at fault for the negligence.

(DP#15)

38.5.17 Non-transparent investment of funds - Rs 3,932.700 million

According to para 3(b) of notification No.F.4(1)/2002-BR.II Islamabad, the 2nd July, 2003 issued by Government of Pakistan Finance Division (Budget Wing), “The process of selection of bank/(s) should be transparent. Therefore, prior to placing deposits with a bank under this new policy, and in case the total working balances exceed Rs 10 million, the selection of the bank/(s) as well as the terms of 2 deposits will be approved by the concerned Board of Directors/Governing Body on the basis of competitive bids from at least three independent banks”

During audit of following offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that funds amounting to Rs 3,932.700 million were invested in different banks. The investment procedure of the Government was not followed in letter & spirit. The investments required to be deposited in Government securities in compliance with the above rule. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	24	Non-Transparent investment in non-government securities	2,351.000
02	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	01	Non-Transparent investment in non-government securities	1,581.700
Total					3,932.700

Audit is of the view that non-observance of prevalent Government rules reflected prevalence of poor financial management.

The matter was reported to the management in the month of April 2024. DAC meeting was held on 01-01-2025, wherein the management stated that surplus funds of Board are invested in TDR with approved banks. DAC directed the management to produce record along with documentary evidence. However, no record was produced till finalization of this report.

Audit recommends compliance with prescribed rules & inquiry into the matter, besides fixing of responsibility on the person(s) at fault for the negligence.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para number 31.5.54, 36.5.59 and 34.5.10 having financial impact of Rs 15,390.56 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#18)

38.5.18 Unauthorized retention of government money in Training Partners bank account - Rs 19.424 million

According to Rule 290 of Treasury Rules Volume – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

As per APPM at 3.3.12.6, all anticipated savings must be surrendered to the Government immediately as they are foreseen but no later than 15th May each year. Savings from funds provided after 15th May must be surrendered no later than 30th June. Stringent controls should be exercised in the spending of all potential or actual savings.

During audit of office of the Secretary, Benazir Bhutto Shaheed Human Resource Research & Development Board, Karachi for the financial year 2023-24, it was observed that an amount of Rs 19.424 was unauthorizedly retained in Bank account of PMUs till close of the financial year 2024. The details are as under:

(Rs. in Million)

Sr.#	Department	Bank Account No.	Bank Name	Amount
1	PMU Livestock Qasimabad	4004424346	NBP	11.305
2	PMU Livestock Qambrani	4004424177	NBP	8.119
Total				19.424

Audit is of the view that holding of public money is a serious lapse of internal controls. The blockage of money and its lying with the PMUs is violation of relevant rules and regulations.

The matter was reported to the management in the month of August 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report

Audit recommends stopping this practice forthwith besides fixing of responsibility on the person(s) at fault for violating the prescribed rules.

(DP#55/AIR #22)

38.5.19 Unjustified retention of funds into DDO account – Rs 126.668 million

According to Rule 290 of Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

During audit of following offices of Universities & Boards Department, Government of Sindh for the financial year 2023-24, it was observed that an amount of Rs 126.668 million was shown as balance in DDO account on close of financial year. The same was neither disbursed to actual payees nor surrendered as savings. The detail is as under.

(Rs. in Million)

Sr. No.	Name of Office	AIR Para #	Description	Amount
1	Secretary, Benazir Bhutto Shaheed Human Resource Research & Development Board, Karachi	31	Unauthorized retention of government money in DDO account	100.940
2	Managing Director Sindh Technical Education & Vocational Training Authority (STEVTA) Karachi	28	Un-authorized retention of funds	25.728
Total				126.668

Audit is of the view that management cannot retain funds in DDO account beyond the close of financial year, but the management did not deposit the same into public exchequer which indicates weak financial & administrative control in the entity.

The matter was reported to the management during July 2024 to December 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report

Audit recommends stopping this practice forthwith besides fixing of responsibility on the person(s) at fault for violating the prescribed rules.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22 and 2022-23 vide para number 31.5.68 and 36.5.48 having financial impact of Rs 2,647.474 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#56)

38.5.20 Irregular joint inspection without dispatch & arrival report – Rs 223.995 million

As per Rule ‘1’ Appendix 18-A of Sindh financial rule 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 office of the Managing Director Sindh Technical Education & Vocational Training Authority (STEVTA) Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 223.995 million was incurred for purchase of various items, but mode of transport/dispatch, arrival report, invoices with reference of supply order with date, joint inspection, prepared report, history of mfg, expiry, receiving evidence with reference number was not found. Thus, the purchases & inspection were irregular.

Audit is of the view that due to without mode of transport/dispatch arrival report, invoices without mentioned reference of supply order with date, proper inspection with reference letter to inspection team, prepared report, history of mfg, expiry etc receiving evidence with reference number chance of suspicious document could not be ruled out.

The matter was reported to the management in the month of November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report

Audit seeks clarification in the matter and strengthening of internal controls system.

(DP#63/AIR #06)

38.5.21 Irregular payment of deputation allowance – Rs 5.412 million

As per Judgment dated 14.12.2010, in C.P. No.1491 of 2010 the learned Division Bench of Hon'ble Sindh High Court directed the Sindh Government to repatriate all the deputationist to their parent departments and transfer the officers their own cadres within fifteen days of the communication of the judgment.

During audit of office of the Secretary, Benazir Bhutto Shaheed Human Resource Research & Development Board, Karachi for the financial year 2023-24, while reviewing H.R. data, it was observed that payment amounting to Rs 5.412 million on account of 'deputation allowance' (statement attached) was made to various employees posted from Sindh Government's other departments in Secretary, Benazir Bhutto Shaheed Youth Development Program during financial year 2023-24 in violation of above quoted Hon'ble Sindh High Court's Judgment dated 14.12.2010. According to which Hon'ble Court has directed Sindh Government for repatriation of all the deputationist to their parent department and restrained for further posting of officers on deputation basis in future. Audit could not authenticate the orders of posting of various officers on deputation basis in above office despite clear directives of Hon'ble Court.

Audit is of the view that posting of officers of other departments in above office on deputation basis despite directives of Hon'ble Court was in violation and disobedience of Court Orders, hence payment amounting to Rs 5.412 million was treated as unjustified and un-authorized. The lapse indicates improper watch and absence of the internal controls.

The matter was reported to the management in the month of August 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends above irregular payment may be justified along with fixing the responsibility on the person at fault besides recovery of Rs 5.412 to be made from the defaulter and deposit the same into government treasury under intimation to audit.

(DP#31/AIR #14)

38.5.22 Irregular award of two work order to same contractor for same work – Rs 16.602 million

According to Appendix 18-A of SFR, Vol-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 office of the Managing Director Sindh Technical Education & Vocational Training Authority (STEVTA) Karachi for the financial year 2023-24, it was observed that the similar work was awarded amounting to Rs 16.602 million repeatedly i.e., two work order was issued for same work to same contractor. The detail is as under;

(Rs. in Million)

Name of work	Name of Contractor	RA	W O # /DT	Amount
Establishment of GVTC Banguldero Larkana ADP-1060	Mustafa Associates	3rd	3132/ 14-2-18	6.909
Establishment of GVTC Banguldero Larkana ADP-1060	Mustafa Associates	2nd	3139/ 15-2-18	9,693
Total				16.602

Audit is of the view that due to award of two work order for same work to same contractor, chances of irregular issuance work order could not be ruled out

The matter was reported to the management in the month of November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report

Audit recommends inquiry into the matter for fixing responsibility on the person (s) at fault.

(DP#72/AIR #39)

38.5.23 Irregular expenditure on non-schedule items – Rs 23.831 million

According to Sr # 5 of the Schedule of Rate (Composite) for finished items of works, 2012, the non-schedule item in case of specialization of nature costing more than Rs 2.50 million, the head of Department concerned shall have the option to decide to follow-the Schedule & Specification as approved by Rate committee or alternately draw out their own specification for particular jobs and to decide the rates on competitive bids/quotations

During audit of office of the Managing Director Sindh Technical Education & Vocational Training Authority (STEVTA) Karachi for the financial year 2023-24, it was observed that an expenditure of Rs 23.831 million was incurred on non-schedule items other than the items shown in the schedule-B. Payment on non-scheduled items without obtaining Specification as approved by Rates Committee or alternately draw out their own specification for particular jobs and to decide the rates on competitive bids/quotations occurred due to non- compliance of rules and weak internal controls.

Audit is of the view payment without standing rates committee was irregular and could not be verified

The matter was reported to the management in the month of November 2024, but no reply was received. Despite written requests, DAC meeting was not convened by the PAO till finalization of this report

Audit requires responsibility may be fixed on the person @ fault for excess payment as a non-schedule item.

(DP#69/AIR #21)

38.5.24 Loss to Government due to providing electricity & gas to residential area – Rs 5.112 million

As per Section(I) of Appendix 18-A of SFR Vol-I, 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 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 following offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that various Quarters / bungalows situated in the premises of Boards were allotted to the officers / officials which were consuming electricity and gas from main meter of board. The boards are charging flat 2000/month from each allottees whereas the allottees are consuming unlimited electricity just in Rs 2000/- per month. Thus, government sustained average loss of Rs 5.112 million from 2019-20 to 2022-23 as they were using electricity on fixed charges since many years. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	44	Electricity and gas provided to 27 nos. of govt. quarters / Bungalows situated in board premises	3.480
02	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	43	Electricity and gas provided to 24 nos. of govt. quarters / Bungalows situated in board premises	1.632
Total					5.112

Audit is of the view that management of Board extended undue financial favour to its employees by non-separating / installation of individual meter due to which government exchequer sustained loss.

The matter was reported to the management in the month of April 2024. DAC meeting was held on 01-01-2025, wherein the management stated that separate meter for electricity and gas have been installed in flats. However, progress on installation of separate meters for servant quarters are in progress. DAC directed the management to produce evidence to audit for verification. However, no evidence was provided till finalization of this report.

Audit recommends separate gas and electricity meters should be installed in each government accommodation besides fixing responsibility on the person(s) at fault under audit.

(DP#23)

38.5.25 Irregular payment of leave encashment during the service - Rs 525.375 million

As per Rule 18-A ii (amended, 2A&2B) of Revised Leave Rules 1980, “Encashment of leave preparatory to retirement (LPR) not exceeding 365 days to retiring employees shall be effective from the first day of July 2012 and shall for the

entire period of leave refused or opted for encashment, applicable to civil servant retired as a case may be, retiring on or after first day of July 2012, provided such leave is available at his credit subject to maximum 365 days. The encashment of LPR shall also be applicable to employees of autonomous and semi-autonomous bodies under administrative control of the federal government which have adopted basic pay scales schemes and these rules in to”.

During audit of following offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 525.375 million was paid on account of leave encashment against the prevalent government rules as it was only allowed at the time of retirement by encashment of 365 days leave, but management paid the leave encashment to the existing employees who were in service. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	18	Irregular encashment of leave	248.323
02	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	25	Irregular encashment of leave	239.997
03	Chairman Board of Intermediate and Secondary Education Mirpurkhas	2022-23	39	Irregular encashment of leave	37.055
Total					525.375

Audit is of the view that the management failed to observe the prescribed rules and procedures set forth by the Government, owing to which undue favor was extended to the employees in the shape of leave encashment against Leave on Full Pay before qualifying service. This resulted in irregular payments and caused an extra burden on the budget.

The matter was reported to the management in the month of April 2024. DAC meeting was held on 01-01-2025, wherein the management stated that Board is an autonomous body that follows boards rules not Sindh Government rules. DAC directed the management to obtain expert opinion from Finance Department and the matter to be examined by the administrative department and progress be shared with audit for verification. However, no progress was shared till finalization of this report.

Audit requires an appropriate action may be taken into the matter along with recovery of the amount paid which was not payable, besides fixing of responsibility on the persons at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2022-23 vide para number 36.5.15 having financial impact of Rs 468.177 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#24)

38.5.26 Non adjustment of advances to employees – Rs 53.090 million

As per Para-668 of Central Treasury Rules, Volume-I, "Advances granted under special orders of the competent authority to officers/officials 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 account supported by vouchers or by refund as may be necessary. "According to Para-28 of General Financial Rules Volume-I states, "No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.".

During audit of following offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that Management granted advances totaling Rs 53.090 million to employees for various works and personal reasons, but these advances remained unadjusted, with some cases extending beyond a year. This raised concerns about potential misuse of funds for personal gain. Additionally, advances were irregularly given in cash instead of crossed cheques, and payments were made directly to employees rather than vendors, violating government rule. The details are given as under:

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	08	Non-adjustment of advance	50.686
02	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	22	Non adjustment of advances paid to employees.	2.404
Total					53.090

Audit is of the view that non-adjustment of advances may lead to non-compliance with regulatory requirements and accounting standards, undermining the credibility of the financial statements, and exposing the organization to legal and regulatory risks.

The matter was reported to the management in January 2024 and November 2024. DAC meeting was held on 01-01-2025, wherein the management stated that letters have been issued to the concerned officers/employees to submit the adjustments immediately. DAC directed the management to conduct an inquiry for granting of advances for a long period. However, no record was produced till finalization of this report.

Audit recommends an early stoppage of such practice besides fixing of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year(s) 2021-22, 2022-23 and 2023-24 vide para number 31.5.65, 36.5.69 and 31.5.3 having financial impact of Rs 956.19 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#05)

38.5.27 Unauthorized payment to employees instead of vendor – Rs 83.101 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”. Further, as per Accountant General Sindh, Karachi circular No. TM/Policy/556 dated 16-04-2007 “The salary and other personal claims of Government employees are required to be paid through their bank accounts and no payment may be made to them in cash”.

During audit of various offices of Universities & Boards Department, Government of Sindh, for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 83.101 million was drawn in the names of employees instead of vendor account. The mode of payment adopted was not transparent and could result in misuse of government funds. Thus, audit could not authenticate the payments made in cash. The details are given at **Annex-4 of Chapter-38**.

Audit is of the view that management did not ensure transparent disbursement of Govt. funds, moreover, payment via cash is a serious violation, and hence, this reflects maladministration on part of the management.

The matter was reported to the management during January 2024 to November 2024. DAC meeting was held on 01-01-2025, wherein the management stated that expenditure was incurred for arranging facilities for the confidential staff such as provision of tea, breakfast, lunch and dinner. DAC directed that inquiry may be conducted by Administrative Department and report thereof be shared with audit. However, no record was produced till finalization of this report.

Audit recommends rectification of the matter along adoption of measures to stop such practice of cash withdrawal from the Bank besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in Audit Report(s) for Audit Year 2022-23 vide para number 36.5.52 having financial impact of Rs 53.104 million respectively. Recurrence of same irregularity is a matter of serious concern.

(DP#19 & 49)

Chapter - 39

Women Development Department

39.1 Introduction

Women constitute more than 50% population of Pakistan. Women Development Department being the sole government agency has to play the vital role of catalyst, lobbyist and influencer to attain the prime objective of women empowerment through gender mainstreaming in the project programmes, providing gender equality and equity.

(Rs. in Million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2023-24	Revenue / Receipt audited FY 2023-24
1	Formations	2	2	327.515	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

39.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2023-24 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in Million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,005.983	-	222.475	(222.475)	(340.313)	665.670	572.224	(93.446)

The department was unable to spend the allocated budget in time. As a result, savings of an amount of Rs 93.446 million were observed which were not surrendered in time.

(Rs. in Million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipt	Variation
-	-	5.899	5.899

Revenue estimates were not fixed. However, receipts of Rs 5.899 million was realized.

39.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 95.735 million were raised as a result of this audit. Summary of Audit observations classified by nature is as under:

(Rs. in Million)

Sr. No.	Classification	Amount
1	Irregularities	
A	<i>Procurement related irregularities</i>	83.851
2	Others	
A	Internal Control Weaknesses	11.884

39.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	0	0	0	0	-
4	2001-02	0	0	0	0	-
5	2004-05	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	-

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
12	2014-15	0	0	0	0	-
13	2016-17	0	0	0	0	-
Total		0	0	0	0	-

39.5 AUDIT PARAS

39.5.1 Irregular expenditure without tender – Rs 75.944 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 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 following offices of Women Development Department, Government of Sindh, for the financial year 2023-24, It was observed that management expensed Rs 75.944 million on various schemes, conferences, exhibitions and others without tender, approved schedules, and original participation list(s). Audit further observed that the main function of the department is women protection, whereas expenditure was incurred for the activities not related to women. The details are given as under:

(Rs. in Million)				
Sr.#	Name of Office	Particular	AIR Para #	Amount
1	Secretary Women Development Department Sindh	Conference & Seminar	05	12.859
		Cost of other stores	14	1.199
		Exhibitions	03	8.010
2	Directorate of Women Development Department Sindh	Others A03970	18	39.996
		Others A03906	03	11.500
		Conference & Seminar A03903		2.380
Total				75.944

Audit is of the view that there are weak internal controls in the office and that procurement rules and procedures were not properly followed.

The matter was reported to the management during October to November, 2024. The DAC was convened on 19-12-2024, wherein the management replied regarding Sr#01, that expenditure was incurred for betterment of women in different schemes. The DAC directed the management to produce documents in support of reply for verification. Regarding Sr#02, the management stated that expenditure was incurred on awareness and implementation of law/ policies in public interest. The DAC directed the management to produce records specially concerning expenditures on others, seminars, conferences, and exhibitions for verification in order to ensure tax

deduction too. DAC also directed the department to check the active filer status of vendors. However, no record was produced to audit till finalization of this report.

Audit recommends fixing of responsibility on the person(s) at fault for violating SPPRA Rules.

(DP#18,19)

39.5.2 Irregular award of tenders without obtaining bid security and agreement without stamp duty – Rs 7.907 million

According to Rule 13 (1) of SPP Rules, 2010, “specifications shall allow the widest possible competition and shall not favour any single contractor or supplier nor put others at disadvantage. Specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar classifications. However, if the procuring agency is convinced that the use of a reference to a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the Words “or equivalent”.

According to Rule 48 of SPP Rules, 2010, “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 PC-I cost or financial estimates or the prices or rates of the last awarded Contract or the market prices”.

During audit of office of the Director, Dar-ul-Aman Hyderabad, Women Development Department, Government of Sindh for the financial years 2018-19 to 2022-23, it was observed tenders of Feeding worth Rs 7.907 million were awarded to different contractors, but Performance Security @ 10 % amounting to Rs 790,000 and Stamp Duty amounting to Rs 27,650 were not deducted. Furthermore, Agreement was also not found on Stamp paper. The details are given at **Annex-1 of Chapter-39**.

Audit is of the view that the management deprived the government of competitive rates due to irregular award of tender.

The matter was reported to the management in May, 2024. The DAC was convened on 19-12-2024 wherein the management replied that Performance Security was obtained, and stamp duty was deducted. The DAC directed the management to provide record for verification. However, no record was produced to audit till finalization of this report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides other remedial measures.

(DP # 7/AIR #24)

39.5.3 Irregular expenditure on account of Feeding Charges – Rs 11.884 million

According to Rule-23 of Sindh Financial Rules, Volume-I, “as a general rule every payment including repayment of money previously logged with Government for whatever purpose must be supported by the voucher setting forth full and clear particular of claim.”

During audit of office of the Director, Dar-ul-Aman Hyderabad, Women Development Department, Government of Sindh for the financial years 2018-19 to 2022-23, it was observed that an expenditure amounting to Rs 11,884,701 was incurred under the head "Feeding Charges" but no menu or dietary chart was maintained or produced for audit. Further, the administration and monitoring of the kitchen and diet distribution were not managed, no system ensured the quality and quantity of diet articles, items were purchased monthly without adequate storage capacity, food was also provided to employees and police personnel, tenders or quotations were not obtained during FY 2018 to 2021, and consumption accounts were not maintained. The details are given at **Annex-2 of Chapter-39**.

Audit is of the view due to non-maintenance of essential records; the audit could not authenticate the genuineness of expenditure.

The matter was reported to the management in May, 2024. The DAC was convened on 19-12-2024 wherein the management replied that expenditure was incurred after completion of all codal formalities. The DAC directed to provide record for verification. However, no record was produced to audit till finalization of this report.

Audit requires maintain menu/diet charts, implement quality control, enhance storage, restrict food distribution, obtain tenders, and maintain consumption accounts to address the observed expenditure issues under "Feeding Charges."

(DP # 10/ AIR #15)

Chapter - 40

Thematic Audit

Assessment of Strategies and Tools Adopted by the EPI Directorate Sindh for Complete Immunization of the Targeted Population

1. Introduction

Immunization is a cornerstone of global public health, significantly reducing mortality and morbidity caused by vaccine-preventable diseases. As one of the most effective public health interventions, immunization involves administering vaccines to individuals, particularly children, to protect them from infectious diseases.

In Pakistan, the Expanded Programme on Immunization (EPI) was launched in 1978 with the primary goal of reducing infant, child, and maternal mortality and morbidity associated with vaccine-preventable illnesses. The program aims to lower childhood mortality by up to 17% in Pakistan, contributing directly to the achievement of Sustainable Development Goal 3, which focuses on health and well-being for all.

Initially, the Federal EPI Cell under the Ministry of Health managed most immunization functions in the country. However, after the 18th Constitutional Amendment, health responsibilities were devolved to provincial governments. Despite this devolution, vaccine procurement remains centralized and is overseen by the Federal EPI Cell to ensure a streamlined supply chain.

In Sindh, an estimated 2 million infants require vaccination annually. To meet this demand, the EPI Directorate operates 2,030 vaccination centers, employs 3,169 vaccinators, and maintains 93 cold chain rooms across the province. These facilities are equipped with adequate vaccines and funding to support immunization efforts.

Despite the availability of resources and the passage of considerable time, the EPI Directorate Sindh has not achieved complete immunization coverage. To address this, an audit was conducted to evaluate the directorate's strategies and tools, with a focus on identifying gaps. Audit involved a comprehensive review of program management, human resources, immunization coverage, cold chain functionality,

socio-cultural factors, and challenges in vaccine administration.

The findings revealed significant challenges in the immunization process and highlighted areas for improvement in the current strategy. Based on these insights, actionable recommendations have been proposed to enhance efficiency and expand immunization coverage, ensuring better health outcomes for the population.

1.1 Background:

After the 18th amendment, the EPI Directorate Sindh has been tasked with the planning, implementation, monitoring, and evaluation of this program within the province. Its goal is to administer vaccinations to children aged 0-11 months against nine vaccine-preventable diseases, as well as to provide tetanus protection to pregnant women.

Despite a substantial increase in funding for the EPI—with the budget rising by 183.2% from Rs. 2.070 billion to Rs 5.861 billion over the last four years (2020-2024)—immunization coverage remains insufficient. Currently, only 68% of children are fully immunized, leaving 32% of children vulnerable to preventable diseases.

Despite the availability of required facilities, achieving 100% vaccination coverage remains a persistent challenge for the EPI. The program's inability to fully immunize the target population has serious repercussions for child health. According to UNICEF, the current under-immunization rate is a key factor contributing to the high mortality rate. For every 1,000 babies born alive, 42 die as new-borns, and 62 die before reaching the age of 1. This alarming statistic underscores the severe consequences of inadequate vaccination coverage, where preventable diseases continue to claim the lives of vulnerable children.

Sindh has a total population of 55.7 million, with 52% residing in rural areas. While the majority of regions in Sindh are accessible throughout the year, there are 19 districts with areas classified as "hard-to-reach." These challenging zones, which include 113 Union Councils, are home to an estimated 0.27 million children under the age of five. For the EPI Directorate, addressing these geographical and logistical

challenges is a significant hurdle in achieving universal vaccination coverage. Audit aims to identify specific challenges impeding the efficiency of the vaccination program so that targeted interventions can be implemented to ensure every child in Sindh, including those in remote areas, is fully immunized.

Audit reviewed overall performance of EPI Directorate Sindh. However, the primary focus of audit remained on the three worst-performing districts in terms of low immunization: Jamshoro, Thatta, and Sujawal. Audit identified key shortcomings in the strategies and tools implemented in these areas, highlighting the major challenges faced by these districts despite their proximity to Karachi and the EPI Directorate.

1.2 Establishing Audit Theme:

1.2.1 Reasons for selection of theme

Audit theme, "Assessment of Strategies and Tools Adopted by the EPI Directorate Sindh for Complete Immunization of the Targeted Population," was selected based on several key considerations. It aligns with the core mandate of the Directorate General Audit and directly addresses a critical priority of the Government of Sindh—improving public health outcomes through effective immunization.

The primary reason for selecting this theme was to investigate the underlying causes of the failure to achieve 100% immunization, which has contributed to high mortality rates. The theme was chosen to identify the gaps between the intended 100% coverage and the actual 68% coverage, despite a substantial increase in financial resources, the introduction of vLMIS, expansion of cold chain storage, and the establishment of a technological monitoring mechanism.

Audit Themes of the Directorate General for Audit Year 2024-2025

Based on the extensive research of subject matters and criteria employed, the following one (01) Audit Theme is planned to be covered during Audit Year 2024-2025 for inclusion in the main Audit Report 2024-2025 of the Directorate General:

Profiling of Themes against Criteria:

Theme: Assessment of strategies and tools adopted by EPI Directorate Sindh for complete immunization of targeted population							
Sr. #	Indicators						
	Functional Jurisdiction		Related to SDGs	Govt. Priorities	Public Importance	Currency	Audit Impact
	Full	Partial					
			Goal 3	Mid-Term Prioritized National Goal	High	Yes	Assessment of strategies and tools adopted by EPI Directorate Sindh to achieve 100% FIC population

1.2.2 Purpose / Objectives of thematic audit

The main objective of this audit was to assess the effectiveness of strategies and tools adopted by the EPI Directorate Sindh to enhance immunization coverage and achieve its objectives. The specific objectives included:

1. Evaluating whether the vLMIS system accurately and fairly reflected the registration and vaccination data.
2. Determining whether vaccinators were actively vaccinating children at the UC/Village level.
3. Verifying the presence of vaccinators in EPI Centers.
4. Assessing the functionality of cold chain storage (2-8°C) and ensuring the availability of required facilities for preserving vaccines.
5. Identifying the gaps between the intended objectives (100% coverage) and actual achievements (68% coverage).
6. Evaluating whether field activities were properly monitored.
7. Measuring the extent of immunization coverage among the targeted population.
8. Examining the efficiency of vaccine distribution, logistics, and resource utilization.
9. Ensuring adherence to national and international immunization guidelines and standards.
10. Offering recommendations to improve the program's effectiveness and efficiency.

1.2.3 Scope of thematic audit

The scope of Audit was limited to the EPI Directorate Sindh and the three worst-performing districts—Jamshoro, Sujawal, and Thatta—in terms of least immunization coverage. The following points were considered:

1. Analysis of immunization coverage data, including geographical and demographic distribution.
2. Review of vaccine procurement, storage, distribution, and administration processes.
3. Assessment of adherence to EPI guidelines, protocols, and policies.
4. Examination of data collection, reporting systems, and record-keeping practices.
5. Evaluation of community awareness and participation in the EPI program.

2. The legal framework governing this thematic audit includes

1. Articles 169 and 170 of the constitution of Islamic Republic of Pakistan, 1973, read with Sections 8 and 12 of Auditor-General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001;
2. Pakistan's Expanded Program on Immunization (EPI) Policy
3. Provincial Health Laws and Regulations
4. International Health Regulations (IHR) by WHO
5. Sustainable Development Goals (SDGs)

3. Stakeholders and Governmental Organizations Involved

Key stakeholders and organizations involved include:

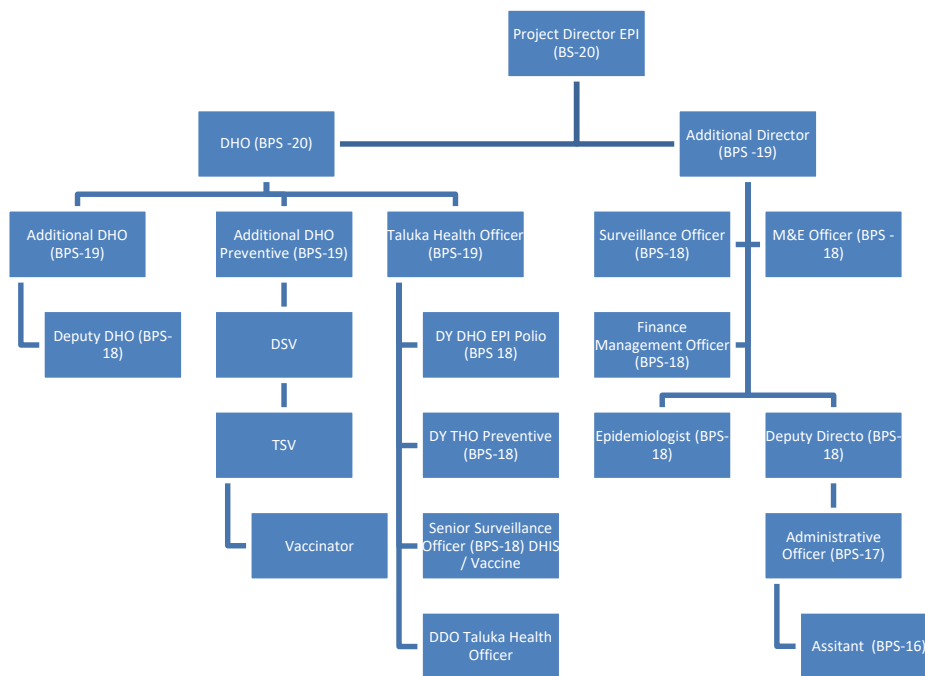
1. EPI Directorate Sindh
2. Sindh Health Department
3. World Health Organization (WHO)
4. UNICEF
5. Local Governments and Community Health Workers
6. Donor Agencies and NGOs involved in health programs

4. Role of important organizations

EPI Directorate Sindh is responsible for planning and execution of immunization programs. Federal EPI ensures supply of vaccines, provides policy guidelines through National EPI Policy and also provides technical support to the province. Further, the Sindh Health Department provides policy guidance and essential backing through financial resources to the EPI Directorate. District Health Officers, overseen by deputy commissioners who ensure that the immunization campaigns are effectively implemented across communities.

International bodies like WHO and UNICEF bring technical expertise and funding to strengthen immunization efforts, collaborating closely with local governments. Donor agencies and Partners such as Gavi, CDC, Bill & Melinda Gates Foundation, USAID, World Bank, ADB etc. play a crucial role by funding healthcare infrastructure, improving vaccine access, and addressing vaccine hesitancy through educational initiatives and public awareness campaigns. Together, these organizations work to achieve comprehensive immunization coverage, safeguard public health, and prevent vaccine- preventable diseases in Sindh.

Organogram Project Director EPI



Organization's Financials

The EPI meets its expenditure from consolidated fund of Government of Sindh. The major portion of the fund is used for purchase of vaccines from Federal EPI.

Breakdown of budget during the FY 2023-24 is tabulated below:

(Amount in Million)

Sr.#	Major Head	Budget Releases	Actual Expenditure
1	Employees Related Expenses	174.520	30.310
2	Expenditure on Acquiring of Physical Assets	229.910	4.730
3	Operating Expenses (Including Purchase of Vaccines)	5,517.530	5,482.610
4	Repairs And Maintenance	11.650	11.650
Grand Total		5,933.61	5,529.300

Table 1: Breakdown of Program Financing as per Sindh Government's Budget Estimates (all figures in million)

5. Field Audit Activity

5.1 Methodology

The methodology of the thematic audit consists of both qualitative and quantitative approaches, including:

1. Understanding Audit entity.
2. Conducting risk assessments.
3. Defining detailed audit objectives.
4. Developing an audit program.
5. Performing analytical procedures.
6. Testing internal controls.
7. Conducting substantive tests.
8. Evaluating results.
9. Reporting.
10. Follow-up.

5.2 Audit Analysis

5.2.1 Review & Internal Controls

The internal control analysis of Sindh's Expanded Program on Immunization (EPI) highlights substantial challenges. Detective controls, such as monitoring and audits, have been employed to identify operational inefficiencies and data discrepancies, but they are hampered by inconsistencies across monitoring systems and data sources. Preventive measures, including policy frameworks and training programs, aim to mitigate risks from human error and operational lapses, yet staffing deficiencies persist, especially in critical areas like cold chain management. Corrective actions prompted by audits often encounter obstacles in implementation, exacerbated by inadequate infrastructure and resource allocation at district and taluka levels. These systemic issues compromise immunization coverage and vaccine potency, necessitating comprehensive reforms for improved governance and operational efficiency.

5.2.2 Critical Review

Enactment of 18th Amendment and 7th NFC Award empowered the provinces to take care of their health system including immunization by providing administrative and financial authority. Despite having all facilities available, the performance of EPI Directorate Sindh has not been satisfactory as it could not achieve the target of fully immunized children in Sindh. The subsequent paragraphs highlight the challenges and shortcomings of EPI Directorate that are undermining the effectiveness of the program. The challenges include poor program management, shortage of qualified human resource, absenteeism of vaccinators, data discrepancies, suboptimal immunization coverage and unreliable cold chain functionality.

Further, defective monitoring, surveillance and reporting mechanism is a hurdle in service delivery. Socio-cultural factors, such as vaccine hesitancy and misinformation are hindering the immunization in rural communities.

5.2.2.1 Program Management

The EPI Directorate Sindh has not developed province-specific EPI policies or guidelines, as required under Strategy 1.2 of the EPI Comprehensive Multiyear Plan (2020-2024). The absence of such policies has resulted in challenges in provincial program management, including discrepancies in micro-plan data, lack of an effective monitoring mechanism, logistical issues, geographical barriers, and low levels of community engagement.

A significant degree of autonomy has been granted to District Health Officers (DHOs), who have developed their own micro-plans. However, these plans are often defective due to unreliable data. At the Union Council (UC) level, vaccinators obtain critical information—such as target population, vaccine requirements, and vaccination schedules—without validation by DHOs. Consequently, the EPI Directorate distributes vaccines based on unverified data. This lack of validation prevents Audit process from authenticating vaccine distribution and related resources. Furthermore, DHOs have been found to distribute vaccines to private hospitals and facilities without proper acknowledgment or notifying the EPI Directorate.

When the Directorate was asked for data on vaccine distribution between public and private hospitals, no such data was available. According to representatives, determining the quantity of vaccines provided to private hospitals is solely the responsibility of DHOs. The Directorate, on the other hand, supplies vaccines based only on population indicators for the area. This highlights weaknesses in program management at the provincial level, as there is no effective oversight of vaccine distribution at the district level.

Field visits to DHOs in Jamshoro, Thatta, and Sujawal revealed that vaccinators continue to manually record data on paper despite the availability of application software such as the EPI Supervisory Application and SEIR-ZM. Moreover, this data is not verified or authenticated by surveillance staff, such as District Surveillance Vaccinators (DSVs) and Taluka Surveillance Vaccinators (TSVs). This lack of validation can lead to significant discrepancies in immunization planning and vaccine distribution, undermining the program's integrity. The absence of an effective monitoring mechanism has allowed these issues to persist, necessitating immediate action from senior authorities.

Geographical barriers further compound the challenges faced by the EPI Directorate. Nineteen districts include "hard-to-reach" areas with a population of approximately 0.27 children under five years of age. 20 Union Councils in districts like Dadu, Jamshoro, Kambar, and Sukkur are located in mountainous terrains, requiring additional logistical support for healthcare delivery. Despite these challenges, the EPI Directorate has not developed an effective and actionable plan to address these barriers and improve immunization coverage in these areas.

5.2.2.2 Human Resource Management

Human Resource

Human Resource Management is a significant component of program administration in EPI, as staffing and capacity building are the responsibilities of EPI Sindh. The EPI Sindh program does not have a human resource management policy.

According to the National EPI policy, the required number of vaccinators is based on the average population: for urban areas (such as Karachi and Hyderabad), the ratio is one vaccinator per 10,000 people, while in rural areas (excluding Karachi and Hyderabad), the ratio is one vaccinator per 5,000 people. Therefore, Sindh should have a total of 7,724 vaccinators to meet the population coverage requirement. However, the total approved SNE posts are 4,615 vaccinators, while the working strength is 3,169. Hence, the shortfall of vaccinators as per national EPI policy is 4,555.

Total approved SNE posts	Posts currently filled	As per WHO Guidelines/ National EPI Policy
4,615	3,169	7,724

Table 2: Breakdown of posts of vaccinators

The significant workload on existing staff leads to poor morale and exhaustion, ultimately resulting in suboptimal vaccination coverage and an increased risk of Vaccine Preventable Diseases (VPD). Without adequate staffing, it would be difficult to reach out to vulnerable population and ensure timely immunization. Details are given at **Annex-A of Chapter-40**.

Besides, important posts of Epidemiologist, Cold Chain Technician, Senior Storekeeper, and Assistant Cold Chain Technician were vacant. The EPI team, without a proper cold chain technician in a vaccine store, can face significant consequences, including non-maintenance of required (2-8°C) temperature, which reduces vaccine potency. Due to lack of cold chain technician, vaccines may not be properly stored, handled, or transported, delaying distribution and impacting vaccination programs.

During the visit of following 3 districts a critical issue identified was inadequate number of trained vaccinators relative to the population and geographical coverage in each district. Audit team also observed that the staff was not present at the health facilities.

District	Population	Approved Strength	Current Strength	Shortage	Shortage in %
Thatta	1,101,064	176	132	44	25%
Sujawal	849783	136	103	33	24.26%
Jamshoro	1,139,431	182	113	69	37.91%

Table 3 Available human resource in Jamshoro, Thatta and Sujawal districts

Keeping in view the large size of population, the number of existing vaccinators is not sufficient for providing adequate and quality immunization services. There is no system for the assessment of competencies due to which staff motivation is weak.

Staff Presence

The monitoring of the vaccination staff is done at the different levels. The Health Department is monitoring the presence of vaccination staff through independent monitors from the Minister's Monitoring Unit (MMU), Sindh Electronic Immunization Registry (SEIR) and EPI Supervisory Application. Further, District Focal Person (DFP) for EPI, District Superintendent of Vaccination (DSV) and Taluka Superintendent of Vaccination (TSV) visit the fixed sites and outreach sessions on sample basis to ensure the presence of staff and services.

Despite various monitoring efforts, done by the health department, maintaining a consistent presence of trained vaccination staff is a significant challenge. The current metric for achieving 100% staff presence is unreliable as it checks the availability of staff only during the monitor's visit. Furthermore, the available record shows that staff availability consistently falls below the 90% threshold. This indicates a persistent failure in achieving optimal staff availability, which undermines the effectiveness of the immunization program.

During the assessment of strategies and tools adopted by the EPI for 100% immunization of the population, a significant contrast was observed between staff presence and the geographical coverage of the target population. Specifically, a notable discrepancy was identified between the geographical coverage data in the Sindh Electronic Immunization Registry (SEIR) and the figures reported by the Minister's Monitoring Unit (MMU). In June, for example, SEIR recorded a vaccinator presence of 89%, while the reported geographical coverage was much lower at just 56%. This discrepancy suggests that, although a substantial number of staff were reported as present, the actual geographical reach and effectiveness of their vaccination efforts were significantly below expectations.

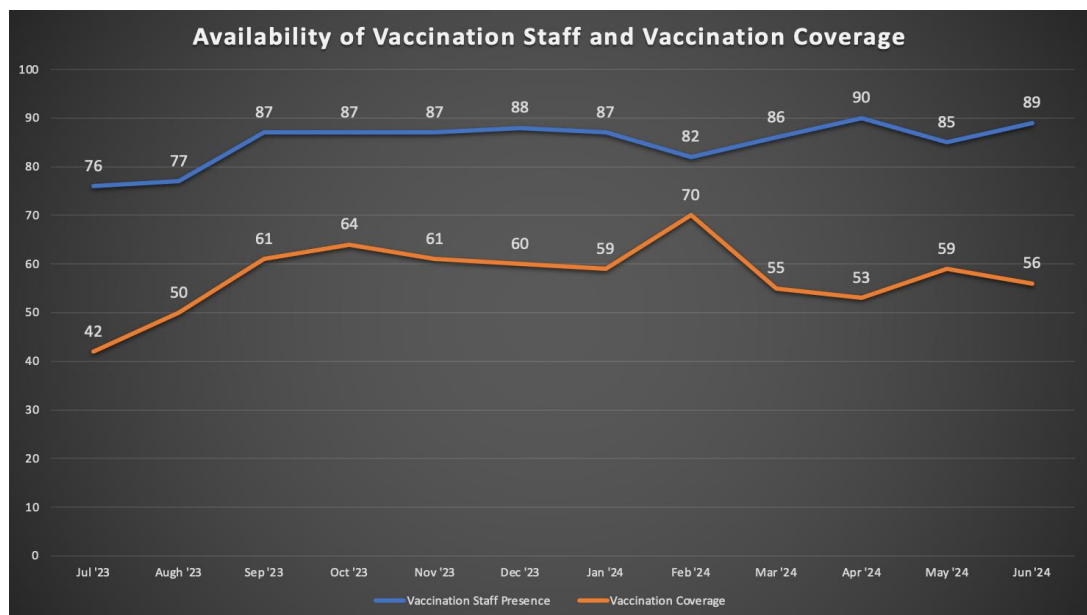


Figure 1: Availability of vaccinators and immunization coverage during the FY 2023-24

Despite the apparent availability of staff at both fixed sites and outreach fields, the Expanded Program of Immunization (EPI) failed to meet its geographical coverage target of 100%. It raises the concerns regarding data accuracy and integration.

The district-wise geographical coverage of vaccinators in Sindh, as analyzed from the Sindh Electronic Immunization Registry (SEIR) for June 2024, reveals that vaccination coverage in the districts of Jamshoro, Sujawal, and Thatta was 31%, 45%, and 49%, respectively. These varying coverage rates have significant implications for public health across these regions.

In Jamshoro, where only 31% of the population has been covered by vaccination efforts, a large portion of the community remains at risk for preventable diseases. This low coverage could contribute to the spread of outbreaks, particularly among vulnerable groups such as children, the elderly, and individuals with underlying health conditions.

District	Geographical Coverage (%)	Availability of Vaccinators
Thatta	49%	84%
Sujawal	45%	56%
Jamshoro	31%	61%

Table 4 Geographical coverage and availability of vaccinators

5.2.2.3 Immunization Coverage

Vaccination coverage refers to the percentage of the target population that has received vaccinations according to the recommended immunization schedule. This metric is a critical indicator of the success and reach of immunization programs and is essential for evaluating public health efforts to protect communities from vaccine-preventable diseases.

In 2022, the Full Immunization Coverage (FIC) in Sindh stood at 68%, as reported by the Third-Party Verification and Independent Coverage Survey (TPVICS-AKU). A district-wise breakdown, illustrated in **Annex-B of Chapter-40.**, reveals that **Jamshoro, Thatta and Sujawal** exhibited the poorest performance, with the highest numbers of partially immunized and unimmunized children. Examining the immunization coverage statistics further highlights that Sujawal has the lowest figures, with 16% fully immunized, 50% partially immunized, and a concerning 34% unimmunized. Jamshoro has 48% immunized, 45% partially immunized and 7% unimmunized children. Thatta, has only 49% of children are fully immunized, with 32% partially immunized and 18% unimmunized. These disparities reflect systemic weaknesses in staffing allocation and highlight the urgent need for better resource management.

The failure to achieve 100% immunization coverage can be attributed to several key factors. Firstly, insufficient staffing limits the capacity to deliver services effectively. Additionally, an ineffective fuel disbursement mechanism for vaccinators hampers their ability to reach target population coupled with the challenge of tracking the accuracy of immunization data, which is often self-reported and based on outdated census information. Socio-cultural challenges also contribute to a lack of demand for immunization services. Furthermore, a lack of awareness, combined with misinformation and misconceptions—particularly prevalent in rural areas—leads to vaccine hesitancy, further obstructing efforts to improve coverage.

5.2.2.4 Cold Chain Functionality

Cold chain is a system of storing and transporting vaccines at recommended temperatures from the point of manufacture to the point of use. The cold-chain system is depicted below:

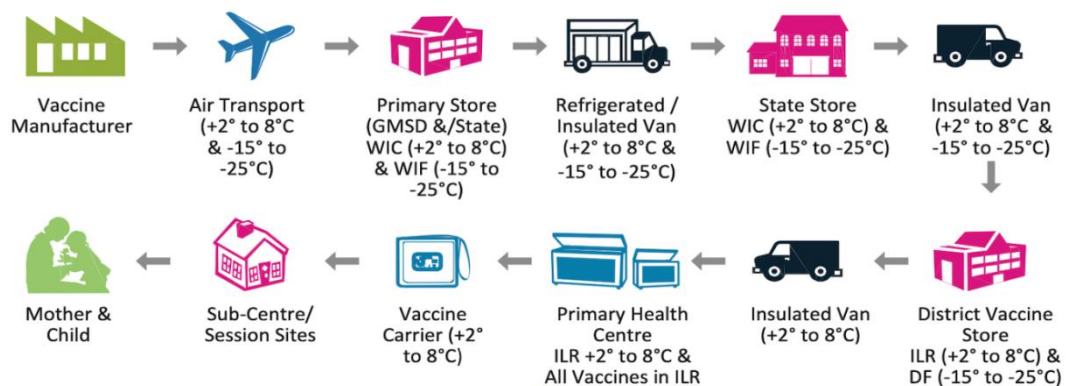


Figure 2. Cold chain system

Cold chain equipment, both electrical and non-electrical, is used for storing vaccines and/or transporting them at appropriate temperatures. Despite significant progress in Sindh's cold chain capacity, which increased from 110,520 litres in 2014 to 854,262 litres in 2024, the Expanded Programme on Immunization (EPI) still faces critical challenges.

Cold chain equipment information is maintained and periodically updated in Excel instead of the vLMIS system, indicating a significant gap in utilizing modern technology for data management. This approach raises concerns about data accuracy, real-time visibility, and the efficiency of information dissemination. Without proper integration into vLMIS, there is a risk of discrepancies between Excel records and actual on-ground conditions, potentially leading to delays or errors in decision-making.

Despite the overall increase in cold storage capacity, many districts still lack adequate logistics for managing vaccinations. Details are given at **Annex-C of Chapter-40**.

At the district and taluka levels, there is a persistent shortage of adequate storage space and effective warehouse management. The existing repair and maintenance workshops at the district level are substandard, lacking a comprehensive maintenance plan for cold chain logistics, vehicles, and generators. Furthermore, taluka offices are inadequately equipped, facing severe deficiencies such as the absence of refrigerated vehicles, cold rooms, and reliable generators. Persistent electricity blackouts exacerbate the problem by preventing the maintenance of the required 2 to 8°C temperature in cold rooms. Together with the above, there are the issues of unreliable power supply and insufficient internet connectivity at district and sub-district levels, which further undermine the efficacy of the cold chain infrastructure.

During the visit of **DHO Jamshoro, Thatta and Sujawal**, it was noted that power blackouts were a significant issue in the cold chain storage facilities. The absence of backup generators exacerbates the problem, leading to potential spoilage of vaccines due to inadequate temperature control during power interruptions. The team observed that the cold rooms in these facilities were not consistently maintaining the required temperature for vaccine storage. Many cold storages were lacking the temperature meters and temperature was noted manually on paper. This lapse in temperature regulation can compromise vaccine potency and effectiveness, posing risks to public health. The facilities such as essential fire-safety equipment, fire extinguishers and alarms were lacking. Without these safety measures, the risk of fire hazards remains unmitigated, which could lead to catastrophic consequences for both the vaccines and the facility. The cold chain storage facilities were observed to be in an unhygienic condition. Poor hygiene practices can lead to contamination and compromise the quality of vaccines, which must be stored in a clean environment to ensure their efficacy. Pictures are given at **Annex-D of Chapter-40**.

Besides, the facilities were not adhering to proper wastage management protocols. Expired antigens were found stored at the cold storage centers, which not only violates guidelines but also poses a risk of accidental administration of ineffective or harmful vaccines.

5.2.2.5 Monitoring, Surveillance and Reporting

Monitoring and supervision are profoundly important for the success of the EPI, but the program faces significant organizational and operational challenges. Currently, EPI lacks a cohesive and dedicated monitoring, surveillance, and reporting mechanism, relying on multiple, disparate systems such as the EPI Supervisory Application and the Sindh Electronic Immunization Registry (SEIR-ZM), which complicates the data management process.

The **EPI Supervisory Application** was developed to assess the functionality and quality of both fixed and outreach vaccination sites. It evaluates performance based on criteria such as site accessibility, presence of vaccinators, and availability of vaccines. In many rural or remote areas, data from vaccination sites is often collected manually and submitted in batches, typically at the end of the day or week. This practice creates delays in data availability, making it difficult to track vaccination progress in real time. Additionally, in regions where internet connectivity is unstable or unavailable, uploading data becomes even more challenging. Without reliable internet access, the timely transmission of data to central systems is hindered, leading to gaps in monitoring and decision-making. These delays and connectivity issues undermine the ability to respond quickly to emerging problems, such as vaccine stockouts or staffing shortages, ultimately affecting the efficiency and effectiveness of vaccination campaigns.

The **Sindh Electronic Immunization Registry (SEIR-ZM)** is a digital initiative aimed at improving immunization data management by transitioning from paper-based records to electronic systems. It utilizes an Android-based platform with features like electronic record-keeping, decision support tools, and SMS reminders. The goal is to enhance vaccination coverage and improve response to outbreaks. However, the system faces several challenges, including issues with data accuracy, as errors in data entry or synchronization occur sometimes, especially when not adequately trained or vigilant. There are also concerns about user adherence to protocols, with some health workers bypassing the established procedures, leading to incomplete or inconsistent data.

The **Vaccine Logistics Management Information System (vLMIS)** is intended to support vaccine forecasting, distribution, and stock management. However, data inaccuracies remain a persistent problem, as outdated or incorrect information about vaccine inventory, usage, or demand can lead to stockouts or overstocking, disrupting timely distribution. Additionally, vaccine stock levels and new orders are not updated promptly in the system, delaying real-time decision-making and resource allocation. Integration with other health information systems is another challenge, as vLMIS often operates independently, making it difficult to share critical data across platforms. This lack of integration results in fragmented data, inefficiencies, and gaps in vaccine management, ultimately jeopardizing immunization coverage.

Additionally, there are certain challenges at the district level. During the visit of various districts, audit found lack of an integrated supervision plan that involves both District Health Management Teams (DHMT) and EPI supervisors. Furthermore, visits of the supervisors often lack quality and focus, with insufficient technical comments in the visit books. This deficiency diminishes the potential for learning and improvement during supervisory visits.

Moreover, the absence of follow-up supervisory visits contributes to ongoing challenges, as issues identified during initial visits may remain unaddressed. Lastly, there is no effective mechanism for managing late or non-reporting, relying instead on informal verbal follow-ups that are not systematic. These important challenges highlight the urgent need for a more structured and coordinated approach to supervision within the EPI framework to enhance accountability, improve vaccination coverage, and ultimately protect public health.

5.2.2.6 Vaccine Availability

EPI program forecasts the requirement of vaccine and logistics and submits it to Federal EPI Cell along with transfer of funds. Federal EPI cell provides vaccine & logistics against the provided funds to the province. Against demand of Rs 5.12 billion, federal EPI issued vaccines and devices amounting to Rs 5.87 billion to the EPI Directorate Sindh, surpassing the allocated budget for the purchase of drugs and medicines. This discrepancy indicates a potential issue with budgeting or misallocation of resources for vaccination program.

Break-up of expenditure and vaccine:

Sr.#	Name of Vaccine & Devices	Quantity Issued (Doses)	Rate	Total
1	BCG-20	3,516,000	64	225,024,000
2	BOPV-20	6,332,000	42	265,944,000
3	Pentavalent (GAVI's Country	1,767,840	404	714,207,360
4	PCV-13-4	2,741,040	853	2,338,107,120
5	MR-10	940,350	272	255,775,200
6	Rotavirus	1,522,800	699	1,064,437,200
7	TCV-5	345,465	468	161,677,620
8	TD-20	4,505,700	61	274,847,700
9	AD Syringe 0.5 ml	20,346,976	24	488,327,424
10	AD Syringe 0.05 ml	1,253,000	22	27,566,000
11	2ml for BCG Recon	73,747	24	1,769,928
12	5ml for MR Recon	245,056	23	5,636,288
13	Safety Box	157,250	301	47,332,250
Total				5,870,652,090

Table 5: Vaccine and devices acquired from the Federal Directorate of Immunization to EPI for FY 2023-24



Figure 3: Availability of vaccines as per EPI Supervision Application data

During the assessment of the data, it was noted that there was a significant discrepancy between the vaccine stock data reported by different systems. According to the EPI Supervisory Application, vaccine availability across the province remained above 98% in June, 2024. However, this figure contradicts the data provided by the vLMIS, which indicates that 98% of the vaccines were utilized during that same month. Furthermore, the vLMIS data reveals an insufficient vaccine stock in July, 2024, despite the fact that this period falls at the midpoint of the immunization year (January to December). This inconsistency between the reported figures raises concerns about the accuracy and reliability of the data, particularly regarding the maintenance of buffer stocks at both the provincial and district levels.

Vaccine	Month of Stocks	Status
BCG	2.49	Under-stock
Hep B	0	Stockout
IPV	0.46	Stockout
Measles/MR-10	0.39	Stockout
Penta	3.44	Satisfactory
TD	0	Stockout

Table 6: vLMIS Stock Levels for Sindh (July 2024)

5.2.2.7 Socio-cultural issues

Socio-cultural issues are another hurdle hampering the efforts of smooth administration of vaccine in target population. Some key obstacles are: No Faith in immunization, Rumors and Remote Location of Immunization Sites. Vaccine hesitancy in rural areas often stems from cultural beliefs, misinformation about vaccine safety and efficacy, and practical challenges like travel costs and distances to healthcare facilities. Caregivers and healthcare providers may lack awareness, leading to concerns about the effectiveness of the Oral Polio Vaccine. Many individuals also prefer herbal remedies over vaccines, and issues like missing vaccination cards complicate the tracking of immunization.

As per the TPVICS, AKU, 2022 highlights that card retention in Sindh is only 50%, as many guardians do not consider vaccination cards important. Instead, they tend to rely on verbal history for children's vaccination status. This practice poses a significant risk, as inaccurate or incomplete vaccination records can lead to missed doses, increasing the likelihood of preventable disease outbreaks. Without proper documentation, health authorities may struggle to identify gaps in coverage and target interventions effectively.

During interviews with mothers in Jamshoro, many shared that they were afraid of their children getting a fever after vaccination. One mother said that her first child got a fever after vaccination, so she decided not to vaccinate her other children. Another mother of six children, employed as maid reported that she could not stay home for vaccinators as well as her husband was also away at work. Therefore, their children could not be vaccinated. Furthermore, some parents were of the view that vaccination was not useful for their children. Pregnant women also expressed their concerns that getting vaccinated during pregnancy might cause infertility resulting into having no more children in the future.

Another observation was known to audit that mothers having minimum primary education were forthcoming in administration of vaccine to their children which suggested that investing in education of girls might also have a positive impact on health of children.

6. Audit Observations

6.1 Non-appointment of key staff

According to WHO policy, vaccinators requirement as per average population in Sindh are 7724 and total approved SNE Post for EPI Sindh are 4615 vaccinators.

The management of EPI could not appoint the key posts as tabulated below. Non-appointment of important positions has negatively impacted the program of vaccination. Similarly, the vaccination of target population coverage could not be achieved due to non-appointment of vaccinators as evidenced by the EPI Routine Immunization Coverage Report of District South Karachi (0-23 M). Details are given at **Annex-E of Chapter-40**.

Sr.#	Name of Post	WHO Policy/Sanctioned requirement	Working	Vacant
1	Epidemiologist	1	0	1
2	Cold Chain Technician	1	0	1
3	Senior Store-Keeper	1	0	1
4	Assistant Cold Chain Technician	2	1	1
5	Vaccinators	7726	3169	4557

The absence of epidemiologists and cold chain technicians in the EPI team has not only jeopardized the whole program and efficacy of vaccine but also has created hurdle in detection of VPD outbreaks.

6.2 Distribution of vaccines without Inspection and Drug Testing Procedures

As per instructions of Government, “Drug Testing Laboratory report of each item / medicine is required to be obtained”. As per notification issued by Health Department, Government of Sindh vide # S.O (PM&I) 2-1/2011 (Main) dated 21st April 2012, “a representative from PM&I Cell, Health Department must be included as a member of Joint Inspection Committee for physical verification / joint inspection of receipt of stores before forwarding the bills to the accounts office for payment. All the payments will be made on production of Joint Inspection report duly signed.”

The Program Manager of Federal EPI dispatched vaccine cartons to the Project

Director EPI Sindh via airplane, which were then loaded into cold chain carriers/vehicles from the airport to the Sindh EPI Store Headquarter in Karachi on a daily/weekly/monthly basis. This process occurred without inspection by the notified inspecting committee and vaccines were issued without drug testing lab reports.

Due to absence of an inspection committee, the quality and efficacy of vaccines could not be ascertained. Possible transfer of ineffective or expired vaccines and counterfeit products also could not be ruled out. Additionally, the use of vaccines without drug testing lab reports poses significant risks, potential outbreaks and wasted resources.

6.3 Ineffective awareness campaigns

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

During the financial year 2023-24, an amount of Rs 160.908 million was spent on conducting seminars, conferences, awareness sessions, and advertisements through print and social media, as well as sign boards, without achieving the intended objectives in 479 villages in Thatta and Sujawal districts.

Further, instances of refusal or partial refusal were also identified in these areas. Consequently, the awareness sessions failed to achieve their intended objectives, resulting in ineffective utilization of the allocated funds.

Audit is of the view that the uncovered areas and instances of refusal or partial refusal in the districts highlight a failure by management to adequately fulfill its responsibilities. Despite significant expenditure on awareness efforts, the lack of coverage and unresolved refusals indicate insufficient attention and oversight by management.

6.4 Inaction against absentees and staff involved in fake database entries

As per Section-15 of Part-III of the Sindh Immunization and Epidemics Control Act, 2023, Sindh Act No.XLV of 2023 “Any person disobeying any rule or order made under this Act (except the punishment provided in Section-19 of the Act), shall be deemed to have committed an offence punishable and is liable punishment for a term which may extend to one months or with fine which may extend to fifty thousand rupees or with both.

Several employees and vaccinators at EPI centers and health facilities across various districts under the supervision of EPI Sindh, Karachi, were involved in making fake or fraudulent entries in ZM-SEIR, as well as being absent from duties and demonstrating poor performance. Despite these issues, the management did not initiate proper disciplinary action against these employees, which suggests either incompetence on the part of management or undue favor extended to the individuals concerned. Details are given at **Annex-F of Chapter-40**.

Audit is of the view that these employees and vaccinators have developed a habit of absenteeism and creating false data entries to meet population targets instead of fulfilling their responsibilities diligently.

6.5 Flaws in ZM, MIS and vLMIS application software of the EPI Sindh

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”.

Audit revealed significant challenges in the implementation and functionality of three database applications introduced by EPI: ZM, MIS & vLMIS. The key observations identified in districts of Thatta and Sujawal are outlined below:

1. The authenticity of data input into the SEIR-ZM application could not be verified due to potential manipulations and fraudulent entries made by some vaccinators. Additionally, during power outages in the area, the phone-based digital immunization registry program 'Zindagi Mehfooz' failed to trace or locate vaccinators.
2. Concerns were raised about the vLMIS system, suggesting it should either be discontinued or merged with the MIS system due to its slow processing. Moreover, discrepancies were noted where children vaccinated in one Union Council (UC) were not accurately reflected in other UCs within the MIS system. Quarterly reports also could not be generated consistently through the vLMIS or MIS systems.
3. In the vLMIS system, discrepancies were found between physically received batches of vaccines and the issued stock. Furthermore, the cumulative consumption of the store did not match the monthly vouchers.
4. A comparison of SEIR-ZM reports between EPI Sindh Karachi and Thatta & Sujawal districts revealed variations in the reported data, highlighting inconsistencies across districts.
5. Despite minor discrepancies, Audit indicated that the application may have malfunctioned, or operators lacked sufficient training in using the ZM application effectively.

Audit is of the view that these system and application flaws compromised the reliability of data crucial for securing accurate vaccination records, covering the targeted population, and maintaining comprehensive logistics records.

6.6 Variation in figures between Federal EPI & Provincial EPI – Rs 46.512 million

According to Article 84 of Audit code, it is an essential function of 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 not in order.

Audit identified significant discrepancy amounting to Rs 46.512 million in AD syringes recorded in stock register reported by Federal Directorate of Immunization

(FDI), Islamabad and vLMIS generated report. Such a variation evidenced that either the vLMIS was not functioning properly or fabricated data was provided by the management.

(Amount in Rupees)

Detail of Dry Logistic (AD Syringes 0.5 ml) provided by logistic store for the financial year 2023-24							
Item	Federal Directorate of Immunization (FDI)			As per Dry Logistic record, department Received		Variation	
	Quantity Issued from FDI	Rate	Amount	Quantity received by EPI Sindh	Amount	Variation in item received	Amount
A	B	C	E (B*C)	F	G (F*C)	H (B-F)	I (H*C)
Syringes 0.5 ml	20,346,976	24	488,327,424	18,408,965	441,815,160	1,938,011	46,512,264

The table above illustrates the differences between column B and column F. In contrast to that, the following details from the stock register depict the received shipment of AD Syringes 0.5 ml from the Federal Directorate of Immunization (FDI), Islamabad.

(Amount in Rupees)

Detail of Dry Logistic (AD Syringes 0.5 ml) provided by logistic store for the financial year 2023-24							
Item	Federal Directorate of Immunization (FDI)			As per Dry Logistic record, department Received		Variation	
	Quantity Issued from FDI	Rate	Amount	Received quantity recorded in Stock Register	Amount	Variation in item received	Amount
A	B		E (B*C)	F	G (F*C)	H (B-F)	I (H*C)
Syringes 0.5 ml	20,346,976	4	488,327,424	23,072,376	553,737,024	(2,725,400)	(65,409,600)

As per above position of the stock register, it is revealed that the number of AD Syringes. 0.5ml is clearly received in excess i.e., (2,725,400) than the issuance from FDI. Thus, the process involving issuance, receiving and recording of material i.e., AD Syringes 0.5ml was ambiguous.

Audit is of the view that due to improper mechanism for issuing, receiving & recording of data the actual receiving of the AD Syringes 0.5ml could not be ruled out. This reflects lack of vigilance & weak managerial skills.

6.7 Deficiencies in Setting Vaccination Targets Based on Population Growth

According to the strategic guiding principles of National EPI Policy:

All children aged 0-23 months, Women of Reproductive Age (WRA) and other specific target population residing in Pakistan irrespective of gender, race, religion and ethnicity shall be eligible to receive vaccination offered by the National EPI programme according to the recommended schedule.

Scope of EPI shall include all immunization programmes/initiatives including disease specific control/elimination/eradication programme

Audit identified significant deficiency in methodology used for setting annual vaccination targets at District and UC level. The current targets are based on annual growth rate of population instead of actual need-assessment of the vaccinate children (eligible children).

This approach overlooked critical factors such as population migration, urbanization trends, presence of hard-to-reach areas and marginalized groups. This leads to inaccurate target setting, inadequate resource allocation and compromised program effectiveness.

Audit is of the view that the single parameter of census for setting the vaccination targets is insufficient. By using recent, accurate, and reliable data, considering multiple data sources (census, surveys, administrative data), and data-driven decision making is the best way to set EPI target for vaccination.

6.8 Deficiencies in mechanism of Supervision, Surveillance, Monitoring & Evaluation of EPI Sindh

As the strategic guidelines for “Supervision, Surveillance, Monitoring & Evaluation” of Vaccine Coverage under the National EPI Policy states:

Supervision & Monitoring

A well-defined supervision and monitoring plan should be available at all levels (Federal, provincial, district/agency, sub-district and union council) specifying the frequency of supervisory visits for each supervisory tier especially at the district and sub-district level (EDO/DHO/Focal Person EPI/DDHO/DSV/TSV/ASV).

Supervision should be structured, using standard supervisory guidelines, tools and checklists.

Regular review meetings shall be convened on quarterly basis by province and federal EPI cells and on monthly basis by the district.

Surveillance

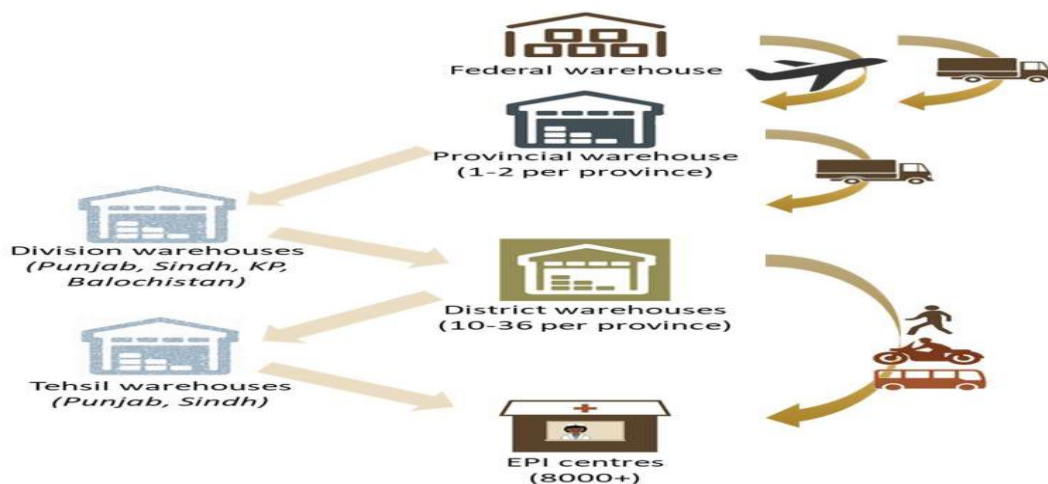
Each district must have a District epidemiologist or a designated ‘District Surveillance Coordinator’.

The District Health Manager shall be responsible for submission of weekly Vaccine Preventable Disease Surveillance and AEFI surveillance reports. AFP cases to be notified immediately.

The EPI Program Sindh faces significant challenges due to inadequate supervision, surveillance, and monitoring mechanism. Responsibility for surveillance is ad hoc, assigned by district health officials without dedicated EPI managers or surveillance systems. This results in poor data quality, inaccurate reporting, and low vaccination coverage.

Audit is of the view that the PD of EPI Sindh has failed to adopt and implement the mechanism of supervision, surveillance, monitoring & evaluation as given in the strategic guideline of National Policy for EPI 2022. Consequently, the complete coverage of vaccination has not been achieved. The authenticity of the data input into the applications could not be actualized as some personnel were found involved in potential manipulation and fraudulent entries.

6.9 Transportation of Vaccine and Dry Medical Items without Tracking & Tracing System in Cold Chain Carriers



The vLMIS software provides the dashboard that displays the availability of stock at different levels. However, the transport carrying vaccines without tracking system, which involves using technology to monitor the location, temperature, and status of vaccine shipments in real-time, has led to the following discrepancies:

Timely arrival of vaccine at Divisional Storage, District Storage, Tehsil & UC Stores are neither known to the EPI Sindh Headquarter Store nor the receiving/destination storage houses. All the tiers of management remain unaware of **Real Time** location of vaccines under transportation, as a result the demands of the destinations/locations are not properly managed.

Without an automated alert system, conditions like temperature changes or delays can go unnoticed, leading to potential damage and loss of vaccine effectiveness. This lack of monitoring also puts the safety and security of both the vaccines and the vehicles at risk, increasing the likelihood of wastage and misuse. An automated alert system helps prevent these issues by automatically detecting problems and sending notifications to the right people, ensuring timely action “in the matter”.

Audit is of the view that tracking and tracing the movement of vaccines is

essential to safeguard public health and resources. The absence of a tracking and tracing system is a serious deficiency. Due to this deficiency, real-time monitoring of movement, usage, wastage, and pilferage cannot be effectively controlled and managed.

6.10 Improper functioning of cold chain storage at District/UC level

According to WHO's Immunization Handbook for Medical Officers unit No-04 "cold chain and logistics management" at page # 111 "cold chain maintenance during vaccine distribution" stated that maintain temperature of ILR between +2 °C to +8 °C for storage of vaccines and diluents. Monitor temperature twice a day including on Sundays/holidays.

The cold chain stores at District/UC level were not functioning properly. Following discrepancies were found during field visits.

Inadequate refrigeration: There were not only insufficient refrigerators to store vaccines, but also some of them were not functioning properly. Besides, temperature of the cold chain storage was not being maintained as per standards.

No backup generator for refrigeration: There was no backup generator or other power source available for refrigeration during loadshedding.

Poor maintenance of cold chain equipment: Audit observed poor maintenance practices including infrequent cleaning, delayed repairs and insufficient funding for maintenance of equipment.

Due to non-maintenance of cold chain storage, vaccine safety and efficacy could be compromised.

6.11 Unauthorized data entries in EPI Software

As per Section-15 of Part-III of the Sindh Immunization and Epidemics Control Act, 2023, Sindh Act No.XLV of 2023 "Any person disobeying any rule or order made under this Act (except the punishment provided in Section-19 of the Act),

shall be deemed to have committed an offence punishable and is liable punishment for a term which may extend to one month or with fine which may extend to fifty thousand rupees or with both.

During field visit of audit team in DHOs Thatta, Sujawal and Jamshoro districts, it was observed that various employees / vaccinators were found involved in fake entries in ZM-SEIR software and some vaccinators were found entering data without authorization of TSV/DSV in vLMIS software. The reporting of inaccurate, un-authorized and unverified data may result into incorrect decision-making, incorrect resource allocation and formulation of ineffective policies.

Audit is of the view that the employees / vaccinators seemed habitual of entering fake data entries in said software in order to show achievement of targets.

6.12 Failure of management to meet vaccination coverage of measles – Rs 88.703 million

As per PC-I, Sindh Immunization Support Programme (SISP), Para-6.1 “Immunization is one of the most fundamental competencies of public health programmes. Therefore, EPI aims to contribute in economic development of the province through improved human workforce and decreased morbidity and mortality owing to vaccine preventable diseases”.

It was observed that the management could not achieve the assigned target of vaccination against measles in Karachi Division for the year 2023. As a result, vaccine amounting to Rs 88.703 million remained unutilized. The details of the districts falling under Karachi Division are given at **Annex-G of Chapter-40**.

Audit is of the view that due to non-vaccination to the children of Karachi Division diseases can spread, reflecting negligence on the part management and weak internal control.

6.13 Lack of Provincial EPI Policy and Strategy

The EPI Policy is required as a guiding document for immunization programs, ensuring a coordinated and effective response to vaccine-preventable diseases, and ultimately, protecting public health.

It was noted that despite lapse of considerable time since 18th Amendment, EPI Sindh still lacks a dedicated provincial policy and strategy. Without a Provincial EPI Policy, it is difficult for EPI Sindh to address local epidemiological profiles and disease burdens, detect regional healthcare infrastructure and resource availability, and incorporate local cultural and social factors influencing immunization uptake.

The absence of a provincial EPI policy and strategy has led to lack of clear objectives, inadequate vaccine distribution, and insufficient monitoring and evaluation of immunization programs. Consequently, this has resulted in reduced immunization coverage and equity, and increased morbidity and mortality from vaccine-preventable diseases.

7. Response of the Management

Audit observations were reported to the department on 13th September, 2024. In response the management replied as under:

1. EPI Sindh is recruiting 715 vaccinators and 455 additional vaccinators to address staffing shortages. Additionally, the department has established a new Health Management Cadre (HMC) to fill technical roles, including positions like Epidemiologists.
2. Vaccines are supplied globally by UNICEF and distributed across provinces by the Federal Directorate of Immunization (FDI), which ensures cold chain integrity and conducts inspections before distribution. The Deputy Director EPI at EPI Sindh oversees the vaccine supply chain in the province and, along with their team, conducts ad hoc inspections to ensure vaccine quality and efficacy. EPI Sindh also plans to establish a committee for regular checks to verify the authenticity of vaccines.
3. EPI Sindh has made significant efforts to address non-coverage and refusals through Advocacy, Communication, and Social Mobilization activities, such as celebrating World Immunization Week. However, social and behavioural changes take time and is influenced by factors like literacy rate. To tackle refusals, District Health Officers have been instructed to work with Deputy Commissioners and leverage the Immunization Act to prevent vaccination refusals.
4. Since January 2024, EPI Sindh has issued 336 show-cause notices to vaccinators across the province, with a total of 51 punishments given. The district-wise breakdown includes varying numbers of notices and punishments, with Larkano (9 punishments), N. Feroze (8), and Sujawal (6).
5. The government does not own the Zindagi Mehfooz (ZM) application, which provides data for the Sindh Electronic Immunization Registry (SEIR), limiting EPI Sindh's ability to address issues like fraudulent

entries. To resolve this, the Department of Health is working on establishing an Electronic Medical Registry (EMR) across the province, which will include patient-level data for the entire public health system, including immunization. EPI Sindh also plans to merge the EPI MIS and vLMIS systems to eliminate discrepancies and ensure seamless data functionality.

6. Under audit Observation, it is to clarify that the AD Syringes 0.5 ml figure / quantity which was taken by audit team in vLMIS system from September, 2023 to April, 2024, as the actual figure quantity received from Federal from July 2023 to June 2024 is 23072376 which is correct, the breakup is as under.

Dry Logistic AD Syringes 0.5ml

(Amount in Rupees)

Items	Issued from FDI Federal July 23 June 24	Rate	Amount	Quantity Received by EPI Sindh July 2023 to June 2024 VLMIS & Stock Register	Amount	Variation of Quantity	Amount Variation
AD Syringes 0.5 ml	23,046,976	24	488,327,424	23,046,976	488,327,424	NIL	NIL

7. EPI Sindh is revising its methodology for setting vaccination targets. Instead of relying solely on Census data, the Programme plans to triangulate data from multiple sources, including coverage rates, household surveys, and records from polio workers during National Immunization Days (NIDs).
8. EPI Sindh has a standardized supervision plan across the province, using a checklist for fixed and outreach sites, with data collected via the EPI supervision app. Supervisors are given monthly targets based on district sites, and performance is tracked on a provincial dashboard. Each district

has a designated Surveillance Officer, appointed by the DHO, responsible for surveillance, case reporting, and coordinating with EPI and WHO teams to prepare a weekly surveillance report.

9. In the month of October, 2024 Quarter Review Meeting, the Honourable Minister of Health directed UNICEF to install trackers in refrigerated trucks for each district, enabling EPI Sindh to monitor cold chain carriers across the province.
10. The program uses various types of cold chain equipment depending on specific needs. For example, freezers are used for storing VPD surveillance samples, polio vaccines (bOPV), and Ultra Cold Chain equipment for COVID-19 vaccines, which require temperatures below -25°C.

Temperature fluctuations can happen due to frequent lid openings, cleaning, shifting vaccines, or if the temperature monitoring device is not placed correctly. According to WHO standards, if the temperature rises above 8°C for over 10 hours or falls below -0.5°C for more than 1 hour, vaccine viability checks such as the Vaccine Vial Monitor (VVM) or shake test must be conducted. Temperature monitoring devices can record data for 60 days and generate reports in PDF format.

11. The government does not own the Zindagi Mehfooz (ZM) application, which provides data for the Sindh Electronic Immunization Registry (SEIR), limiting EPI Sindh's ability to address issues like fraudulent entries. To resolve this, the Department of Health is working on establishing an Electronic Medical Registry (EMR) across the province, which will include patient-level data for the entire public health system, including immunization.
12. EPI Sindh has improved the surveillance system, leading to an increase in reported cases that were previously unreported. The Programme has also directed district and sub-district supervisors to conduct Rapid Coverage Assessments (RCAs) to identify zero-dose and defaulter hotspots, enabling targeted outreach by vaccinators.

13. The Routine Immunization Programme in Pakistan and Sindh is guided by the comprehensive multi-year plan (cMYP). The most recent cMYP expires in 2024. EPI Sindh is now working in conjunction with the World Health Organization (WHO) to develop another strategic document, keeping in view guidelines of the Immunization Agenda 2030 and National Immunization Policy 2022. This will be the National Immunization Strategy.

8. Recommendations

The management is required to:

1. Develop a comprehensive provincial EPI policy and strategy tailored to local infrastructure and needs
2. Expedite the hiring of vaccinators and essential staff, prioritizing remote and underserved areas
3. Implement a centralized system to integrate **EPI Supervisory Application**, **SEIR-ZM**, and **vLMIS** for real-time data accuracy
4. Automate the stock tracking to monitor vaccine availability and prevent stockouts
5. Invest in refrigerated vehicles and backup power to maintain the cold chain during transport and storage
6. Use GPS and temperature monitoring on delivery vehicles to ensure safe and timely vaccine distribution
7. Set up a provincial committee for regular vaccine testing and quality assurance at all levels
8. Deploy biometric or mobile attendance systems to track staff presence at vaccination sites
9. Assign field supervisors to monitor immunization activities regularly and provide feedback
10. Put efforts in community engagement and empowerment through involvement of local religious leaders, notables and influencers.

9. Conclusion

The EPI directorate Sindh has made some progress in increasing vaccination coverage but significant challenge of 100% immunization of target population still persists. GoS has increased funding by 183.2% over the past four years, yet 32% of target population has remained unvaccinated, contributing to high mortality and morbidity rates. Key barriers identified include non-formulation of provincial policy, staffing shortages, inadequate geographic coverage, and logistical challenges such as poor cold chain infrastructure and fuel distribution issues. Additionally, socio-cultural factors, including vaccine hesitancy fueled by misinformation, particularly in rural areas, hinder vaccine uptake. Outdated data systems and reliance on self-reported figures further complicate tracking and monitoring of immunization progress.

To improve immunization coverage, Audit recommended some interventions like formulation of provincial EPI policy/ strategy, strengthening human resource management to address staffing gaps, expanding coverage in rural areas, and improving cold chain infrastructure. Addressing socio-cultural barriers through community engagement and implementation of Sindh Immunization and Epidemics Control Act, 2023. Improving data accuracy and monitoring systems is also crucial for better tracking and decision-making. By addressing these challenges, Sindh can work towards achieving universal immunization coverage, reducing preventable diseases, and contributing to the achievement of Sustainable Development Goal 3, which aims to ensure healthy lives and well-being for all.

10. References

- i. National Immunization Policy 2022
- ii. Third-Party Verification Immunization Coverage Survey (TPVICS), The Agha Khan University
- iii. Comprehensive Multi-Year Plan (cMYP) for Immunization – Sindh, Pakistan (2020-2024)
- iv. Reports generated from Sindh Electronic Immunization Registry (SEIR)-Zindagi Mehfooz
- v. Reports generated from Vaccine Logistics Management Information System (vLMIS)
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- viii. <https://sindhhealth.gov.pk/EPI>
- ix. <https://epi.gos.pk/index.php>

Chapter - 41

Impact Audit

Backyard Poultry Farming in Targeted Areas of District Larkano

1 Introduction

According to IMF global Poverty index, Pakistan is ranked at 52nd among the world's poorest countries.² The situation is even worse in the rural areas which are far more disadvantaged owing to the rural-urban divide in the country. According to a World Bank report, the disparity between rural and urban Poverty is the largest in Sindh, with a difference of nearly 30 percentage points.³ Therefore, there was a need for rigorous government interventions especially in the resource-poor regions of Pakistan to alleviate the conditions of the Poverty-stricken people.

In this backdrop, the Government of Sindh (GoS) initiated the Backyard Poultry Farming project in targeted areas of district Larkano and Ghotki with the aim to reduce poverty and malnutrition besides providing people with employment opportunities as well as introduction of high producing breeds in the targeted districts. In order to measure the impact of intervention, this office undertook the impact audit of district Larkano having financial cost of Rs 157.240 million.

1.1 Background

Impact audits have been started from Audit year 2023-24, by the office of Auditor-General of Pakistan which aim at determining the impact of initiative or program with a special focus on determining the outcome / results attributable to an initiative, a new program or recent change to an existing program by separating other contributing factors or variables. The impact audit reports shall benefit the

² <https://profit.pakistantoday.com.pk/2024/03/15/pakistan-ranks-52nd-in-imfs-global-poverty-index/>

³ <https://www.dawn.com/news/1444874>

stakeholders in understanding the net results of the programs and initiatives in a more systematic manner and if timely addressed, shall not only improve the effectiveness of the project but also help policy makers in determining whether such projects shall be replicated or otherwise.

To improve the standard of living of the masses, the GoS, as part of its broader Poverty alleviation and rural development strategy, recognized the need for economic diversification in rural areas and initiated the project of ***Backyard Poultry Farming***. The project was funded by the GoS with an approved cost of Rs.157.24 million for a period of two years (2021-22 and 2022-23). The Livestock and Fisheries Department was responsible for the project initiation and its successful implementation. The project's aim was to help the poor people of district Larkano by providing them with modern fabricated poultry sheds and high egg-laying hens to generate continuous income and overcome the gap of availability of protein in the form of eggs and poultry meat in the targeted areas. The expected life of a fabricated poultry shed is up to 10-years, therefore, during this period, the beneficiaries can place the fertile eggs in government hatcheries; hence, they can prepare fresh flock for next years. Therefore, it is an auto-sustainable project based on modern techniques of rural poultry development.

1.2 Role of Project

The primary role of the project is to enhance the socio-economic well-being of rural households by promoting sustainable backyard poultry farming, thereby, improving food security, increasing household income, empowering women in targeted communities and replacement of low-producing native birds with new breeds of high producing birds.

Backyard poultry farming is aligned with the following Sustainable Development Goals⁴ (Goal 1 and Goal 2):

- 1) End Poverty in all its forms everywhere.

⁴ <https://sdgs.un.org/goals>

- 2) End hunger, achieve food security, improve nutrition and promote sustainable agriculture.

2 Overview

2.1 Program Deliverables

The backyard poultry farming project aims to:

- Deliver fabricated poultry sheds to 185 selected households, complete with necessary infrastructure such as drinkers, feeders, curtains, egg nests, and electric work and deliver 20 Roosters and 80 Hens per household
- Replace local poultry breeds with high egg-laying birds to improve productivity and profitability for the beneficiaries
- Provide the beneficiaries with technical skills in backyard farming
- Ensure regular supply of vaccines and medicines to maintain the health and productivity of the poultry, aiming to keep the bird mortality rate below 5%.

2.2 Objectives

As per the revised PC-1, the objectives of the initiative are as follows:

- To develop backyard poultry farming on modern lines in order to address malnutrition by providing high protein diet in low cost
- Creating self-employment opportunities for the rural poor by providing them with poultry birds and the skillset required for backyard poultry farming
- To introduce high producing poultry breeds i.e., Australorp, Ply Mouth Rock and Brahma which will replace the low producing indigenous and Misri birds.

3 Scope and Methodology

3.1 Scope

The scope of the impact audit was limited to the beneficiaries of the initiative in district Larkano.

Audit Objectives

To what extent has backyard poultry farming helped in the alleviation of Poverty and malnutrition in the targeted areas of district Larkano? In order to assess the impact of this initiative on the target population, Audit will further strive to:

- a) Evaluate whether the desired objectives were translated in actual outcomes of the service.
- b) Assess what impact did the initiative have on the beneficiary's food security and income opportunities.
- c) Identify if there is any gap between the actual and desired outcome and suggest areas for further improvement.
- d) Assess whether the impact on the target population is attributable to the intervention as compared to that of rival causes.

3.2 Methodology

For the impact audit, both qualitative and quantitative data collection techniques were applied. Gathering primary data was our primary focus, which included visiting the department and the chosen recipients, conducting interviews, completing questionnaires, and making phone calls to obtain information. As a secondary source of data, books, newspapers, websites, literature reviews and articles were also consulted.

Time Series Analysis; the conditions both prior to and following the initiative's launch was employed. Also, the study was conducted using the following approaches:

- Understanding the entity
- Review of PC-1 and monitoring reports

- Visit of department and beneficiaries
- Conducting interviews and getting information through Survey Questionnaire.
- Comparative analysis of targets and achievements
- Perform statistical analysis to identify trends, patterns, and areas of significant impact
- Obtaining data by literature reviews, articles, newspapers, books, and websites.

Audit team has conducted the impact audit by conducting a baseline survey to assess the status of food security, income levels, and existing poultry farming practices in the targeted areas, along with identifying potential beneficiaries and their needs.

3.3 Technique Employed

Evaluation design: Time Series Analysis

Time-period: Evaluating the impact of intervention before the initiative-2020 and after the initiative-2023.

Rival Causes: Sindh Rural Support Organization (SRSO), Action Against Hunger in Larkana, Programme for Improved Nutrition in Sindh (PINS)

While looking for potential rival causes related to the project under consideration, Audit team identified three initiatives aiming at alleviating poverty in Larkano i.e., Sindh Rural Support Organization (SRSO), Action Against Hunger in Larkana, and the Programme for Improved Nutrition in Sindh (PINS). However, during survey and interviews with the beneficiaries and the management respectively, it was determined that the target population involved in this project were not beneficiaries of the aforementioned initiatives. Hence, the impact of rival initiatives on the target population was zero.

4. Audit Findings

4.1 Positive Impact on the Improvement of Nutrition for Targeted Population

Prior to the initiation of the intervention in district Larkano, the target population used to manage backyard poultry farms using conventional methods. They did not receive any support, either in cash or in kind, nor did they receive any training from the government. As a result, the produce of the backyard poultry farming was low which hardly fulfilled the immediate needs of the families. Hence, food insecurity and malnutrition were prevalent in Larkano, as evident from the IPC Acute Malnutrition Analysis conducted for 2021-22. As per analysis, district Larkano was classified as being in a ‘serious situation’ among the nine districts of Sindh that were analyzed.⁵ Hence, regions like district Larkano which was facing the issue of malnutrition the most needed government intervention that was nutrient-sensitive and nutrient-specific.

Therefore, to end malnutrition, the GoS initiated the project of *Backyard Poultry Farming* whereby 100 birds were distributed among each 185 target households of the district. The aim was to address the issue of malnutrition by providing high protein diet in low cost to the target population.

Critical Analysis

As a result, the recipients became self-sufficient, no longer having to rely solely on market purchases for nutritious food, which was beyond their reach owing to their poor economic conditions. Hence, due to the initiative, people were able to get nutritious food in the form of eggs/protein from their backyard poultry farms. The survey also confirmed the preceding statement as we took a random sample of 77 households wherein all participants acknowledged the consumption of eggs on daily basis. In addition, the survey also confirmed that the recipients were enjoying greater purchasing power through the sale of eggs. Resultantly, the higher income gave them the power to purchase other nutritious food from the market that might play a positive role in improving the recipients’ health.

⁵https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Pakistan_Acute_Malnutrition_2021Apr2022Feb_Report.pdf

Total Population	185 households
Sample Selected	77 households
Male Beneficiaries/Participants	48
Female Beneficiaries/Participants	29

Note: Sample size of the survey conducted

4.2 Better employment opportunities for the target population

Even though the agricultural sector caters to the needs of the majority of the population in the Larkano region, people were unaware that backyard poultry farming could be used as a sustainable source of income before the intervention was initiated. Thus, even when farmers sold eggs, the income generated was minimal and insufficient to meet their other needs. As a result, the produce from backyard farming was primarily used to fulfill the immediate needs of the family.

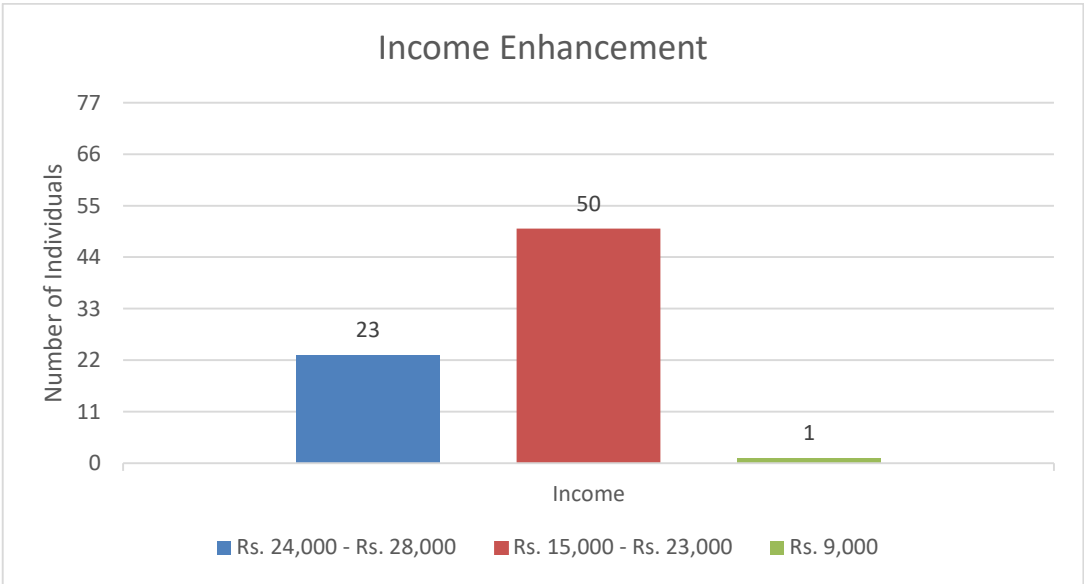
The *Backyard Poultry Farming* project was initiated with the aim of establishing backyard poultry farming in a way that could provide the target population with a sustainable source of income by creating self-employment opportunities for them.

Critical Analysis

Audit team interviewed 77 individuals to determine whether their income had increased after receiving poultry birds. Out of which, 74 individuals reported their income, while 3 did not provide information. The income declared by the 74 respondents ranged from Rs. 9,000 to Rs. 28,000, with an average increase of Rs. 18,574 in their monthly income. To analyze the data, Audit team divided the respondents into three income brackets. The first category consisted of 23 individuals whose earning ranged between Rs. 24,000 and Rs. 28,000 per month. The second category included 50 individuals whose monthly income ranged between Rs. 15,000 and Rs. 23,000. The third category consisted of 01 individual who reported monthly income of Rs. 9,000. The preceding data established that the project remained successful as it provided a supplementary source of income to the rural households of target-population by providing them with employment opportunities. Further, the

participants confirmed the utilization of the additional income on their family’s health, education, daily expenses etc.

During interviews, many individuals reported an improved mood when interacting with and caring for their chickens particularly the mood of their children remained high and positive.



Note: Survey/Questionnaire are attached at Annex-1 of Chapter-41.

4.3 Positive Impact on Women’s Financial Independence

The condition of the vulnerable groups in Larkano particularly, women and children were even worse when it came to food insecurity and malnutrition. In a patriarchal society like ours, entrenched gender roles and cultural norms dictate food distribution within households with men typically receiving the larger share of food, being considered the bread winners and decision makers, as compared to women. Hence, women in a household are more likely to be malnourished as compared to men. Poor regions like Larkano exemplify this issue where people not only live-in poor

economic conditions, but gender roles and cultural norms rooted within the societal fabric are responsible for malnourishment among women⁶.

Moreover, prior to the initiation of the intervention, it was observed that backyard poultry farms in the Larkano region were primarily run and managed by women. However, their lack of ownership and decision-making power over these farms significantly limited their ability to fully benefit, as they might if they had ownership.

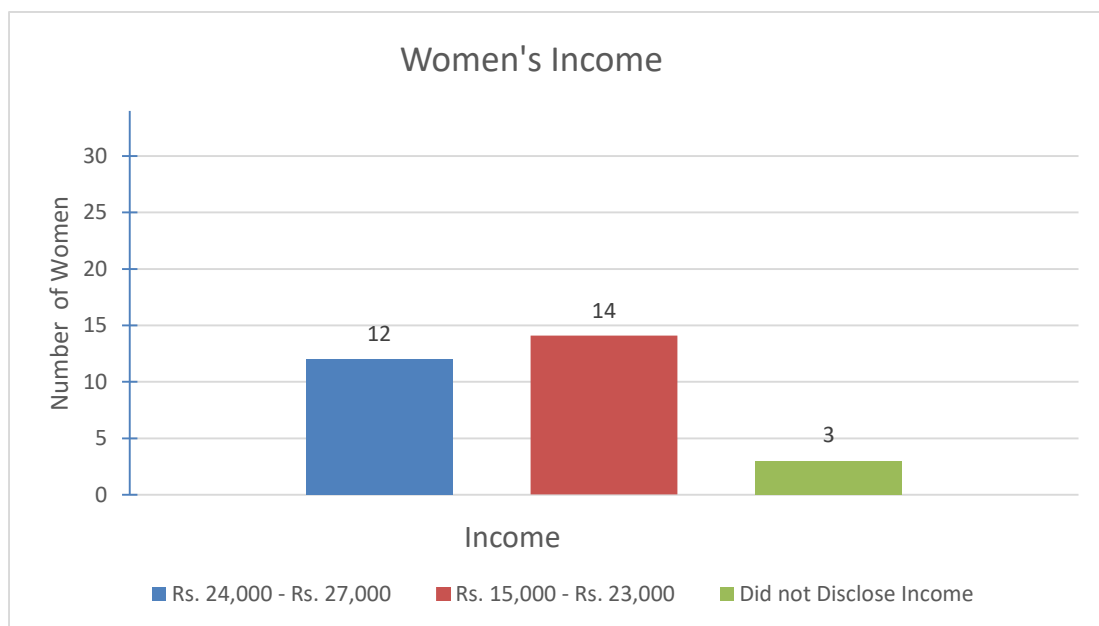
The Backyard Poultry Farming project was launched with the goal of creating employment opportunities for women, particularly widow, by empowering them with full ownership of the poultry farms.

Critical Analysis

The major focus of this project was on women, including widows. While interviewing the project management and the beneficiaries, it was revealed that out of the 185 households that received poultry birds, 85 (46%) beneficiaries were women. Thus, this project gave complete ownership and decision-making power over these poultry farms to the target women. Resultantly, women not only got direct access to the cheapest source of protein in the form of eggs and poultry meat but also provided them with a source of income. This was evident from the surveys and field visits that were conducted by Audit team.

Audit team interviewed 29 women beneficiaries. Although 3 women chose not to report their income, the remaining 26 respondents reported an increase in their income. Their earnings ranged from Rs 15,000 to Rs 27,000, with an average increase of Rs 20,000 per month. This has made women somewhat financially independent as it not only enabled them to meet their personal needs but also allowed them to contribute to their families' welfare. With an average income increase of Rs 20,000 per household, women were able to support household expenses such as children's education, food, and healthcare.

⁶ <https://www.dawn.com/news/1232897>



Note: Survey/Questionnaire are attached at Annex-1 of Chapter-41.

A study titled “Poultry Farming: An Anthropological take on Women Empowerment through Food Security at Household Level” was conducted to examine how women’s engagement in backyard poultry farming contributes to their empowerment. The author in the study argues that women became ‘self-employed, more confident, socially empowered and more valued not only in their families but also in their community’ because of the backyard poultry farming. These findings reflect the transformative impact of such initiatives, highlighting how active involvement in poultry farming can lead to significant social and economic empowerment for women.

The intervention also, thus, enabled the target women to achieve economic freedom, enhance their self-esteem, and gain a voice in decision-making within their households. Consequently, the project has transformed women from passive recipients of household income into active earners and contributors, marking a significant step towards gender equality in the community by making them self-reliant. Therefore, the project resulted in increased self-esteem of women beneficiaries, allowing them to live with both economic and psychological freedom. Audit highly recommends allocating funds to women-related projects with close monitoring.

4.4 Gaps in Project Delivery

The audit identified some deviations from the project goals due to no direct intervention from senior management in order to ensure effective implementation of the project. The details are discussed below:

4.4.1 No Skill Development of Participants

Contrary to the intended scenario, backyard poultry farming is being done on conventional lines because required skills of the target population were not developed by the management as enshrined in PC-1. During field visits and interviews with beneficiaries, it was found that the skill development promised under the project was not done as intended. Owing to the lack of the required skillset by the farmers, optimal potential of backyard poultry farming remained untapped. Had the skills been developed, the project's productivity would have enhanced. As a consequence, many farmers were unable to fully capitalize on the potential of the project. In the absence of a clear focus on skill development, the intended objective could not be achieved.

4.4.2 Challenges in Acclimatizing High-yielding Poultry Breeds

For greater impact and sustainability, the project aimed to introduce high yielding breeds like Australorp, Ply Mouth Rock and Brahma under local conditions. These high producing birds were bred and raised at poultry sub-office (District level) for acclimatization and further replication, with an objective to provide the chicks of high producing breeds to the beneficiaries for maximum production of eggs. However, upon interviewing the management, it was learnt that there was high mortality among these breeds, particularly Brahma, due to hot weather conditions. The extreme heat also led to depressed immunity and New Castle Disease in some birds. While 12 Brahma birds died due to hot environmental conditions, 17 birds died due to the spread of New Castle Disease. Furthermore, 15 Australorp and 9 Plymouth Rock also died due to different reasons. Thus, the management reported that the introduction of high producing breeds had been so far unsuccessful as the birds had not been able to acclimatize to the local environment. The man-made selection of new birds through

breeding in new environment will take time. Hence, the aim of introduction of high producing poultry breeds to replace the native birds was not materialized.

4.4.3 Discrepancies in Beneficiary Selection

Although the eligibility criteria were well-structured and comprehensive on paper, but during interviews with the project management and beneficiaries, it was revealed that the criteria were not strictly adhered to in practice. Despite the fact that the selected beneficiaries were from low-income backgrounds, it was selected on the basis of political considerations/favouritism.

During scrutiny of the sample of 77 households, 4 beneficiaries were found to be government servants and recipient of monthly salaries during the period under impact audit (01-07-2021 to 30-06-2023). This raised concerns about the efficiency of the selection process. Hence, the project's impact, while positive, could have been significantly greater if the selection criteria for beneficiaries had been followed in letter and spirit. The detail of the 4 beneficiaries discussed above is tabulated below:

Sr. #	Personnel No.	Employee Name	CNIC	Date of Entry	BPS
1	10225934	Nasrullah Panhwer	4320309071757	11/3/1990	16
2	10444326	Zaffar Ali Soomro	4320553289759	12/1/2007	11
3	10708951	Arshad Ali Abro	4320553883801	10/25/2010	02
4	10733600	Aijaz Ali Narijo	4320514862027	-	11

4.4.4 Provision of Inadequate Healthcare Facilities

The PC-1 promised to ensure the provision of regular supply of vaccines and medicines to the beneficiaries to ensure the health and productivity of the poultry, aiming to maintain a bird mortality rate of less than 5%. However, as per the survey, 59 out of 77 participants responded that mortality rate was above 5%. Thus, the management could not provide adequate healthcare amenities for the survival of the birds.

4.4.5 Unawareness Regarding Hatchery Facility

As per the PC-1, the expected life of fabricated poultry sheds was up to 10-years. During this period, beneficiaries were supposed to place 250 fertile eggs in government hatcheries, allowing them to produce fresh flock for next years. It would have made the project auto sustainable. However, as per survey, out of 77 respondents, 53 responded that they were availing hatchery facility provided by the department while 20 were unaware of the said facility and remaining 4 participants did not respond. On inquiry, the staff stated that they did not contact the beneficiaries in case they failed to avail the said facility. Thus, Audit sensitized the management to be proactive for obtaining better results and suggested devising a mechanism of coordination between the department and beneficiaries.

4.5 Summary of Discussion with the Management

Regarding the skill development of the beneficiaries, the management informed that training and awareness regarding poultry husbandry are regular work of poultry wing of the department implemented through Deputy Director Poultry Production of the concerned district. They further maintained that the beneficiaries were provided guidance regarding husbandry skills and were encouraged to join training programs offered by the Deputy Director Poultry Production Larkano.

Audit emphasized upon the importance of the skill development of the beneficiaries which can lead to greater impact and overall success of the intervention.

The management informed that high-yielding breeds have not yet been introduced to the field as these breeds typically require an extensive period (even generations) to adjust when introduced to new environments. As a result, the department is currently maintaining these birds in controlled environments to allow them to adapt gradually. Audit team inquired about the high mortality in these birds. The management replied that the said breeds are exotic poultry breeds and some mortality during acclimatization is not uncommon. Since, it is based on research, therefore, if they are found unfit for distribution in rural masses, then poultry wing will revert to local breeds for distribution and multiplication as they are well adapted to

local climate. Audit emphasized the importance of introducing these high-yielding breeds to the field sooner, as this would enable beneficiaries to reap the benefits and contribute to the long-term sustainability of the project. Audit also suggested to consult with naturalist and researchers to accelerate the acclimatization process.

The management agreed with the suggestions of Audit, focusing on the acclimatization of the breeds to achieve this objective.

The management informed that the causes of higher-than-expected mortality rate in poultry birds were unforeseen disease in the area, climate factors, and nutritional issues. In response, the department has taken steps to ensure regular monitoring of health of the birds, rapid response to disease outbreaks, and educate farmers on the best practices of poultry husbandry, biosecurity etc. Moreover, Audit was told that the department is also encouraging beneficiaries to maintain close contact with the concerned Deputy Director Poultry Production (local). Audit emphasized the importance of providing health care facilities like consultancy, vaccination, and medication to ensure that bird mortality is maintained below 5%.

5 Conclusion

The backyard poultry farming project in district Larkano has improved the lives of its beneficiaries, particularly low-income households and women. The project successfully reduced malnutrition by providing low-cost protein in the form of eggs and improved the standard of living of the target population by creating employment opportunities for them. This impact was reflected in the average monthly income of participants, which increased by approximately Rs. 18,574. With support provided to 185 households, the project successfully integrated modern poultry farming techniques, fostering self-sufficiency among participants. However, the project's full potential has been hindered by shortcomings in skill development, healthcare provisions and monitoring of the project as well as challenges related to the introduction of high producing breeds under local conditions. Therefore, full potential of the intervention would not be realized if the gaps identified by Audit in preceding paragraphs remain unaddressed.

5.1 Recommendations

Audit recommends to:

- i. Develop market linkages in order to maximize beneficiaries' profitability
- ii. Ensure regular follow up of the project in order to provide assistance to the beneficiaries
- iii. Invest on the research component of the intervention i.e., the introduction of the high yielding breeds
- iv. Ensure awareness among beneficiaries regarding government hatcheries
- v. Provide the beneficiaries with adequate medical facilities/vaccines
- vi. Develop the skillset of the beneficiaries with modern-day backyard poultry farming practices.

6 References

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4. https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Pakistan_Acute_Malnutrition_2021Apr2022Feb_Report.pdf
5. <https://www.dawn.com/news/1232897>

MEMORANDUM FOR DEPARTMENTAL ACCOUNTS COMMITTEE (MfDAC)

Annex-A

Sr. #	Name of Department & Observation	Nature of Irregularity
1	Agriculture Supply & Prices Department	
1	Irregular payment to other service rendered – Rs 42.156 million	HR Related
2	Irregular payment of arrears / adjustment of pay & allowances – Rs 10.887 million	HR Related
3	Opening of ID with changed master data in numbers of CNIC – Rs 0.558 million	HR Related
4	Injudicious allowing 26 (Twenty-six) employees to work at other offices	HR Related
5	Non-appointment of Key Staff and consultants	HR Related
6	Unjustified award of work to contractors – Rs 1,299.999 million	Procurement related
7	Doubtful expenditure on Modern Cool Chain System – Rs 1,287.155 million	Procurement related
8	Irregular expenditure on establishment of farmers field schools at various districts – Rs 63.275 million	Procurement related
9	Irregular expenditure on construction of storage of water tanks – Rs 21.219 million	Procurement related
10	Irregular expenditure on installation of DRIP Irrigation and solar system – Rs 19.700 million	Procurement related
11	Irregular expenditure on establishment of laboratory – Rs 18.999 million	Procurement related
12	Irregular procurement of Engine Oil (100%) from general order supplier – Rs 16.155 million	Procurement related
13	Irregular expenditure on procurement of Diesel Generators – Rs 12.858 million	Procurement related
14	Irregular expenditure on account of advertising & publicity – Rs 11.604 million	Procurement related
15	Irregular expenditure on account of water reservoirs – Rs 9.000 million	Procurement related
16	Construction of watercourses without provision of culverts despite inclusion in design and cost estimate – Rs 5.520 million	Procurement related
17	Irregular expenditure of POL on irrelevant vehicles – Rs 3.414 million	Procurement related
18	Un-authorized expenditure on account of POL/repair of transport – Rs 3.068 million	Procurement related
19	Unauthorized payment to various individuals/officials for purchases – Rs 1.760 million	Procurement related

Sr. #	Name of Department & Observation	Nature of Irregularity
20	Improper maintenance of periodical maintenance record of bulldozers – Rs 16.155 million	Others
21	Non-supervision of agricultural products in the markets	Others
22	Doubtful expenditure on M&R work – Rs 2.186 million	Procurement related
23	Suspicious expenditure on account of Shields for Scientists – Rs 0.579 million	Procurement related
24	Irregular payment of pay without sanctioned strength – Rs 36.844 million	HR Related
25	Non-conducting survey of watercourses in the additional lining project – Rs 71.459 million	Others
26	Irregular expenditure on demonstration of kitchen gardening – Rs 64.385 million	Procurement related
27	Excess expenditure incurred over revalidated funds – Rs 60.511 million	Management of Account
28	Irregular expenditure on rehabilitation of watercourses – Rs 59.858 million	Others
29	Doubtful supply of construction material of watercourses in Sindh – Rs 58.490 million	Others
30	Splitting up of expenditure – Rs 46.042 million	Procurement related
31	Irregular expenditure on account of POL – Rs 54.989 million	Procurement related
32	Irregular purchase of material for civil work – Rs 7.320 million	Procurement related
33	Irregular payment of previous years' liability – Rs 3.800 million	Management of Account
34	Irregular payment through DDO account – Rs 2.702 million	Others
35	Irregular expenditure without classification of accounts – Rs 156.892 million	Others
36	Non-preparation of PC-IV & PC-V of project completion	Others
37	Irregular appointment of advisor, specialist and Data entry operator – Rs 19.217 million	HR Related
38	Unjustified direct payment of Sindh Sales Tax – Rs 161.584 million	Others
39	Irregular expenditure without supporting vouchers – Rs 1.654 million	Others
40	Irregular drawl of salary without sanctioned posts in budget book – Rs 2.035 million	HR Related
41	Non-appointing of technical / non-technical staff despite having vacant posts	HR Related
42	Non-updating of CNIC in SAP Master File	HR Related
43	Purchase of stores without procurement plan Rs 3.748 million	Procurement related
44	Irregular procurement without inspection committee – Rs 1.709 million	Procurement related
45	Irregular expenditure incurred due to non-maintenance of consumption account - Rs 25.773 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
46	Non-framing of contract agreement with government contractor – Rs 13.380 million	Others
47	Non-receipt of fertilizer, pesticides and allied items Rs 11.488 million	Others
48	Misclassification of expenditure – Rs 8.512 million	Others
49	Non-reconciliation of government revenue – Rs 1.866 million	Others
50	Irregular expenditure of Rs 5.902 million	Others
51	Less collection of revenue on account of sale of wheat - Rs 4.772 million	Others
52	Un-justified expenditure incurred on various activities under the head of a/c Exhibition Fairs & other National celebrations - Rs 4.378 million	Others
53	Variances between Departmental and SAP Expenditure Report-Rs 3.819 million	Others
54	Unjustified expenditure on account of Rent of Building without rent assessment Rs 3.052 million	Others
55	Purchase of Others Store without procurement plan and comparative market rates-Rs 2.933 million	Others
56	Un-justified expenditure on account of agriculture items without utilization reports -Rs 2.686 million	Others
57	Non-conducting of internal inspection of stores - Rs 2.000 million	Others
58	Irregular expenditure on training - Rs 1.243 million	Others
59	Unjustified expenditure under the head of other miscellaneous - Rs 0.901 million	Others
60	Excess expenditure beyond the allocated budget specified in PC-I – Rs 0.647 million	Others
61	Irregular repair of vehicles in violation of SPPRA rules-Rs 0.523 million	Others
62	Non-recovery of outstanding dues on account of motorcycles – Rs 0.365 million	Others
63	Doubtful expenditure on repair of transport -Rs 0.272 million	Others
64	Submission of incomplete Survey Report by the Crop Reporter	Others
65	Doubts regarding authenticity in supply of District-wise Land Utilization Statistical Data	Others
66	Irregular allotment of agricultural land to private farmers	Others
67	Irregular payment of inadmissible allowances – Rs 11.498 million	HR Related
68	Unjustified expenditure on installation and providing subsidized items – Rs 3,258.849 million	Others
69	Non-accountal of procured items in relevant books of accounts – Rs 26.980 million	Others
70	Non-reconciliation of receipts - Rs 20.450 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
71	Doubtful expenditure through general vendors – Rs 44.934 million	Others
72	Doubtful procurement of POL – Rs 1.133 million	Others
73	Variation of estimates of cotton & rice crop	Others
74	Illegal occupation of 21 bungalows/quarters	Others
75	Irrational fixation of reserve price of fruit farms for auction – Rs 92.519 million	Procurement related
76	Irregular award of work to 3 rd lowest bidder – Rs 22.359 million	Procurement related
77	Non-invitation of open tenders – Rs 129.923 million	Procurement related
78	Expenditure in excess of approved rates in PC-I – Rs 56.790 million	Others
79	Unjustified inclusion of regular operational cost in development scheme – Rs 9.119 million	Others
80	Excess payment due to allowing excess / higher rate for Demonstration of farmers – Rs 1.580 million	Others
2	Auqaf, Religious Affairs & Zakat & Ushr Department	
1	Non-maintenance of fixed asset register - Rs 8.496 million	Others
2	Non-maintenance of Security Deposit record – Rs 69.660 million	Others
3	Non-production of auditable record	Non-Production
4	Irregular drawl of adjustment / arrear of pay bill – Rs 1.133 million	HR Related
5	Unauthorized expenditure on M/R work and purchases – Rs 4.350 million	Procurement related
6	Expenditure by way of splitting to avoid invitation of tenders – Rs 2.555 million	Procurement related
7	Irregular expenditure on M&R work of various Dargah – Rs 24.904 million	Procurement related
8	Irregular award of work without obtaining earnest money – Rs 2.841 million	Procurement related
9	Loss to government due to non-imposition of penalty on contractors – Rs 1.566 million	Others
10	Irregular award of work without obtaining PEC certificate – Rs 61.754 million	Others
11	Irregular payment of inadmissible allowances -Rs .0.356 million	HR Related
12	Non-production of auditable record	NPR
13	Unsatisfactory performance on implementation of various schemes	Others
14	Less recovery from auction of various services – Rs 36.739 million	Others
3	Board of Revenue	
1	Irregular payment of honorarium – Rs 7.393 million	HR Related
2	Irregular expenditure on hiring of contract & contingent paid staff- Rs 107.915 million	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
3	Un-authorized cash withdrawal from bank account – Rs 0.033 million	Management of Account
4	Irregular payment on account of financial assistance – Rs 103.500 million	Others
5	Non-reconciliation of revenue receipts – Rs 1.701 million	Others
6	Unauthorized appointment of legal advisors/counsel – Rs 7.835 million	HR Related
7	Irregular payment against supply of printers not as per required specifications – Rs 5.298 million	Procurement related
8	Non-obtaining of performance security – Rs15.461 million	Others
9	Award of wok beyond the permissible limit of 15% - Rs 4.795 million	Others
10	Non-imposition of penalty due to delay in supply of items – Rs 7.910 million	Others
11	Pendency of land acquisition compensation despite of completion of projects – Rs 12.135 million	Others
12	Irregular payment of arrears of pay & allowances – Rs 3.630 million	HR Related
13	Irregular expenditure on TA/DA – Rs 4.370 million	HR Related
14	Irregular posting of Tapedars in excess of sanctioned strength	HR Related
15	Non maintenance of lease record of land leased/renewed	Others
16	Unjustified payment to Petroleum Service instead of actual vender – Rs 0.200 million	Procurement related
17	Loss of Government revenue due to non-renewal of expired leases in old city area	Others
18	Un-authorized payment of various inadmissible allowances – Rs 0.758 million	HR Related
19	Irregular expenditure on various purchases without codal formalities – Rs 3.557 million	Others
20	Un-authorized expenditure on medical reimbursement for employees of other offices – Rs 0.249 million	HR Related
21	Unauthorized expenditure on vehicles of other offices – Rs 0.748 million	Others
22	Unjustified drawl of salary without sanctioned posts – Rs 0.421 million	HR Related
23	Un-authorized payment of various inadmissible allowances – Rs 102.544 million	HR Related
24	Irregular expenditure without supporting vouchers – Rs 36.070 million	Others
25	Unauthorized disbursement of pay after retirement – Rs 1.086 million	HR Related
26	Non/Less deduction of various taxes – Rs 0.062 million	Others
27	Missing of government vehicle – Rs 3.499 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
4	Chief Minister Secretariat	
1	Unjustified Expenditure on the Appointment of Employees Rs 5.683 million	HR Related
2	Irregular expenditure on project steering Unit against the value for money Rs 3.612 million.	Others
5	College Education Department	
1	Fraudulent payment was made to M/s Lakhvi Enterprises – Rs 0.072 million	Others
2	Irregular drawl of salary without sanctioned posts – Rs 3.251 million	HR Related
3	Excess expenditure on Lubricants – Rs 0.537 million	Procurement related
4	Non establishment of mechanism for recovery of undisbursed amount of scholarship from institutions – Rs 1,117.027 million	Others
5	Irregular release of Endowment Fund to the Cadet Colleges – Rs 550.000 million	Others
6	Non maintenance of cash book – Rs 14.66 million	Others
7	Abnormal delay in disbursement of scholarship to the students – Rs 5.174 million	Others
8	Doubtful payment to unregistered vendors – Rs 5.091 million	Others
9	Non establishment of Monitoring, Evaluation and Quality assurance Fund – Rs 2.237 million	Others
10	Irregular award of tender of canteen – Rs 0.432 million	Procurement related
11	Failure of management due to non-providing of basic facilities/ amenities for students	Others
12	Non-furnishing of annual audit & activity reports of preceding years	Others
13	Non-compliance with last three years Audit & inspection Reports	Others
14	Non-crediting of Government revenue – Rs 0.081 million	Others
15	Irregular payment of arrears/adjustment of pay & allowances 24.149	HR Related
16	Violation of SPPRA directives during procurement process of furniture – Rs 162.565	Procurement related
17	Non-obtaining of performance security – Rs 17.75	Others
18	Irregular expenditure on account of capacity building - Rs 34.88	Others
19	Irregular investment without obtaining competitive rates from commercial institutions - Rs 3000	Procurement related
20	Undue favour by way of procurement from single supplier under various heads - Rs 3.81	Procurement related
21	Irregular disbursement of SEEF scholarship to the student – Rs 1117.02	Value of Money

Sr. #	Name of Department & Observation	Nature of Irregularity
22	Imprudent decision by awarding high amount of scholarship to the high rank institutions – Rs 423.991	Others
23	Irregular Expenditure from Non-Government Funds – Rs 9.553	Others
24	Un-justified release of fund to the D.G and Regional Directors for Co-curricular activities for 6 th Sindh games – Rs 8.031	Others
25	Non-implementation of 10% free ship policy by the registration authority	Others
26	Non-production of various auditable Record – Rs 0.925 million	Non Production
27	Irregular appointment of Contract Staff – Rs 5.125 million	HR Related
28	Non-adjustment of advance/loans – Rs 4.641 million	HR Related
29	Irregular payment of Conveyance Allowance to officers/officials residing within college premises – Rs 3.734million	HR Related
30	Irregular payment to employees on account of Bonus – Rs 3.595 million	HR Related
31	Irregular payment on account of inadmissible allowances – Rs 1.098 million	HR Related
32	Undue favor to supplier having less works execution experience for awarding work costing – Rs 41.500 million	Procurement related
33	Undue favor by way of majority of procurement from single supplier under the various heads – Rs 10.612 million	Procurement related
34	Non-imposition of Penalty on contractors for delay in work completion Rs 7.567 million	Procurement related
35	Excess execution of Quantity of item of works Rs 5.037 million	Others
36	Excess consumption of Steel - Rs 4.028 million	Others
37	Unjustified expenditure under the head of cost of Other store – Rs 3.136 million	Others
38	Non-adjustment of advances against contractors – Rs 2.810 million	Others
39	Non-execution of item of works Rs 1.949 million	Others
40	Non-investment of funds for obtaining maximum profit rate - Rs 350.00 million	Others
41	Outstanding recovery of cost of books – Rs 0.393 million	Others
42	Irregular utilization of Grant-in-Aid – Rs 150.50 million	Others
43	Irregular expenditure on repair work – Rs 0.757 million	Others
44	Unauthorized payment without budget allocation – Rs 0.630 million	Others
45	Irregular and unjustified appointment of lecturers without mandatory qualification – Rs 3.600 million	Others
46	Un-authorized salary drawn without sanctioned posts – Rs 2.157 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
47	Irregular and unjustified appointment of librarian (BPS-17) on domicile of other province - Rs 0.900 million	Others
48	Poor performance of Regional Directorate of Colleges	Others
49	Injustice and violation of Sindh Civil Servants Rules due to appointment on contract and regularizing services of Bursar in lower grade (BPS-17) against the sanction Post of BPS-18	Others
50	Irregular appointment of lecturers without competitive process through third party	Others
51	Undue favor by way of majority of procurement from single supplier under the various heads – Rs 6.753 million	Others
52	Irregular expenditure by splitting up – Rs 2.251 million	Others
53	Loss of Government assets due to floods 2022 – Rs 9.110 million	Others
54	Loss to Govt. due to closed canteen – Rs 0.900 million	Others
55	Non-recovery of interest on mobilization advance – Rs 1.013 million	Others
56	Overpayment made on account of house rent allowance – Rs 0.664 million	Others
57	Irregular transfer of funds – Rs 26.800 million	Others
58	Irregular drawl of cash by employee instead of payment to actual payees – Rs 0.544 million	Others
59	Irregular receipt of recovery of pay – Rs 0.125 million	Others
60	Unjustified posting criteria in College for Efficient Faculty Allocation	Others
61	Misclassification of expenditure – Rs 0.253 million	Others
62	Non-recovery of pay & allowances – Rs 0.963 million	HR Related
63	Unauthorized payment of inadmissible allowances – Rs 16.526	HR Related
64	Unjustified posting of lower grade lecturers & Associate Professor on Administrative Posts	HR Related
65	Doubtful procurement of furniture for a single college from two different schemes – Rs 19.204 million	Procurement related
66	Irregular expenditure without supporting vouchers – Rs 13.891 million	Others
67	Doubtful expenditure through student welfare funds - Rs 6.616 million	Others
68	Non-deduction of stamp duty – Rs 0.210 million	Others
69	Unauthorized occupation of government flat	Others
70	Irregular expenditure by split up - Rs 27.81 million	Others
71	Unjustified collection of examination fees despite waived off by government – Rs 1.560 million	Others
72	Deviation from Chief Minister's directives	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
6	Cooperation Department	
1	Loss to government due to purchase of fuel from a long distance – Rs 0.479 million	Procurement related
2	Non preparation of record pertaining to recoveries of loan & arrears of societies	Others
3	Irregular and unjustified placement of a grade-19 private secretary on sanctioned post of grade-17	HR Related
4	Non invitation of open tender under the various heads –	Procurement related
5	Non-deduction of General Sales Tax – Rs 0.603 million	Others
6	Splitting up of expenditure to avoid quotations – Rs 4.975 million	Procurement related
7	Non/Less deduction of government taxes – Rs 0.384 million	Others
7	Culture, Tourism & Antiquities Department	
1	Irregular appointment against irrelevant CNIC of - Rs 3.642 million	HR Related
2	Irregular expenditure on pay and allowances - Rs 0.559 million	HR Related
3	Irregular expenditure of “payment to other service rendered” – Rs14.800 million	Others
4	Unjustified payment of grant-in-aid –Rs 14.000 million	Others
5	Unjustified payment to various artists - Rs 8.817 million	Others
6	Irregular expenditure incurred on repair of Building – Rs 2.254 million	Others
7	Failure to maintain crucial record	Others
8	Irregular payment of arrears/adjustments of pay & allowances-Rs0.153 million	HR Related
9	Irregular expenditure on account of various Purchases – Rs 0.184 million	Procurement related
10	Non-maintenance of record relating to physical assets Rs 41.925 million	Others
11	Doubtful expenditure through handmade document - Rs 3.032 million	Others
12	Un-authorized expenditure from grant in aid Rs 2.451 million	Others
13	Fictitious payment of traveling & accommodation charges – Rs 2.130 million	Others
14	Unauthorized payment of loan to various employees – Rs 2.566 million	HR Related
15	Irregular investment of endowment funds without open competition – Rs 151.021 million	HR Related
16	Non-achievement of competitive rates due to non-invitation of open tender – Rs 1.106 million	Procurement related
17	Irregular expenditure without codal formalities and other documents – Rs21.000 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
18	Non-completion of development work – Rs 185.008 million	Others
19	Non verification of call deposit and performance securities in violation of SPPRA rules – Rs 10.056 million	Others
20	Non reconciliation of the revenue and other receipts collected amounting - Rs 5.839 million.	Others
21	Unjustified cash payment – Rs 5.566 million	Others
22	Suspicious payment on development works – Rs 4.325 million	Others
23	Un-justified payment made on account of various events – Rs 3.819 million	Others
24	Loss to Sindhi Language Authority due to payment of withholding tax and FED despite having Free Tax Number (FTN) – Rs2.899 million	Others
25	Irregular and unjustified appointment of Secretary Rs 2.046 million	HR Related
26	Irregular investment of endowment funds without open competition Rs 151.021 million	Procurement related
27	Loss to government due to non-deduction of GST - Rs 0.122 million	Others
28	Irregular expenditure on other services rendered - Rs 1.480 million	Others
29	Irregular appointment against irrelevant CNIC - Rs 3.642 million	HR Related
30	Irregular payment of arrears/adjustments of pay & allowances – Rs 0.153 million	HR Related
31	Irregular expenditure on account of various Purchases – Rs 0.184 million	Procurement related
32	Irregular payment on account of Grant-in-Aid without any criteria / TOR– Rs 21.00 million	Others
33	Failure to maintain crucial record	Others
34	Irregular appointment of Secretary – Rs 2.046 million	HR Related
35	Loss to Authority due to payment of withholding tax despite having Free Tax Number (FTN) – Rs 2.898 million	Others
36	Unauthorized retention of Government money in DDO Account – Rs 2.051 million	Others
37	Un-authorized purchase of luxury vehicle from Grant in aid - Rs 5.475 million	Others
38	Unjustified change in cadre from stenographer to administrative officer – Rs 1.746 million	HR Related
39	Unjustified debit of grant in aid for remuneration into DDO accounts – Rs 3.000 million	Others
8	Department of Empowerment of People with Disabilities	
1	Expenditure without open tender – Rs 1.858 million	Procurement related
2	Unjustified payment of Stipend Rs 51.876 million	Others
3	Irregular expenditure on purchase of various articles Rs 9.387 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
4	Irregular expenditure on printing & stationery charges Rs 9.338 million	Others
5	Irregular expenditure on repair work Rs 8.228 million	Others
6	Expenditure without open tender – Rs 5.032 million	Procurement related
7	Irregular expenditure on feeding charges/dietary items – Rs 11.525 million	Others
8	Irregular working of employees on “Assign to work” basis – Rs 4.399 million	Others
9	Suspicious procurement on computer generated invoices – Rs 9.064 million	Procurement related
10	Irregular expenditure on various purchases – Rs 7.062 million	Others
11	Irregular drawl of inadmissible allowances – Rs 63.019 million	HR Related
12	Unjustified purchases & repair from single supplier – Rs 30.771 million	Others
9	Energy Department	
1	Unjustified payment to contingent paid staff - Rs 8.856 million	HR Related
2	Irregular payment of arrears/adjustment of pay & allowances – Rs 3.464 million	HR Related
3	Un-authorized salary drawn without sanctioned posts – Rs 2.874 million	HR Related
4	Irregular fixation of pay – Rs 0.329 million	HR Related
5	Non-disposal of Complaint lodged by employees of Sindh Coal Authority	HR Related
6	Unauthentic expenditure on purchase of POL for Pool vehicles – Rs 6.134 million	Procurement related
7	Irregular execution of repair work – Rs 5.016 million	Procurement related
8	Irregular expenditure on purchase of furniture – Rs 3.962 million	Procurement related
9	Irregular expenditure incurred on account of repair of transport – Rs 12.003 million	Procurement related
10	Irregular expenditure on repair of hardware – Rs 3.637 million	Procurement related
11	Irregular expenditure on repair of furniture and fixture – Rs 3.244 million	Procurement related
12	Unjustified expenditure on installation of 20.5 Kw solar system at DHQ Sujawal besides already installed solar system in 2018 – Rs 8.537 million	Procurement related
13	Undue favor to contractor due to non-mentioning of penalty clause in contract agreement	Procurement related
14	Irregular expenditure from revenue of site office, Mithi – Rs 8.121 million	Others
15	Non-provision of Computerized Payment Receipts (CPRs) for crediting of Taxes – Rs 7.103 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
16	Unauthorized Nomination of Co-signatory in Sindh Coal Authority	Others
17	Irregular expenditure under Pre-investment Study “Coal to Gas, Coal to Liquid and Urea” – Rs 2.498 million	Others
18	Un-authorized allotment of government vehicles by outsiders/Ex officer including repair of vehicles – Rs 1.453 million	Others
19	Non-Disclosure of Production Bonus, Social Welfare Contributions, and Marine Research Fund Details and Royalty shares	Others
20	Granting of licensing / renewals by the federal government without provincial government consultation	Others
21	Non-Cancellation of contract due to delayed work - Rs 59.425 million	Procurement related
22	Non-imposition of penalty due to non-completion of work within stipulated time – Rs14.302 million	Others
23	Non recovery of stamp duty – Rs 0.182 million	Others
24	Irregular payment to K-Electric without AMR meters – Rs 26,868.402 million	Others
25	Utilization of budget without reconstitution of the Governing Body – Rs 124.362 million	Others
26	Irregular payment of previous year liabilities – Rs 1.423 million	Others
27	Expenditure without inviting open tender – Rs 12.770 million	Procurement related
28	Irregular payment of inadmissible allowances – Rs 3.607 million	HR Related
29	Unjustified payments of various expenses through DDO account – Rs 1.981 million	Others
30	Unknown credit & debit transactions in bank account titled “Director Alternative Energy Fund” – Rs 46.982 million	Others
31	Non-recovery of stamp duty – Rs 0.031 million	
10	Excise & Taxation Department	
1	Non conducted of inspection of Security featured Retro Reflective number plates	Services
2	Non-maintenance of cash book – Rs 833.863 million	Others
3	Non-initiation of action against the contractor – Rs 105.92 million	Others
4	Irregular expenditure on account of POL charges – Rs 6.965 million	Others
5	Non-obtaining of performance guarantee - Rs 30.486 million	Others
6	Non-functionality of the office	Others
7	Non clearance of backlog of Security featured Retro Reflective number plates of No. 1,296,395 pairs	Others
8	Excess payment of inadmissible allowances – Rs 0.051 million	HR Related
9	Un-justified collection of receipt under the head “Miscellaneous” – Rs 541.027 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
10	Undue retention of amount in bank account – Rs 0.455 million	Others
11	Loss to Government due to award of work on higher rates – Rs 22.000 million	Procurement related
11	Finance Department	
1	Non-maintenance / Updating of supporting record of employees – Rs 19.687 million	HR Related
2	Non-conducting post audit of pension payments	Others
3	Non-reconciliation of figures – Rs 33,606.561 million	Others
4	Allowing unauthorized expenditure without budget allocation – Rs 7.170 million	Management of Account
5	Irregular payment of leave encashment – Rs 1,942.587 million	HR Related
6	Unjustified upgradation/ re-designation of IT cadre posts against approved policy – Rs 1.013 million	HR Related
7	Issuance of multiple vendor numbers to individual employee/contractor and two bank account numbers to a single employee – Rs 94.254 million	HR Related
8	Irregular expenditure without supporting document – Rs 1,153.624 million	Others
9	Non-conducting post audit of payments – Rs 9218.559 million	Others
10	Non-Recovery of funds from pensioner's dormant account – Rs 5.988 million	Others
11	Non-Compliance with Guidelines for SNE: Unverified Release of Funds for Vehicle Procurement – Rs 3,632.825 million	Procurement related
12	Irregular Procurement of papers from A03970 instead of charging A03901 – Rs 22.110 million	Procurement related
13	Recovery of un-justified payment of special pay without entitlement – Rs 0.631 million	Others
14	Non-affixation of stamps on agreement – Rs 0.088 million	Procurement related
15	Unjustified Payment of Medical Reimbursement Charges despite Payment to United Insurance Company – Rs 26.850 million	HR Related
16	Payment of previous year's liability from current year budget – Rs 4.989 million	Others
17	Unjustified abolishment and re-creation of positions in demand No. SC21104	Others
18	Delay in processing the disciplinary proceedings to favor the employees	HR Related
19	Irregular & Unjustified nomination of the Project Director	Others
20	Accumulation of Profit without defined utilization procedures – Rs 178.022 million	Others
21	Un-authorized payment without approval of competent authority - Rs 261.611 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
22	Irregular allowing payments without observing codal formalities - Rs 80.354 million	Others
23	Irregular payment for others services rendered – Rs 210.900 million	Others
24	Irregular payment on pre-receipted bill without obtaining detail accounts – Rs 54.000 million	Others
25	Irregular payments against approved central rate contract – Rs 20.128 million	Others
26	Non-deduction/affixing of stamp duty – Rs 0.810 million	Procurement related
27	Unjustified payment from irrelevant cost centers – Rs 611.541 million	Others
28	Excess payment against budget release – Rs 552.178 million	Others
29	Irregular allowing payments without observing codal formalities – Rs 80.354 million	Others
30	Irregular payment for others services rendered – Rs 210.900 million	Others
31	Allowing irregular payment to single vendor – Rs 92.256 million	Others
32	Irregular payments against approved central rate contract – Rs 20.128 million	Others
33	Non-deduction/affixing of stamp duty – Rs 0.810 million	Others
34	Payment of medical re-imbursement without documentations – Rs 27.981 million	Others
35	Non-preparation of monthly pensioners report	Others
36	Irregular payment of arrears of pension – Rs 43.050 million	HR Related
37	Un-authorized payment of inadmissible allowances – Rs 1,779.318 million	HR Related
12	Food Department	
1	Irregular adjustment of payment of arrears – Rs 0.400 million	HR Related
2	Non-maintenance of cash book-Rs 4.556 million	Others
3	Doubtful expenditure on Repair of Transport of Rs 1.008 million	Others
4	Unjustified working of staff in other districts Rs 19.731 million	HR Related
5	Un-authorized/Irregular payment of pay & allowances Rs 6.250 million	HR Related
6	Non-obtaining of performance security from the contractor Rs 20.497 million	Procurement related
7	Mis procurement through tender Rs 4.982 million	Procurement related
8	Irregular expenditure by way of split up to avoid tender Rs 1.730 million	Others
9	Recovery of Penalty upon suppliers on delayed supplies of Rs 0.577 million	Others
10	Wheat lying in open space/Sky – Rs 13,404.676 million	Others
11	Non-conducting fumigation of wheat stocks – Rs 4,440.409 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
12	Unjustified storing of government wheat in private bardana – Rs 177.700 million	Others
13	Suspicious distribution of wheat for Ramzan Relief Package – Rs 15.000 million	Others
13	Forest and Wildlife Department	
1	Un-justified payment of arrears/adjustment on account of pay & allowances – Rs 1.904 million	HR Related
2	Irregular payment of honorarium above one basic pay – Rs 0.679 million	HR Related
3	Irregular promotion of junior clerk – Rs 0.296 million	HR Related
4	Un-authorized drawl of inadmissible allowances – Rs 0.157 million	HR Related
5	Irregular payment of conveyance charges – Rs 0.135 million	HR Related
6	Non-delivery of others and stationary material – Rs 2.381 million	Others
7	Irregular expenditure on account of purchase of feeding diet food – Rs2.099 million	Procurement related
8	Non-reconciliation of receipts challan – Rs 11.292 million	Others
9	Non surrender of savings within time – Rs 7.314 million	Others
10	Suspicious booking of receipts in the cost center – Rs 79,258	Others
11	Non-accountal of procured items in relevant books of accounts – Rs 4.645 million	Others
12	Irregular expenditure under the head of other miscellaneous – Rs 2.458 million	Others
13	Irregular expenditure on account of repair of furniture & fixture – Rs 0.868 million	Others
14	Irregular expenditure without supporting vouchers – Rs 0.472 million	Others
15	Suspicious expenditure on account of wall clocks – Rs 0.095 million	Others
16	Excess payment to the vendor – Rs 0.041 million	Others
17	Non-maintenance of Cash Book	Others
18	Suspicious registration of vehicles in the names of other departments / institutions	Others
19	Ignorance of management towards the issues pointed out by audit	Others
20	Irregular payments by way of split up of expenditure – Rs 3.679 million	Procurement related
21	Non-disclosing source of revenue reflecting in bank statement – Rs 71.292 million	Management of Account
22	Illegal allotment of forest land 996.6 acres by revenue department	Others
23	Illegal payments to employees of other projects – Rs 2.749 million	HR Related
24	Undue favour to award hunting permission to the vendors who did not participate in auction – Rs 38.235 million	Procurement related

Sr. #	Name of Department & Observation	Nature of Irregularity
25	Non-recovery of government taxes – Rs 0.354 million	Others
26	Short / less credit of revenue into government account – Rs 0.330 million	Others
27	Expenditure without inviting open tender – Rs 2.300 million	Procurement related
28	Unjustified expenditure on maintenance of Vacated Riverine Areas – Rs 7.302 million	Others
29	Non-verification of income tax payments – Rs 1.599 million	Others
30	Unjustified expenditure without provision in PC-I – Rs 1.400 million	Others
31	Unjustified expenditure on purchase of physical assets – Rs 1.150 million	Procurement related
32	Non-recovery of GST from suppliers – Rs 0.126 million	Others
14	Health Department	
1	Irregular hiring of staff through third party – Rs 343.292 million	HR Related
2	Irregular payment of salaries – Rs 235.435 million	HR Related
3	Unjustified payment of salary to contractual employees appointed – Rs 51.340 million	HR Related
4	Loss to Government due to withdrawal of salaries by idle staff – Rs 16.777 million	HR Related
5	Non-action taken against promotion/change of nomenclature of officials	HR Related
6	Irrational promotion of retired officer of the Health Department	HR Related
7	Un-authorized issuance of supply orders – Rs 1,367.583 million	Others
8	Non-disposal of pending cases of Financial Assistance & Medical Reimbursement – Rs 801.039 million	Others
9	Irregular payments by way of transgression of financial powers – Rs 204.887 million	Others
10	Undue favor to single supplier – Rs 85.899 million	Others
11	Doubtful excess utilization of medical gas than procured quantity – Rs 22.049 million	Others
12	Doubtful expenditure on account of POL – Rs 12.755 million	Others
13	Irregular refund of security deposit – Rs 7.402 million	Others
14	Irregular expenditure incurred on purchase of POL – Rs 4.584 million	Others
15	Purchase of medicine by claiming same invoice twice – Rs 0.260 million	Others
16	Negligence despite widespread reports of theft, expired medicine, absenteeism Doctors, harassment, and compromised polio vaccine	Others
17	Undue favor to unregistered companies	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
18	Unjustified payment of annual increment to contract employees Rs 416.622 million	HR Related
19	Irregular payment of arrears of pay & allowances Rs 338.61 million	HR Related
20	Irregular expenditure on salary in excess of sanctioned strength Rs 58.81 million	HR Related
12	Unjustified occupancy against single post by two officers 5.809 million	HR Related
22	Recovery of unjustified payment of Pay & Allowances Rs 1.644 million	HR Related
23	Recovery of Honorarium Paid to Officers Rs 0.632 million	HR Related
24	Irregular expenditure without obtaining performance security Rs 134.798 million	Others
25	Non-execution of project activities effectively Rs 25,538.209 million	Others
26	Non-observance of government rule for procurement through CPC Rs 19,807.1 million	Others
27	Irregular award of work without site preparation / land study Rs 6,053.77 million	Others
28	Inappropriate procurement process of medicines through CRC million 3,399.829 million	Others
29	Unauthorized transfer of funds from development scheme 1300	Others
30	Non-investment of government funds Rs 817.645 million	Others
31	Irregular local purchase of medicines Rs 733.75 million	Others
32	Recovery of mobilization advance Rs 571.726 million	Others
33	Irregular expenditure on payment of previous year's liability Rs 564.479 million	Management of Account
34	Irregular payment on pre-receipted bills Rs 520 million	Others
35	Irregular expenditure without supporting vouchers Rs 516.653 million	Others
36	Irregular re-appropriation of funds Rs 347.55 million	Others
37	Non-imposition of penalty for delay in contract completion Rs 302.688 million	Others
38	Unauthorized investment from retention money Rs 200.000 million	Others
39	Variation between SAP data & expenditure statement Rs 195.570 million	Others
40	Irregular payment on hiring of janitorial services Rs 67.450 million	Others
41	Irregular hiring of security service Rs 61.879 million	Others
42	Unauthenticated expenditure from FEC Rs 53.062 million	Others
43	Irrational procurement of ten vehicles Rs 41.936 million	Others
44	Unjustified reimbursement of payment of taxes Rs 28.921 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
45	Unauthorized procurement of medicines from unapproved suppliers Rs 22.247 million	Others
46	Unjustified expenditure on diet for excess admission of Patients Rs 18.284 million	Others
47	Misuse of POL by recording fictitious journeys in the logbook Rs 16.238 million	Others
48	Non-disclosure of Income/Revenue in Annual Account Rs 12.496 million	Others
49	Doubtful recovery of MRI and CT Scan Charges in cash Rs 12.244 million	Others
50	Non-obtaining of discount on purchase of medicines Rs 10.694 million	Others
51	Un-authorized allotment of vehicles without entitlement Rs 6.611 million	Others
52	Short receipt of material at various districts dispatched from store Rs 6.111 million	Others
53	Irregular purchase of same medicines on different rates Rs 4.356 million	Others
54	Excess payment due to short delivery of medicines Rs 2.016 million	Others
55	Variation in figures between payment of stipend and list of students Rs 1.759 million	Others
56	Non-imposition of penalty - US\$ 1.915 million	Others
57	Irregular payment of supply of equipment without letter of credit - US\$ 6.048 million	Others
58	Non-revision of performance security - US\$ 1.092 million	Others
59	Variation in financial statements - US\$ 0.255 million	Others
60	Irregular expenditure on imparting trainings - US\$ 0.589 million	Others
61	Unauthorized allotment of vehicles and drawl of fuel on vehicles – Rs 1.062 million	HR Related
62	Doubtful expenditure incurred under the head of others Rs 3.465 million	Others
63	Questionable expenditure on machinery without actual procurement –Rs 1.822 million	Procurement related
64	Irregular hiring of janitorial services – Rs 38.683 million	Procurement related
65	Irregular payment made to visiting faculty – Rs 25.182 million	Others
66	Irregular hiring of security services – Rs 21.850 million	Procurement related
67	Unjustified drawl of salaries without sanctioned posts – Rs 15.659 million	HR Related
68	Unjustified payment of pay & allowance against the post Rs 4.422 million	HR Related
69	Un-authorized allotment of Govt. accommodation to the incumbent	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
70	Irregular expenditure without joint inspection report – Rs 796.805 million	Others
71	Non-invitation of tenders – Rs 150.613 million	Procurement related
72	Non-obtaining of approvals for M&R Work – Rs 73.963 million	Others
73	Expenditure on various heads by engaging single vendor / supplier – Rs 11.836 million	Others
74	Unauthorized termination / cancellation of awarded contracts – Rs 50.836 million	Others
75	Irregular execution of works – Rs 38.248 million	Others
76	Procurement of medicines in excess of prescribed limit of local purchase – Rs 13.911 million	Procurement related
77	Non-obtaining of discount on purchase of medicines – Rs 9.913 million	Procurement related
78	Loss on purchase of uniforms & medicines at higher rates – Rs 1.942 million	Procurement related
79	Un-authorized retention of funds into DDO account – Rs 0.744 million	Management of Account
80	Non-rectification of deficiencies with respect to implementation of Pakistan Nursing Council decision	Others
81	Irregular expenditure on various repairs – Rs 285.540 million	Others
82	Irregular purchase of Medical Oxygen Gas – Rs 183.060 million	Procurement related
83	Unauthorized creation of liability – Rs 129.739 million	Others
84	Irregular expenditure on POL – Rs 44.683 million	Procurement related
85	Irregular expenditure on Health insurance – Rs 30.434 million	Others
86	Irregular payment of medical grant – Rs 2.210 million	Others
87	Irregular excess expenditure of pay & allowances – Rs 19.576 million	HR Related
88	Unjustified payment against purchase of equipment without joint inspection-Rs 461.2- million	Procurement related
89	Non-imposition of penalty for delay in contract completion-Rs 302.688 million	Others
90	Unjustified excess allowing of higher rate of supervision consultancy despite single bid Rs 289.775 million	Others
91	Additional payment to contractor after delay in completion –Rs 158.4 million	Others
92	Award of contracts in excess of PC-1 cost – Rs 11.810 million	Others
93	Misuse of POL by recording fictitious journeys in the log book – Rs 16.238 million	Others
94	35. Un-authorized retention of government vehicles (approx.) – Rs 2.000 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
95	36. Excess drawl of salaries over & above Sanctioned strength Rs 13.655 million	HR Related
96	Irregular payment of salaries – Rs 4.678 million	HR Related
97	Irregular payment without drug test & joint inspection reports – Rs 386.962 million	Others
98	Blockage of government funds – Rs 368.646 million	Others
99	Irregular purchase of physical assets – Rs 151.963 million	Procurement related
100	Irregular award of contracts – Rs 144.759 million	Procurement related
101	Previous year's inventory of medicines lying in store – Rs 134.100 million	Management of Account
102	Irregular expenditure on diet – Rs 91.241 million	Others
103	Irregular award of tender against single bid – Rs 45.400 million	Procurement related
104	Irregular purchase of medicines & medical machinery on higher rates – Rs18.557 million	Procurement related
105	Excess procurement of medicines / other items -Rs 13.018 million	Procurement related
106	Irregular purchases from single vendor – Rs 8.191 million	Others
107	Non imposition of penalty – Rs 1.645 million	Others
108	Unauthorized creation of liabilities – Rs 41.829 million	Others
109	Irregular expenditure on others – Rs 14.249 million	Others
110	Irregular expenditure on various repair works – Rs 6.587 million	Others
111	Irregular expenditure on POL – Rs 5.728 million	Procurement related
112	Doubtful payments to irrelevant vendors –Rs 4.124 million	Others
113	Excess expenditure incurred over and above the sanctioned budget – Rs 1.897 million	HR Related
114	Misclassification of expenditure – Rs4.757 million	Others
115	Misclassification of expenditure – Rs 24.676 million	Others
116	Misclassification of expenditure – Rs 368.681 million	Others
117	Non-surrender of savings – Rs 89.959 million	Others
118	Unjustified payment to Staff Nurse already working in Education Department – Rs 0.706 million	HR Related
119	Irregular purchases due to absence / defective conduct of joint inspection – Rs 7,439.885	Procurement related
120	Irregular expenditure on execution of extra items of works – Rs 138.243 million	Others
121	Unjustified payment made to the vendor – Rs 1.700 million	Others
122	Irregular payment of inadmissible allowances – Rs 3,624.825 million	HR Related
123	Irregular appointments against domicile of other provinces – Rs 750.029 million	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
124	Irregular purchases on previous years tenders – Rs 330.821 million	Procurement related
125	Irregular purchase of medicines without drug testing lab report – Rs 9,150.332 million	Others
126	Irregular payment without following codal formalities – Rs 1,927.615 million	Others
127	Unjustified recruitment of employees - Rs 211.322 million	HR Related
128	Loss due to expiry of medicine / consumables – Rs 28.922 million	Others
15	Home Department	
1	Doubtful expenditure on purchases – Rs 0.104 million	Procurement related
2	Irregular payment of arrears of pay & allowances – Rs 315.252 million	HR Related
3	Payment of salaries to employees with CNIC of other province – Rs 146.938 million	HR Related
4	Unjustified payment of salaries – Rs 55.224 million	HR Related
5	Non-updating of date of joining in SAP system – Rs 11.404 million	HR Related
6	Irregular payment of salaries to lower age hired employees – Rs 2.421 million	HR Related
7	Un-authorized deployment of officials with Ex-officers/Politicians	HR Related
8	Unjustified expenditure on purchase of furniture and M&R work – Rs 154.587 million	Procurement related
9	Irregular award of M&R works and payments made to contractors - Rs 94.743 million	Procurement related
10	Poor vigilance of Prison management cause death of prisoners	Others
11	Unjustified expenditure on POL - Rs 672.973 million	Procurement related
12	Non-utilization of released funds – Rs 606.635 million	Others
13	Un-authorized payments of Secret Services Funds without showing utilization – Rs 182.760 million	Others
14	Irregular payment without supporting vouchers – Rs 169.585 million	Others
15	Variation in figures of the revenue collected and in SAP data - Rs 88.355 million	Others
16	Irregular payment on account of compensation - Rs 57.500 million	Others
17	Non-reconciliation of receipt - Rs 22.100 million	Others
18	Irregular lease of government assets	Others
19	Irregular payment of salaries in excess of sanctioned posts – Rs 396.864 million	HR Related
20	Unauthorized excess payment of honorarium – Rs 34.092 million	HR Related
21	Non-recovery of conveyance allowance - Rs 1.971 million	HR Related
22	Non-obtaining of security deposit – Rs 30.594 million	Procurement related
23	Doubtful award of work through tender – Rs 7.750 million	Procurement related

Sr. #	Name of Department & Observation	Nature of Irregularity
24	Irregular payments made to unregistered vendor – Rs 3.192 million	Procurement related
25	Wrongful award of contract for service & maintenance of IBIS system amounting to US\$ 0.314 million	Others
26	Over-crowding of inmates in Central Prison Karachi due to detention over the approved capacity	Others
27	Non-verifiable record of procured vehicles – Rs 1,591.036 million	Others
28	Expenditure incurred beyond operational jurisdiction – Rs297.227 million	Others
29	Mismanagement in maintenance of IBIS System Infrastructure - Rs 173.019 million	Others
30	Irregular payment to committee & non achieving of target for welfare of prisoners – Rs 181.872 million	Others
31	Irregular clearance of liability – Rs 77.264 million	Others
32	Irregular advance payment to vendors - Rs 74.057 million	Others
33	Irregular payment to CPLC - Rs 65.886 million	Others
34	Non-receipt and deposit of receipts collected from rent of shops – Rs 0.756 million	Others
35	Misappropriation in utilization of POL for Local Bodies Election 2022 - Rs 6.828 million	Others
36	Doubtful expenditure due to suspicious vouchers - Rs 4.734 million	Others
37	Doubtful expenditure due to unjustified delay in payment – Rs 3.380 million	Others
38	Doubtful incurrence of expenditure in election duty on feeding charges Rs 2.390 million	Others
39	Irregular payment of salaries in excess of sanctioned posts – Rs 23.847 million	HR Related
40	Non-recovery of conveyance allowance – Rs 6.878 million	HR Related
41	Irregular receipt of recovery of pay (RoP) – Rs 3.841 million	HR Related
42	Irregular payment of pay and allowance to employees availing LPRRs 0.825 million	HR Related
43	Irregular expenditure on procurement from single supplier – Rs 70.069 million	Procurement related
44	Irregular expenditure by splitting up to avoid invitation of open tenders – Rs 44.224 million	Procurement related
45	Non-imposition of penalty for delayed works – Rs 41.805 million	Others
46	Unjustified delay in start of work after issuance of work orders – Rs 40.270 million	Others
47	Irregular expenditure without invitation of open tenders – Rs 38.598 million	Procurement related
48	Irregular award of work through single bid – Rs 37.005 million	Others
49	Unauthorized excess execution of items of work – Rs 18.324 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
50	Irregular payment of secured advances – Rs 17.878 million	Others
51	Un-authorized execution of extra items of works- Rs 17.074 million	Others
52	Award of work for repair of vehicles through constitution of unqualified procurement committee – Rs 8.380 million	Procurement related
53	Irregular payment of difference cost of material in excess / without provision in estimates – Rs 4.520 million	Others
54	Irregular expenditure on account of feeding diet food charges Rs 504.520 million	Others
55	Doubtful expenditure on purchase of POL due to various irregularities- Rs 849.798 million	Procurement related
56	Non-utilization of released funds resulting in non-completion of pending works – Rs 91.879 million	Others
57	Irregular expenditure on account of purchase of ceiling fan – Rs 15.000 million	Procurement related
58	Irregular refund of security deposit without fulfilling codal requirements – Rs 8.229 million	Others
59	Unauthorized clearance of liability of previous year – Rs 5.900 million	Management of Account
60	Unjustified drawl of government funds on abstract bill – Rs 5.887 million	Others
61	Mis-utilization of government funds due to advance payment against 1st running bill at the close of financial year – Rs 5.211 million	Others
62	Irregular payment of mobilization advance – Rs 2.900 million	Others
63	Unjustified procurement from supplier registered with different names Rs2.210 million	Others
64	Irregular expenditure on local purchase of medicines – Rs 1.614 million	Procurement related
65	Irregular payment by misclassification – Rs 0.243 million	Others
66	Incorrect deduction of general sales tax on feeding charges – Rs 0.155 million	Others
67	Unjustified posting/working of staff in excess of sanctioned posts – Rs 107.998 million	HR Related
68	Irregular payment of GP fund permanent advance without fulfilling codal formalities –Rs27.411 million	Others
69	Irregular payment of salary without updating date of appointment/joining – Rs 3.600 million	HR Related
70	Unjustified posting of staff in other districts on detailment basis – Rs 2.700 million	HR Related
71	Unjustified payment on account of pay and allowances to the employee having invalid CNIC Rs 1.499 million	HR Related
72	Un-authorized payment of salary without sanctioned strength – Rs1.142 million	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
73	Non-deduction of house rent allowance & 5% house maintenance charges – Rs0.289 million	HR Related
74	Irregular award of work through single bid – Rs 45.787 million	Others
75	Irregular expenditure on procurement from single supplier – Rs 22.091 million	Others
76	Non-obtaining performance security – Rs 12.102 million	Others
77	Irregular expenditure without inviting open tenders – Rs 4.857 million	Procurement related
78	Irregular expenditure on purchase of medicines – Rs 1.600 million	Procurement related
79	Non-execution of contract agreement resulting in non-recovery of stamp duty – Rs0.056 million	Others
80	Deficiency in Work Completion Certificate - Missing Completion Dates	Others
81	Non-observance of codal formalities for various works – Rs104.636 million	Others
82	Non-reconciliation of revenue receipt – Rs 27.170 million	Others
83	Irregular expenditure on account of feeding diet food charges Rs 13.093 million	Others
84	Irregular payment on account of financial assistance – Rs 8.200 million	HR Related
85	Irregular payment without supporting vouchers – Rs 5.936 million	Others
86	Doubtful drawal of POL on fleet card allotted to SSP Mirpurkhas – Rs 3.915 million	Others
87	Unauthorized drawal of POL on irrelevant vehicles – Rs 2.163 million	Others
88	Doubtful expenditure on account of drapery fabrics clothing and allied material – Rs1.987 million	Others
89	Unauthorized clearance of previous years' liability – Rs 0.981 million	Management of Account
90	Non-reconciliation of revenue receipt – Rs 103.510 million	Others
91	Irregular payment by misclassification – Rs 0.918 million	Others
92	Un-authorized payment of inadmissible allowances – Rs 80.349 million	HR Related
93	Unjustified payment of salary after superannuation – Rs 7.369 million	HR Related
94	Irregular expenditure by splitting to avoid tenders – Rs 53.404 million	Procurement related
16	Human Settlement	
1	Irregular payment of LPR without maintenance of leave account	HR Related
2	Irregular award of work beyond permissible limit of estimate – Rs 16.646 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
3	Establishment of new katchi abadies shows non achievement of departmental objectives	Others
4	Irregular payment of Grant-in-aid without fulfilling codal formalities	Others
5	Unauthorized grant of lease without proof of residence	Others
6	Irregular expenditure on contingent paid staff Rs. 6.536 million	HR Related
7	Irregular payment of advance loan Rs.5.612 million	HR Related
8	Award of works without technical evaluation of bids Rs.55.173 million	Procurement related
9	Irregular investment of government funds Rs.236.7 million	Management of Account
10	Non-imposition of penalty on execution of works Rs.4.78 million	Others
11	Irregular appointment of government employees	HR Related
12	Irregular payment of inadmissible allowance – Rs 0.994 million	HR Related
17	Human Rights Department	
1	Unjustified payment on account of pay & allowances	HR Related
2	Non-posting of officials on vacant posts	HR Related
18	Industries & Commerce Department	
1	Collusive Practice by engaging limited number of vendors Rs 2.203 million	Procurement related
2	Unjustified charging of higher rate of electricity Rs 1.161 million	Others
3	Doubtful expenditure on POL for other vehicles Rs 0.358 million	Procurement related
4	Imprudent practices for procurements of POL Rs 1.543 million	Procurement related
5	Irregular expenditure incurred on account of “Others”.Rs0.297 million	Others
6	Irregular expenditure on account of Stationery, Printing and Publication Rs 0.497 million	Procurement related
7	Irregular payment of rent of office buildings. Rs 26.72 million	Value of Money
8	Expected shortfall of revenue Rs.7.313 million	Others
9	Collusive Practice by engaging limited number of vendors-Rs 2.203 million	Procurement related
19	Information	
1	Less-deduction of income tax Rs.0.024 million	Others
20	Inter Provincial Coordination Department	
1	Irregular payment of house rent allowance – Rs 1.373 million	HR Related
21	Investment Department	
1	Irregular procurement from suspended vendor – Rs 1.732 million	Procurement related
2	Collusive practice resulting in non-transparent expenditure costing-Rs 1.221 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
3	Inefficient use of financial resources—Rs 209.203 million	Others
4	Non-achievement of targets	Others
5	Irregular procurement of physical assets Rs.2.185 million	Procurement related
6	Irregular procurement through splitting Rs.1.803 million	Procurement related
7	Irregular payment of grant-in-aid without following criteria Rs.20 million	Others
8	Doubtful expenditure incurred on account of others Rs. 1.849 million	Others
9	Unjustified payment was allowed on account of electricity charges Rs.1.365 million	Others
10	Irregular expenditure incurred on account of repair & maintenance of transport Rs. 1.363 million	Others
11	Non-obtaining of performance security – Rs 9.651 million	Procurement related
12	Irregular expenditure on hiring of contingent paid staff – Rs 7.188 million	HR Related
22	Labour & Human Resource Department	
1	Irregular payments through DDO account – Rs 0.083 million	Management of Account
2	Unauthorized payment of welfare grant through pay orders instead of transfer in bank accounts of beneficiaries – Rs 803.200 million	Others
3	Doubtful mode of payment of education support to workers’ children through pay orders – Rs 296.581 million	Others
4	Non-implementation of decisions taken in board meetings	Others
5	Decline in enrolment of workers’ children due to change of school benefits policy	Others
6	Irregular expenditure on M&R works – Rs 15.249 million	Procurement related
7	Unjustified payments to M/s Salar Security Company besides appointment of another security company – Rs 3.340 million	Procurement related
8	Loss to Government due to non-investment of unutilized fund – Rs 17,390.621 million	Management of Account
9	Unjustified retention of funds in non-operational accounts – Rs 244.281 million	Others
10	Un-justified fixing of reserved prices for mines - Rs 245.325 million	Others
11	Non-execution of approved scheme since 2012 for water supply since 2016 – Rs 229.300 million	Others
12	Non-payment of welfare grant due to return of uncollected pay orders – Rs 4.500 million	Others
13	Non-maintenance/production of record pertaining to allotment of Shops	Others
14	Unauthorized payment of inadmissible allowances – Rs 458.187 million	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
15	Excess payment to contractor without revised contract agreement – Rs 638.218 million	Others
16	Execution of work without renewal of performance guarantee – Rs 85.000 million	Others
23	Law, Parliamentary Affairs and Human Rights Department	
1	Irregular payment for mobile SMS campaign - Rs 3.098 million	Others
2	Un-authorized payment of inadmissible allowances – Rs 49.854 million	HR Related
3	Unauthorized reemployment of retired Additional Secretary as Drafter/ Consultant on contract basis - Rs 1.531 million	HR Related
4	Unjustified payment of law charges to MCA Associates for hiring private counsel - Rs 6.000 million	Procurement related
5	Irregular tendering process LAS on account of purchase of laptops - Rs 1.176 million	Procurement related
6	Non-deduction of SST on SMS Campaign - Rs 0.604 million	Procurement related
7	Un-authorized retention of unutilized funds - Rs 37.519 million	Others
8	Irregular payment of arrears of pay & allowances – Rs117.681 million	HR Related
9	Irregular utilization of POL -Rs135.487 million	Others
10	Irregular expenditure incurred under the head of accounts Stationery and Printing & Publication-Rs13.742 million	Others
11	Irregular Procurement under various heads of accounts Rs30.944 million	Procurement related
12	Non-maintenance proper record of funds allocated in general elections 2018 - Rs85.131 million	Others
13	Irregular expenditure on repair items-Rs21.997 million	Others
14	Doubtful replacement of tyres of vehicle four times in year – Rs 0.319 million	Others
15	Irregular payment to Bar Councils/Associations without obtaining adjustment - Rs 223.000 million	Others
24	Livestock & Fisheries Department	
1	Irregular adjustments of pay and allowances-Rs15.282 million	HR Related
2	Irregular working of employees not reflecting in Payroll	HR Related
3	Purchase of Biofloc Units without Lab. test of fiber-Rs85.156 million.	Procurement related
4	Irregular procurement of livestock-Rs2.010 million	Procurement related
5	Non-establishment of Project Impact Evaluation Mechanism of Completed Schemes-Rs 3,217.949 million	Others
6	Irregular supplies of Biofloc units to the individuals instead of Fish Farmers-Rs90.552 million	Procurement related

Sr. #	Name of Department & Observation	Nature of Irregularity
7	Doubtful Installation of Bio Floc Units without GPS Coordinates - Rs68.992 million.	Procurement related
8	Award of tender for Biofloc Aquaculture Units to disqualified vendor -Rs47.650 million.	Procurement related
9	Irregular expenditure on purchase of medicines without drug testing, joint inspection etc –Rs30.929 million	Procurement related
10	Doubtful expenditure in various head of accounts –Rs27.282 million	Others
11	Mis-utilization of POL-Rs9.354 million	Procurement related
12	Mis-use of govt. funds while awarding Biofloc to Government employees/Non-residence of the district-Rs8.624 million.	HR Related
13	Irregular expenditure for Cost of Other Stores and drug medicines without account for-Rs2.467 million	Others
14	Loss due to excess purchase of folic material more than PC-I provision-Rs1.425 million.	Procurement related
15	Doubtful variation in bid evaluation & comparative statement-Rs1.000 million	Procurement related
16	Un-authorized expenditure of POL for vehicle other than list of vehicle–Rs0.830 million	Others
17	Irregular payments of TA/DA to officials from development account-Rs0.699 million	HR Related
18	Unsatisfactory performance of the Department in achieving objective of poverty alleviation through enhancement of production of milk & meat	Others
19	Illegal possession/retention of office articles/record by ex-program coordinator despite retirement.	Others
20	Non-conducting fact finding inquiry regarding irregular / Fake Employee	HR Related
21	Un-authorized creation of two separate Personnel IDs for the same employees	HR Related
22	Irregular expenditure on purchase of medicines –Rs249.084 million	Procurement related
23	Irregular expenditure for purchase of Plant Machinery & Furniture-Rs66.858 million	Procurement related
24	Unauthorized purchase of poultry birds from irrelevant vendor–Rs15.648 million	Procurement related
25	Irregular procurement of fish seeds in excess to the approved quantity in sectoral plan– Rs15.325 million	Procurement related
26	Un-justified increase of cost in ADP “Establishment of Sindh Institute of Animal Health”-Rs380.732 million	Others
27	Expenditure without mentioning period on invoices, delivery, inspection–Rs52.150 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
28	Irregular utilization of Cost of others funds and Feeding – Rs 49.283 million	Others
29	Irregular tendering process of various heads – Rs 48.145 million	Others
30	Delivery before invoices/bills – Rs 32.313 million	Others
31	Unjustified expenditure under the head feeding diet food items – Rs 4.569 million	Others
32	Wastage of government money due to payment of salary of 7 idle Fishermen – Rs2.520 million	HR Related
33	Mis-utilization of POL – Rs 9.354 million	Others
34	Irregular expenditure on purchase of medicines without drug testing, joint inspection etc –Rs 30.929 million	Procurement related
35	Irregular expenditure on stores and medicines without accountal – Rs 2.467 million	Others
36	Irregular procurement of Australorp birds from inactive bidder for – Rs 3.764 million	Others
37	Irregular payment of inadmissible various allowances – Rs 3.756 million	HR Related
38	Non-recovery of stamp duty – Rs0.159 million	Others
39	Unjustified deduction of tax on deposits – Rs 2.403 million	Others
25	Mines & Minerals Development Department	
1	Irregular payment of arrears of pay & allowances – Rs 0.608 million	HR Related
2	Non-delivery of procured items – Rs 0.589 million	Procurement related
3	Irregular expenditure on purchase of Uniform & Liveries Rs 0.640 million	Procurement related
4	Non-transparency in consumption of P.O.L– Rs 9.586 million	Others
5	Non verification of solvency certificate Rs 105.375 million	Others
6	Recovery of inadmissible allowances -Rs 0.176 million	HR Related
7	Irregular expenditure by split up to avoid open tender – Rs 1.320 million	Procurement related
8	Doubtful expenditure on account of procurement - Rs 1.168 million	Procurement related
9	Irregular expenditure on various repairs – Rs 20.267 million	Others
10	Doubtful expenditure on Others Misc. items –Rs 4.431 million	Others
11	Irregular expenditure on procurement of stationery articles and printing items-Rs1.587 million	Procurement related
12	Irregular expenditure without supporting vouchers-Rs0.668 million	Others
13	Irregular expenditure through misclassification-Rs0.295 million	Others
26	Minorities Affairs	
1	Irregular expenditure on purchase of furniture and machinery equipment–Rs 0.740 million	Procurement related
2	Non-imposition of penalty upon the contractor – Rs 2.248 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
3	Abnormal delay in refund of Security Deposit – Rs 1.821 million	Others
4	Unjustified payment of item of work on reduced rate Rs3.203 million	Others
5	Unjustified huge expenditure in the Month of June Rs 39.715 million.	Others
6	Unauthorized payment of inadmissible allowances – Rs 2.959 million	HR Related
7	Irregular expenditure incurred without codal formalities – Rs5.877 million	others
8	Abnormal delay in refund of Security Deposit – Rs 1.821 million	Others
9	Irregular expenditure on Supply & Installation of Solar System without supporting documents – Rs 9.710 million	Others
10	Doubtful purchases from a single supplier / vendor – Rs 7.116 million	Others
11	Irregular award of work through single bidder participation – Rs 53.195 million	Procurement related
12	Irregular payment to Pakistan Hindu Council without supporting documents – Rs 50.000 million	Others
27	Organ of State	
	(i) Principal Secretary to Governor Sindh, Karachi	
1	Unjustified payment of various inadmissible allowances of – Rs 12.315 million	HR Related
	(ii) Military Secretary to Governor	
1	Un-authorized payment of various inadmissible allowances – Rs 6.261 million	HR Related
2	Non/Less deduction of income tax – Rs 0.469 million	Others
	(iii) Provincial Ombudsman Sindh, Karachi	
1	Unauthorized delegation of DDO powers to contractual consultants - Rs 44.025 million	HR Related
2	Irregular annual increments in pay of staff - Rs 0.145 million	HR Related
3	Discrimination with the contractual employees	HR Related
4	Irregular appointment of overage employees – Rs 17.279 million	HR Related
5	Extension of services of consultants as Regional Director (BPS-19) in violation of Civil Servants Rules	HR Related
6	Irregular expenditure on account of POL–Rs 27.002 million	Procurement related
7	Irregular payments of rent of the building – Rs 14.184 million	Value of Money
8	Irregular expenditure incurred against doubtful quotations – Rs 4.591 million	Others
9	Blockage of government's funds due to delay in commencement of construction work – Rs 28.000 million	Others
10	Irregular cash payments through DDO account – Rs 2.381 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
	(iv) Provincial Ombudsman (Women Harassment)	
1	Un-justified allotment of vehicle and consumption of fuel – Rs 0.629 million	Procurement related
2	Irregular expenditure on seminars / meetings – Rs 3.678 million	Others
3	Unjustified operation of regional offices and incurring payments – Rs 20.146 million	Others
	(v) Provincial Assembly of Sindh Karachi	
1	In-ordinate delay in completion of schemes – Rs 6658.577 million	Procurement related
2	Irregular payment through DDO account – Rs 1.073 million	Others
3	Less recovery of income tax – Rs 0.341 million	Others
4	Non-recovery of General Sales Tax at applicable taxes – Rs 0.763 million	Others
28	Planning & Development Department	
1	Unauthorized payment of retirement benefit including salaries – Rs 51.07 million	HR Related
2	Irregular issuance of (EDF) based on doubtful guarantee – Rs 1.445 million	Procurement related
3	Un-authorized retention of funds – Rs 100.753 million	Management of Account
4	Slow progress of the project impeding service delivery – Rs 134.650 million	Value of Money
5	Irregular Inclusion of Incomplete Development Schemes in Volume-V of the ADP in Violation of Planning Manual – Rs114,399.965 million	Others
6	Irregular expenditure on development Scheme – Rs 240.255 million	Others
7	Irregular payment of salaries to newly hired employees – Rs 29.899 million	HR Related
8	Undue favor due to non-deduction of performance security – Rs 342.302 million	Others
9	Imposition of penalty - Rs 36.034 million	Others
10	Irregular payment to individuals instead of vendor – Rs 10.928 million	Procurement related
11	Irregular procurement without inviting tenders - Rs 4.619 million	Procurement related
12	Irregular expenditure by split up of expenditure – Rs 2.677 million	Procurement related
13	Un-authorized utilization of funds from un-spent balances – Rs 753.049 million	Others
14	Wasteful expenditure on training to ineligible participants – Rs 15.681 million	Others
15	Undue favor to individual by allowing higher amount of EDF – Rs 3.000 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
16	Irregular payment on account of other services rendered – Rs12.300 million	Others
17	Unauthorized excess expenditure on account of POL due to non-compliance of austerity measures – Rs1.286 million	Others
18	Unjustified payment of honorarium to officer / officials – Rs2.585 million	HR Related
19	Doubtful presentation of expenditure figures in financial statement – Rs 5.663 million	Others
20	Recovery on account of pay & allowances - Rs 0.493 million	HR Related
29	Population Welfare Department	
1	Non maintenance of cash book – Rs 171.162 million	Others
2	Non-accountal of store articles – Rs.38.897 million	Others
3	Unjustified expenditure on transportation of goods – Rs.9.108 million	Others
4	Transgression of financial powers – Rs 0.235 million	Others
5	Non-preparation of statistical data regarding birth control measures at District level	Others
6	Non-conducting of monitoring and evaluation in the district to assess the performance of RHS-A centers	Others
7	Irregular purchase of medicine without laboratory test report – Rs 843.849 million	Procurement related
8	Irregular receipted stores of drugs & medicines without joint inspection-Rs.1.186 million	Others
9	Non-obtaining of utilization report of contraceptives and medicines – Rs 856.635 million	Others
10	Irregular payment of arrears of pay & allowances – Rs 36.920 million	HR Related
11	Recovery of undue payment made to Technical Advisor– Rs2.700 million	Others
12	Un-authorized incurrence of expenditure by Budget officer of department instead of Director General – Rs 58.459 million	Others
13	Irregular expenditure on engaging male mobilizers without maintaining various records– Rs 33.874 million	Others
14	Irregular payment to single vendor - Rs 23.230 million	Others
15	Unjustified expenditure on purchase of POL for government vehicles and generator-Rs 17.799 million	Procurement related
16	Irregular purchase of various items from general order supplier Rs 10.176 million	Procurement related
17	Irregular expenditure on account of transportation – Rs 8.185 million	Others
18	Irregular payment of arrears of pay & allowances – Rs 6.862 million	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
19	Unjustified payment of salary to Social Mobilizers despite Poor performance / contribution in achieving the family planning objectives – Rs 6.379 million	Others
20	Irregular payment to contingent paid staff from the head “other service rendered” Rs 6.286 million	HR Related
21	Irregular expenditure on purchase of various physical assets– Rs 5.172 million	Procurement related
22	Irregular drawing of salary by overage employees –Rs 2.247 million	HR Related
23	Doubtful payment made to the Manager National Bank–Rs 0.794 million	Others
24	Irregular expenditure by splitting up to avoid tender - Rs 61.443 million	Procurement related
25	Doubtful payment to suspicious vendor - Rs 8.177 million	Procurement related
26	Vendor’s engagement through collusive practice, resulting in procurement inefficiencies – Rs 6.649 million	Procurement related
27	Un-authorized expenditure on vehicles not on the strength of local office – Rs 3.841 million	HR Related
28	Missing of material - Rs 2.955 million	Others
29	Irregular payment from the head “IRC” - Rs 0.279 million	Procurement related
30	Irregular payment of stipend to trainees - Rs 1.642 million	Others
31	Irregular expenditure without supporting vouchers - Rs 2.432 million	Others
32	Variation in figures between Contraceptive Logistic Report-15 (CLR-15) and Main Store Record	Others
33	Irregular advance payment to avoid lapse of budget – Rs 31.217 million	Others
34	Non-utilization of 1,396,434 contraceptive items by RHS-A Centers / FHC (DPWO)	Others
35	Excess payment of POL over & above the ceiling – Rs 4.268 million	Others
36	Doubtful drawal of POL for vehicle in absence of medical officer – Rs 1.212 million	Others
37	Unjustified operating of RHS-A Centers without medical officer and supporting staff	Others
38	Irregular expenditure on repair of office buildings – Rs 2.849 million	Others
39	Irregular expenditure on engaging male mobilizers without maintaining various records– Rs 5.694 million	HR Related
40	Non-maintenance of cash book Rs 29.320 million	Others
41	Irregular payment to single vendor - Rs 12.669 million	Procurement related
42	Unjustified expenditure on purchase of POL for government vehicles and generator-Rs 17.799 million	Procurement related

Sr. #	Name of Department & Observation	Nature of Irregularity
43	Irregular purchase of various items from general order supplier Rs9.129 million	Procurement related
44	Irregular expenditure on account of transportation – Rs 8.185 million	Others
45	Irregular payment of arrears of pay & allowances – Rs 3.286 million	HR Related
46	Unjustified payment of salary to Social Mobilizers despite Poor performance/ contribution in achieving the family planning objectives –	Others
47	Irregular payment to contingent paid staff from the head “other service rendered” Rs 5.818 million	HR Related
48	Irregular expenditure on purchase of various physical assets– Rs 5.018 million	Procurement related
49	Irregular drawing of salary by overage employees –Rs 2.247 million	HR Related
50	Doubtful payment made to the Manager National Bank–Rs 0.794 million	Others
51	Unjustified re-appropriation of Funds – Rs 555.545 million	Others
52	Irregular drawl of funds through DDO account – Rs 1.256 million	Others
53	Irregular payment of inadmissible allowances – Rs 27.173 million	HR Related
54	Irregular payments to bank account instead of directly to vendors – Rs 3.769 million	Others
55	Irregular expenditure on account of rent of office buildings – Rs 118.685 million	Others
30	School Education & Literacy Department	
1	Irregular deposit of monthly deductions – Rs 2.395 million	Others
2	Non-recovery of interest on mobilization advance – Rs 3.689 million	Others
3	Irregular expenditure under the head “Bank Fee” – Rs 13.420 million	Others
4	Unverified Banking Transactions at Government Elementary College – Rs 37.590 million	Others
5	Irregular payment of mobilization advance against conditional bank guarantee of - Rs 711.182 million	Others
6	Irregular expenditure under the head “Rent of Office Building” – Rs 33.728 million	Others
7	Irregular expenditure by splitting of supply orders to avoid invitation of tender – Rs 14.172 million	Procurement related
8	Irregular expenditure under the heads of payment to other service rendered – Rs 18.344 million	Procurement related
9	Irregular expenditure on account of repair work – Rs 19.043 million	Procurement related
10	Non recovery of Government funds– Rs 1.817 million	Others
11	Unjustified and abnormal increase in basic pay/promotion and demotion	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
12	Creation of liabilities due to non-payment of accrued and other payables – Rs 64.343 million	Others
13	Unjustified clearance of previous years' liability – Rs 53.673 million	Management of Account
14	Suspicious payment was made to contractor on repair & renovation of YPDC – Rs 15.359 million	Others
15	Ineffective Implementation of Teach for Change Program – Rs 46.351 million	Others
16	Unauthorized expenditure without revision of PC-I – Rs 62.278 million	Others
17	Excess payment of mobilization advances to the contractors in violation of SPPRA rule-2010 – Rs 629.953 million	Others
18	Non-obtaining of insurance coverage from the Contractors/Firms – Rs 13,039.425 million	Others
19	Undue favor intended to Firms by allowing mobilization advances – Rs 1,889.860 million	Others
20	Deficient performance of the Consultant during design and construction supervision phases – Rs 26.897 million	Others
21	Non-obtaining of security deposit – Rs 1.083 million	Others
22	Unjustified advance payment to consultant – Rs 46.286 million	Others
23	Suspected loss due to adopting lump sum tender instead of item rate tender – Rs 1.313 million	Others
24	Undue favor was extended to firm M/s MSL – Rs 6.985 million	Others
25	Poor performance due to unjustified delay in execution components of the Project – Rs 13,103.47 million	Others
26	Suspicious expenditure on account of Laptops – Rs 21.731 million	Others
27	Drawing of salary by employees having outdated CNIC# in master data – Rs 27.715 million	HR Related
28	Irregular adjustment of pay & allowances –Rs5.687 million	HR Related
29	Unjustified Retention of Security Deposits/Performance security by Management – Rs 13.378 million	Others
30	Unjustified expenditure on repair of vehicles – Rs 5.481 million	Procurement related
31	Non-transparent investment of Government funds – Rs 3,290.094 million	Others
32	Ambiguous booking of long term Deposits – Rs 28.102 million	Others
33	Non-Compliance with Attendance Requirements and Subsidy Deductions– Rs 58.567 million	Others
34	Unjustified use of regular budget for establishment of YPDC – Rs 29.144 million	Others
35	Irregular reimbursement of previous year board enrollment and examination fee to school partners – Rs 11.635 million	Management of Account

Sr. #	Name of Department & Observation	Nature of Irregularity
36	Non-Compliance with Contractual Obligations in Annual Assessments – Rs 8.191 million	Others
37	Irregular payment of adjustment bill on account of pay & allowance without approval of Finance Department – Rs 2.362 million	Others
38	Non-framing of Business and Recruitment rules & regulations of the STEDA – Rs74.066 million	Others
39	Irregular working of officers on detailment basis – Rs 4.096 million	Others
40	Irregular payment of secured advance – Rs 6.720 million	Others
41	Excess execution on item of work – Rs 0.698 million	Others
42	Irregular expenditure on account of various repairs – Rs 14.254 million	Others
43	Irregular expenditure on account of POL – Rs 10.697 million	Others
44	Unjustified payment of enrolment and examination fees to school partners instead of directly to concerned board -Rs45.099 million.	Others
45	Irregular expenditure incurred on Training/seminars / conference – Rs 13.912 million	Others
46	Irregular expenditure for procurement of material for Local Annual Exam – Rs 7.107 million	Others
47	Irregular expenditure on account of SMC fund – Rs 1,410.558 million	Others
48	Irregular payment on account of stipend to girls' students – Rs 1,333.809 million	Others
49	Irregular expenditure without supporting vouchers – Rs 1,916.415 million	Others
50	Unjustified withdrawal of various inadmissible allowances – Rs 123.044 million	Others
51	Irregular retention of government funds – Rs 361.654 million	Others
52	Blockage of funds – Rs 64.318 million	Others
53	Irregular payment to DDO instead of direct payment to vendor – Rs 81.675 million	Others
31	Services & General Administration & Co-ordination Department	
1	Irregular claim on account of Traveling Allowance – Rs 39.883 million	HR Related
2	Irregular payment of arrears of pay & allowances – Rs 29.221 million	HR Related
3	Irregular payment of Foreign/Inland Training Course Fee – Rs 19.833 million	HR Related
4	Irregular abnormal increments in pay of staff	HR Related
5	Undue favor to the officers working on upper grade instead actual as per sanctioned strength	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
6	Irregular expenditure on POL - Rs 90.103 million	Others
7	Irregular expenditure on procurement of aircraft spare parts – Rs 68.494 million	Procurement related
8	Un-justified expenditure under the head “Unforeseen Expenditure” – Rs 48.497 million	Procurement related
9	Irregular expenditure on hiring of vehicles without supporting documents – Rs 31.977 million	Others
10	Irregular expenditure without fulfilling the codal formalities – Rs 21.210 million	Procurement related
11	Non-reconciliation of challans of Jamabani – Rs 15.265 million	Others
12	Irregular Grant in Aid to M/s Pakistan Institute of International Affairs – Rs 15.00 million	Others
13	Irregular expenditure on other services rendered – Rs 3.849 million	Others
14	Irregular expenditure on account repair of office building – Rs 3.807 million	Others
15	Unjustified payment made under the head Discretionary Grant – Rs 2.800 million	Others
16	Irregular expenditure under the head Training Domestic – Rs 1.951 million	Others
17	Doubtful expenditure on account of POL and TA/DA	Others
18	Negligence of management towards core function of revenue collection of Agriculture Income Tax (AIT)	Services
19	Excess drawl of salaries over & above the sanctioned strength – Rs 30.398 million	HR Related
20	Irregular appointment of staff during ban period	HR Related
21	Unjustified appointments of Stenographers as Assistant Director	HR Related
22	Irregular payment on hiring of CCTV cameras – Rs 1,479.139 million	Procurement related
23	Irregular expenditure by split up of expenditure – Rs 73.642 million	Procurement related
24	Irregular payment of GiA Endowment funds – Rs 350.000 million	Others
25	Un-authorized clearance of previous year’s liability – Rs 11.291 million	Others
26	Loss to Government due to theft of Government vehicles – Rs 4.500 million approximately	Others
27	Un-authorized charging of dual Sales Tax on Services – Rs 2.192 million	Others
28	Irregular clearance of previous year’s liability-Rs19.053 million	Management of Account
29	Un-authorized payment for providing conveyance to labourers Rs 1.040 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
30	Non-submission of progress reports and non-preparation of completion and monitoring reports	Others
31	Irregular drawl of various inadmissible allowances – Rs 34.592 million	HR Related
32	Non-retrieval of illegally occupied Government residences	Others
32	Sindh HEC	
1	Doubtful payment to contractor – Rs 25.00 million	Procurement related
2	Doubtful award of contract by manipulating bid evaluation report Rs 23.353 million	Procurement related
3	Irregular refund of deposit from contractors – Rs 187.480 million	Others
4	Irregular award of printing work in violation of the tender-Rs 6.318 million.	Procurement related
5	Non-approval of Revised Budget Estimate for the F.Y 2022-23 from Senate Rs 1,356.634 million	Others
6	Non-inclusion of opening bank balances into financial statements Rs 419.271 million	Others
7	Wrong booking of Pension & Salary funds into GP Fund account Rs8.583million	Others
8	Non-disbursement of funds of merit-cum scholarship Rs 2.958 million	Others
9	Unjustified payment against rejected items – Rs1.831 million	Procurement related
10	Unjustified adjustment of Tuition fees of students Rs1.369 million from merit-cum scholarship	Others
11	Unjustified payment of Leave encashment to employees -Rs136.486 million	HR Related
12	Unjustified payments of salaries to Tenure Track System employees – Rs 48.211 million	HR Related
13	Excess payment of 14% due to variation in figures – Rs 221.132 million	Others
14	Ambiguous expenditure on survey Rs33.700 million	Others
15	Irregular procurement of Generators before construction of building – Rs.11.980 million	Others
16	Un-justified payment made for unlaunched/non-operative Human Resource Management System (HRMS) Rs3.012 million	Others
17	Unjustified expenditure from grant-in-aid instead of ADP Scheme concerned – Rs 28.1 million	Others
18	Short realization of revenue on sale of prospectus – Rs 27.971 million	Others
19	Irregular contribution made by private welfare associations from the official monthly payroll – Rs 22.708 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
20	Unjustified huge expenditure on transport during vacation period – Rs 17.198 million	Others
21	Discrepancies in the balances of Financial Statement and Trial Balance - Rs 16.325 million	Others
22	Non-realizing of receipts due to return of near to expiry medicine – Rs 4.052 million	Others
23	Non-deposit of Tender fees into university accounts – Rs 0.471 million	Others
24	Unjustified reimbursement of toll tax charges – Rs 0.094 million	Others
25	Loss to University due to non-executing of fresh rental agreements	Others
26	Irregular payment of pension and commutation to an employee having less than the required length of service – Rs 1.619 million	HR Related
27	Non-compliance with the Government Rules on GP Fund – Rs 286.556 million	HR Related
28	Irregular appointments of faculty and non-faculty employees – Rs 58.473 million	HR Related
29	Unjustified payment of Gratuity - Rs 4.785 million	HR Related
30	Non-imposition of Penalty for delayed works – Rs 2,434.126 million	Procurement related
31	Unjustified Expenditure on Execution of Extra Items of Work – Rs 243.807 million	Procurement related
32	Irregular expenditure through splitting up – Rs 231.125 million	Procurement related
33	Irregular payment of escalation charges - Rs 25.011 million	Others
34	Irregular award of works beyond the cost of PC-I – Rs 22.205 million	Others
35	Unjustified expenditure on supply and installation of solar streetlight poles - Rs 16.708 million	Others
36	Irregular Procurement of Dual Digital Power Meter & Dual Copley – Rs 4.690 million	Others
37	Unjustified expenditure on IT equipment - Rs 3.737 million	Others
38	Unauthorized final payment to consultant instead of blacklisting - Rs 2.032 million	Others
39	Unjustified investment of project Funds - Rs 3,339.996 million	Others
40	Unauthorized leasing of university land to a petrol pump owner – Rs 666.600 million	Others
41	Significant Shortfall in Collection of Own Resources - Rs 167.428 million	Others
42	Loss due to leasing the university space at the rates below the market – Rs 43.685 million	Others
43	Irregular expenditure on security charges – Rs 31.127 million	Others
44	Loss due to imprudent investment - Rs 28.453 million	Others
45	Unjustified return of self-finance fees – Rs 12.990 million	Others
46	Unjustified payment of scholarship / stipend – Rs 9.858 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
47	Collection of Library Fees and other charges in cash instead of banks – Rs 8.021 million	Others
48	Excess Expenditure on Retired L.C. over the Opening L.C. - Rs 5.014 million	Others
49	Unauthorized sanction of POL to Pakistan Rangers – Rs 1.580 million	Others
50	Heavy expenditure of repair on a single vehicle – Rs 0.919 million	Others
51	Non-utilization of development funds – Rs 330.078 million	Others
52	Inefficiency in utilizing Sports Grants – Rs 6.600 million	Others
53	Irregular payment made to legal firms/advisors- Rs 6.498 million	Procurement related
54	Irregular payment of secured advance to contractor– Rs 6.422 million	Procurement related
55	Unjustified transactions in bank account maintained for covid-19 – Rs 2.767 million	Management of Account
56	Doubtful payment of house rental ceiling to university employees– Rs 515.411 million	HR Related
57	Non-appointment of officers on Key posts of university	HR Related
58	Unjustified cost over-run by university due to non-completion of development schemes- Rs 615.845 million	Others
59	Discrepancies in award of works to single bidder – Rs 129.958 million	Procurement related
60	Unauthorized payment of non-schedule items without rate analysis – Rs23.575 million	Others
61	Non-hoisting of bidding documents on SPPRA website – Rs 17.499 million	Procurement related
62	Unjustified execution of work without obtaining performance security from contractor – Rs 12.894 million	Others
63	Irregular creation of liabilities on account of works due to withheld amount-Rs 9.533 million	Others
64	Irregular start of work before soil testing report – Rs8.211 million	Others
65	Unjustified payment of item of work on reduced rate – Rs3.959 million	Others
66	Irregular execution of R.C.C work without “Deformed and Plain Carbon-Steel Bars for Concrete Reinforcement Test” amounting Rs3.361 million	Others
67	Non-compliance with Government instructions regarding opening of accounts – Rs 288.125 million	Management of Account
68	Unjustified deduction of WHT & Zakat from bank accounts Rs0.901 million	Management of Account
69	Non-Preparation and Submission of Audited Accounts along-with Annual Report of Rs 7,819.107 million.	Others
70	Non-investment of pension funds Rs58.519 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
71	Irregularities noticed pertaining to Endowment Fund Rs20.691million	Others
72	Irregular/doubtful reimbursement of medical charges – Rs 15.083 million	Others
73	Irregular expenditure on account of Security guards – Rs13.448 million	Others
74	Irregular execution of extra items of works-Rs 6.758 million	Others
75	Irregular expenditure on advertisement & Publicity – Rs 5.080 million	Others
76	Improper maintenance of G.P fund account and payments Rs 3.265 million	Others
77	Irregular expenditure on outsourcing of buses of Rs 57.157 million	Others
78	Irregular appointments to various posts more than the sanctioned strength – Rs 743.231 million	HR Related
79	Irregular Payment to part time teachers – Rs 251.849 million	HR Related
80	Irregular appointments of faculty and non-faculty employees – Rs 140.664 million	HR Related
81	Irregular payment of House Rent Allowance on higher rate than the actual admissibility – Rs 48.940 million	HR Related
82	Irregular payment of qualification allowance without verification of degrees – Rs 46.672 million	HR Related
83	Irregular payment of contractual employees – Rs 13.212 million	HR Related
84	Unjustified expenditure on Outsourcing of Human Resources – Rs 10.492 million	Others
85	Irregular payment of arrears/adjustments of pay & allowances – Rs 9.365 million	HR Related
86	Unjustified Arrears paid to VC without calculations – Rs 8.213 million	HR Related
87	Less deduction of Group Insurance Fund against prescribed rates – Rs 5.733 million	Others
88	Un-authorized appointment to a key post despite restriction imposed by the competent forum – Rs 4.836 million	HR Related
89	Undefined grade and status of employees with huge salaries – Rs 4.457 million	HR Related
90	Unjustified Payment of Evening Remuneration & Extra Duty Allowance to same employee – Rs 3.756 million	HR Related
91	Non-deduction of benevolent fund from employees	HR Related
92	Non-preparation and non-circulation of seniority list of employees	HR Related
93	Discrepancies in award of works to single bidder – Rs 1,513.392 million	Procurement related
94	Non-availability of PC-II (Surveys and Feasibility Studies) of project valuing Rs.939.399 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
95	Non-preparation of feasibility report of major scheme – Rs847.728 million	Others
96	Irregular payment and receipt of store without inspection – Rs 723.947 million	Others
97	Irregular execution of extra items of works-Rs 117.014 million	Others
98	Slow progress of the civil works of development scheme – Rs 118.660 million	Others
99	Non-submission of PC-IV of PSDP scheme – Rs.112.254 million	Others
100	Weak administrative control by university administration due to late completion/supplies of procured items costing to Rs 110.728 million	Others
101	Improper system of procurement – Rs. 99.469 million	Procurement related
102	Unjustified expenditure without completion of building – Rs95.550 million	Others
103	Irregular expenditure on construction works – Rs 64.110 million	Others
104	Unjustified execution of work without obtaining performance security from contractor – Rs 47.487 million	Others
105	Recovery of liquidated damages on works not completed within stipulated time – Rs 51.6 million	Others
106	Unjustified outsourcing of university buses and hostel – Rs 49.498 million	Others
107	Unauthorized payment of non-schedule items without rate analysis – Rs 141.699 million	Others
108	Irregular/unjustified payment of secured advance - Rs. 23.904 million	Others
109	Execution of work without rectification of defects – Rs15.634 million	Others
110	Uncompetitive bidding due to unjustified disqualification of a bidder – Rs 11.326 million	Procurement related
111	Irregular expenditure incurred on a/c of tent city at relief camps for flood affected people Rs7.266 million	Others
112	Irregular expenditure on difference cost of material–Rs.4.923 million	Others
113	Excess award of work due to award of work to the 2nd lowest bidder – Rs4.000 million	Procurement related
114	Irregular payment of escalation charges – Rs2.536 million	Others
115	Imprudent investment policies and management of funds – Rs 5,514.404 million	Others
116	Unauthorized transfer of funds between various accounts – Rs 1,098.453 million	Others
117	Irregular Deposit of Donations in Grant-in-aid account instead of Donation Account – Rs 0.800 million	Others
118	Unjustified payments of grant in Aid to universities without obtaining fund utilization reports-Rs16,679.165 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
119	Unauthorized expenditure without approval of the competent forum – Rs 10,911.624 million	Others
120	Internal audit and annual physical verification not conducted – Rs 1,476.316 million	Others
121	Non-reconciliation of various heads of accounts – Rs 657.226 million	Others
122	Improper maintenance of cash book – Rs 641.950 million	Others
123	Irregular expenditure incurred without pre-audit – Rs 323.88 million	Others
124	Non-utilization of development funds – Rs 234.437 million	Others
125	Physical Assets not taken in Assets Register – Rs 138.350 million	Others
126	Non-preparation of Financial Statements & Utilizations for the F.Y 2021-22 – Rs 56.00 million	Others
127	Less expenditure on research activities – Rs 41.392 million	Others
128	Irregular award of scholarships to various students – Rs 67.637 million	Others
129	Irregular payment of previous years liability – Rs 37.344 million	Management of Account
130	Efficacy of medicines not ascertained in absence of DTL reports– Rs 28.573 million	Others
131	Non-crediting of call deposit / earnest money into bank account Rs 18.540 million	Others
132	Irregular expenditure incurred on repair of Building – Rs.9.878 million	Others
133	Irregular expenditure of “payment to Contingent paid Staff” – Rs13.696 million	Others
134	Irregular expenditure on account of permanent advances-Rs 10.046 million	Others
135	Irregular SRSP payment without receiving of the thematic area – Rs 9.00 million	Others
136	Excess admissions in various graduation program – Rs 4.516 million	Others
137	Irregular engagement of private legal advisor/ consultants – Rs2.690 million	Others
138	Non utilization of funds in the head of salaries – 1217.543 million	Others
139	Poor Security management at Karachi University – Rs 8.738 million	Others
140	Non-conducting of Internal Audit despite having Internal Audit Department – Rs 43.361 million	Others
141	Irregular expenditure in violation of SPPRA rules – Rs 1,194.941 million	Procurement related
142	Irregular payment of House Ceiling and House Rent Allowance – Rs 1,314.011 million	HR Related
143	Unauthorized payment of inadmissible allowances – Rs 296.068 million	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
144	Unjustified expenditure due to irregular change of cadre and up-gradation – Rs. 31.971 million	HR Related
145	Unjustified increase of 1553% in quantity of an item through repeat order – Rs 8.500 million	Procurement related
146	Unjustified expenditure on procurement of I.T Equipment – Rs 5.180 million	Procurement related
147	Loss to university due to obtaining of bank overdraft and payment of interest thereon – Rs 1,125.000 million	Others
148	Non/less disclosure of income in annual accounts – Rs 18.871 million	Others
149	Non-Recovery of House Rent Allowance and 5% Maintenance Charges from employees availing university accommodation – Rs 12.052 million	HR Related
150	Unjustified drawal of funds for salary from earnest money account – Rs 6.500 million	HR Related
151	Unauthorized retention of university vehicles by ex-employees and other institutions – Rs 6.739 million	HR Related
152	Loss due to missing material – Rs 1.055 million	Others
	Non-deposit of taxes into government treasury – Rs 104.042 million	Others
33	Sindh Revenue Board	
1	Irregular expenditure on clearance of previous year liability Rs 1.131 million	Management of Account
2	Non-approval of receipts estimates – Rs 161,597.156 million	Others
34	Social Protection Department	
1	Unjustified payment made to the consultant for MIS.Rs- 14.527 million	Others
2	Irregular payment of inadmissible allowances – Rs 0.300 million	HR Related
3	Non-disbursement of Rs 142.194 million to beneficiaries by Mobicash Micro Finance Bank Ltd	Others
4	Doubtful payment of CCT to beneficiaries made before execution of agreement with PPHI – Rs 6.940million	Others
35	Social Welfare Department	
1	Irregular expenditure on purchase of others – Rs 7.500 million	Procurement related
2	Negligence of the management regarding recovery of stolen government vehicle	Others
3	Splitting up of expenditure to avoid open tender – Rs 14.048 million	Procurement related
4	Irregular transfer of Grant in aid to private bank accounts – Rs 10.479million	Management of Account
36	Sports & Youth Affairs Department	
1	Non-reconciliation of Income Tax & SST – Rs 208.115	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
2	Unjustified approval of Rate Analysis without provision of skilled/un-skilled labour Rs 185.271 million	Others
3	Irregular revised technical sanction-Rs 95.697 million	Others
4	Irregular expenditure on execution of civil work of additional quantities - Rs 80.025 million	Others
5	Irregular payment of cash reward – Rs 2.320 million	Others
6	Loss govt. & undue benefit extended to contractor - Rs 0.595 million	Others
7	Irregular payment of arrears of pay & allowances – Rs 9.421million	HR Related
8	Irregular award of work without technical sanction & estimate – Rs 188.942million	HR Related
9	Non-collection of earnest money – Rs 45.426million	Procurement related
10	Non-compliance of SPPRA Rules regarding execution of scheme – Rs 19.000 million	Procurement related
11	Irregular adoption of Quality & Cost Procedure for hiring training services – Rs 19.000 million	Others
12	Doubtful payment of PWD Deposit to contractors – Rs 14.931 million	Others
13	Irregular payment for Sports activities for Street Children without codal formalities – Rs 9.675 million	Others
14	Excessive work over the approved estimates – Rs 7.606 million	Procurement related
15	Irregular payment for difference of cost of bitumen – Rs 4.520 million	Others
16	Non-obtaining of performance guarantee – Rs 2.773 million	Others
17	Unjustified payment of grant to vender – Rs 2.100 million	Others
18	Excess consumption of steel – Rs 0.793 million	Others
19	Excess rate allowed above & over sanctioned estimates – Rs 2.154 million	Others
20	Irregular payment to Islamabad Tennis Complex – Rs 5.745 million	Others
37	Training Management & Research Wing	
1	Unauthorized addition of SST and loss to government due to non-deduction of SST – Rs 0.183 million	Others
2	Unjustified award of work for hiring of accommodation and transport – Rs 1.591 million	HR Related
3	Non-deduction of government taxes – Rs 0.689 million	Others
4	Un-authorized cash withdrawal from DDO bank account – Rs 0.200 million	Others
5	Doubtful expenditure on vocational & manpower training – Rs 59.970 million	Others
6	Unauthorized drawl of advance on abstract bill – Rs 3.000 million	Others
38	Transport & Mass Transit Department	

Sr. #	Name of Department & Observation	Nature of Irregularity
1	Inefficient use of Financial Resources – Rs1393.946 million	Others
2	Irregular expenditure without approval of budget from Board– Rs 415.459 million	Others
3	Unjustified expenditure on gender action plan-Rs28.520 million	Others
4	Award of contract for construction of New Jam Sadiq Bridge package-4 without third party monitoring firm.	Others
5	Unauthorized POL expenditures in the absence of project vehicles – Rs 5.342 million	Procurement related
6	Un-justified payment of arrears/adjustment on account of pay & allowances – Rs 10.170 million	HR Related
7	Unauthorized assignment of the charge of Project Director	HR Related
8	Irregular expenditure by splitting up – Rs 67.90 million	Procurement related
9	Excess payment allowed over scheduled rate – Rs 5.200 million	Procurement related
10	Non-invitation of open tenders – Rs 1.111 million	Procurement related
11	Non-start of work of Bio Gas Plant – Rs 1,620.070 million	Others
12	Execution of work for construction of New Jam Sadiq Bridge without Compensation to Project Affected Persons in violation of (CLRP)	Others
13	Payment of Dollar Parity to a Contractor Company who is Indigenously Operating – Rs 716.480 million	Others
14	Irregular payment of inadmissible allowances – Rs 6.41 million	HR Related
39	Universities & Boards	
1	Irregular working of officers after superannuation	Others
2	Irregular payment of adjustment bill on account of pay & allowance without approval of Finance Department – Rs 0.526 million	Others
3	Irregular appointments of Legal Advisors & tax consultant – Rs 5.240 million	Others
4	Irregular engagement of retired Director (Works & Services) as consultant	Others
5	Non-initiation of disciplinary action against absconders – Rs 0.860 million	Others
6	Irregular procurement of paper items without conducting laboratory test- Rs 8.926 million	Others
7	Irregular payment made without Pre-audit by authorized Audit officer - Rs 3,599.274 million	Others
8	Irregular drawl of Government money by DDO on fake bills – Rs 40.584 million	Others
9	Non-strengthening of internal control in the Department	Others
10	Irregular re-appropriation of funds-Rs 180.00 million	Others
11	Irregular expenditure of sports material-Rs 2.148 million	Others

Sr. #	Name of Department & Observation	Nature of Irregularity
12	Bogus / excess appearance of students in examination and excess issuance of Pacca certificates by private institutions – Rs 3.391 million	Others
13	Unauthorized expenditure incurred on POL of vehicles not pertaining to Board office – Rs 0.754 million	Others
14	Employees working without sanctioned posts in Budget Book of STEVTA	HR Related
15	Excess appointments against various posts over the sanctioned strength – Rs 12.747 million	HR Related
16	Doubtful award of tender due to collusive practices by the participant of NIT– Rs 41.519 million	Others
17	Unjustified acceptance of bid on exorbitant rates – Rs 29.600 million	Others
18	Non-obtaining of performance security @ 2% – Rs 6.720 million	Others
19	Irregular execution of tender - Rs 235.209 million	Procurement related
20	Unauthorized payment on account of Mobilization Advance – Rs 56.346 million	Others
21	Undue favor due to non-obtaining of performance guarantee - Rs 12.443 million	Others
22	Negligence in non-completion of ADP scheme with approved cost – Rs 1,843.589 million	Procurement related
23	Unauthorized approval of re-revised PC in violation of PDWP directives – Rs 3067.134 million	Others
24	Irregular Advance payment/ expenditure on account of Stationery – Rs 6.956 million	Others
25	Doubtful expenditure incurred on account of “Others” – Rs 7.020 million	Others
26	Unjustified expenditure under repair & renovation of GVS(G) Shah Faisal Colony - Rs 10.763 million	Others
27	Excess award of work order from estimated cost – Rs 4.716 million	Others
28	Non-deposit of call deposit into the bank account – Rs 21.793 million	Others
29	Irregular expenditure under STEVTA-PAF joint venture - Rs 23.072 million	Others
30	Irregular charging of Sports Fee from Students – Rs 34.290 million	Others
31	Unjustified payment of Grant-in-aid to well established private entities 323.888	Others
32	Non-reconciliation of expenditure – Rs 1,560.094 million	Others
33	Irregular payment of inadmissible allowances – Rs 766.881 million	HR Related
34	Irregular and Unjustified postings of the employees – Rs 9.826 million	HR Related
35	Irregular accommodation of a Grade-20 officers on sanctioned post of Grade-19 as Director – Rs 0.450 million	HR Related

Sr. #	Name of Department & Observation	Nature of Irregularity
36	Irregular and Unjustified appointment of Regional Consultants in Benazir Bhutto Shaheed Youth Development Program – Rs 12.016 million	HR Related
37	Un-authorized payment on excess execution of items of work – Rs 3.403 million	Others
40	Women Development Department	
1	Poor living conditions of Dar-ul-Aman	Others
2	Non-disposal /non-auction of off road/ non-functional vehicles on time	Others
3	Splitting up of purchases to avoid open tenders – Rs 1.056 million	Procurement related
4	Non-recovery of conveyance allowance – Rs 0.964 million	HR Related
5	Irregular appointment of Deputy Director as Director	HR Related
6	Staffing deficiencies and operational impacts	HR Related
7	Irregular purchase from single vendor “M/S Fahad Enterprises”- Rs7.619- million	Procurement related
8	Non-utilization of released budget – Rs 11.413 million	Others
9	Non-Compliance with SOP Requirements and Impact on Service Quality- Ineffectiveness of Advisory Committee	Others
10	Non/ less-deduction of Government taxes – Rs 0.474 million	Others

ANNEXES OF CHAPTERS

Chapter-1 Public Financial Management Issues

Annex-1

1.5.24 Non-reconciliation of receipts – Rs 172,896.951 million

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
Auqaf, Religious Affairs, Zakat & Ushr Department				
1	Chief Administrator, Auqaf Sindh, Hyderabad	2023-24	12	73.437
			27	23.944
Excise, Taxation & Narcotics Control Department				
1	Secretary, Excise, Taxation & Narcotics Control Department, Government of Sindh, Karachi	2023-24	05	39.930
			01	144,413.165
Health Department				
1	District Health Officer, Sukkur	2023-24	19	1.993
2	Medical Superintendent, Services Hospital, Karachi	2023-24	26	0.901
3	District Health Officer, Naushahro Feroze	2023-24	10	0.704
4	District Health Officer, Hyderabad	2023-24	23	0.652
5	District Health Officer, Tando Muhammad Khan	2023-24	24	0.251
Human Settlement, Spatial Development & Social Housing Department				
1	Director General Human Settlement Authority, Karachi	2023-24	05	13.889
Labour & Human Resources Department				
1	Secretary, Workers Welfare Board Sindh, Karachi	2022-23 & 2023-24	37	20,164.038
Universities & Boards Department				
1	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	12	7,704.027
2	Chairman, Board of Intermediate & Secondary Education, Shaheed Benazirabad	2020-21 to 2022-23	20	460.020
Total				172,896.951

Annex-2

1.5.25 Misclassification of expenditure – Rs 1,266.232 million

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
Agriculture, Supply and Prices Department				
1	Programme Coordinator, Accelerated Action Plan for reduction of Stunting & Malnutrition (Agriculture Sector) Karachi	2023-24	05	7.392
2	Secretary Agriculture Supply & Price Department, Karachi	2023-24	15	1.996
3	Director, Agriculture Research Center, Tando Jam	2023-24	02	1.459
4	DG, Agriculture Engineering Sindh, Hyderabad	2023-24	23	1.091
5	DG, On Farm Water Management Sindh, Hyderabad	2023-24	22	0.887
6	DG, Agriculture Research, Tandojam	2023-24	06	0.611
7	Controllor, Weights & Measurement Cell Karachi	2023-24	21	0.081
College Education Department				
1	Director General Colleges, Sindh	2023-24	16	0.374
			03	0.169
2	Principal, Government Nazareth Girls Degree College, Hyderabad	2022-23 & 2023-24	13	0.108
Department of Empowerment of Persons with Disabilities (DEPD)				
1	Principal, Chandka Special Education Center for Visually Handicapped Children, Larkana	2012-13 to 2023-24	05	0.536
2	Director General, Sindh Persons with Disabilities Protection Authority, Karachi	2023-24	04	0.294
3	Secretary, Department of Empowerment of Persons with Disabilities, Government of Sindh, Karachi	2023-24	10	0.141
Finance Department				
1	District Accounts Office, Hyderabad	----	21	2.279
		----	22	121.223
2	District Accounts Office, Sukkur	----	9	3.225
3	District Accounts Office, Thatta	----	7	170.417
4	District Accounts Office, Matiari	----	7	112.716
Forest & Wildlife Department				
1	Secretary, Forest & Wildlife Department, Government of Sindh Karachi	2023-24	20	1.067

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
Health Department				
1	Director, Syed Abdullah Shah Institute of Medical Sciences, Sehwan Sharif, Jamshoro	2023-24	26	140.903
2	Deputy Director General, Hepatitis Prevention & Control Program, Hyderabad	2023-24	09	133.531
		2022-23	16	351.413
3	Project Director, Expanded Programme on Immunization (EPI), Karachi	2023-24	13	11.141
4	District Health Officer, Mirpurkhas	2023-24	09	9.858
5	Director, Health Services, Karachi	2023-24	19	6.616
6	District Health Officer, Tando Muhammad Khan	2023-24	13	2.686
7	District Health Officer, Central, Karachi	2023-24	11	2.143
8	Medical Superintendent, THQ Hospital, Matiari	2023-24	14	1.999
9	District Health Officer, Tharparkar @ Mithi	2023-24	13	1.988
10	Provincial Co-coordinator, Sindh Lady Health Workers, Hyderabad	2023-24	28	1.323
11	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	31	0.488
12	Deputy Director General, (Vector Borne Diseases) Sindh, Hyderabad	2023-24	09	0.451
		2022-23	25	0.483
13	District Health Officer, South, Karachi	2023-24	19	0.424
14	District Health Officer, East, Karachi	2023-24	19	0.373
15	District Health Officer, Thatta	2023-24	21	0.330
16	MS, Taluka Hospital, K.N Shah	2022-23	19	0.566
17	Executive Director, Jinnah Postgraduate Medical Centre, Karachi	2022-23	38	2.763
18	Civil Surgeon, Civil Hospital, Mithi	2022-23	4	1.553
19	Medical Superintendent, Taulka Hospital Kotri, Jamshoro	2022-23	9	2.909
20	Medical Superintendent, Taluka Hospital Diplo, Tharparkar	2021-22 & 2022-23	25	0.871
21	Liaquat University Hospital, Hyderabad	2022-23	39	14.839
22	MS Civil Hospital, Jacobabad	2022-23	14	0.859
23	MS Civil Hospital, Sanghar	2022-23	17	0.882
24	MS, District Headquarter Hospital, Tando Muhammad Khan	2022-23	17	2.308
25	Principal, Khairpur Medical College, Khairpur	2021-22 & 2022-23	20	3.460

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
26	MS, Taluka Hospital, Rohri, Sukkur	2021-22 & 2022-23	19	0.681
27	Chief Executive Officer of the Sindh HealthCare Commission, Karachi	2021-22 & 2022-23	20	0.304
28	MS, Peoples Medical College Hospital, Nawabshah, SBA	2022-23	5	7.419
			15	1.246
29	Executive Director, Shahdadpur Institute of Medical Sciences, Shahdadpur, Sanghar	2022-23	25	1.172
30	Medical Superintendent, Taluka Hospital, Moro	2021-22 & 2022-23	12	0.876
Home Department				
1	Secretary, Home Department, Government of Sindh, Karachi	2023-24	17 & 29	11.180
2	Additional Inspector General of Police, Karachi	2021-22 to 2023-24	11	0.296
Livestock & Fisheries Department				
1	Program Coordinator, Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh, Karachi	2022-23 & 2023-24	40	12.015
			05	2.690
2	Director Poultry Production & Research Sindh, Karachi	2023-24	06	7.308
3	Director Animal Husbandry, Hyderabad	2023-24	10	1.103
4	Director, Poultry Production & Research Sindh, Livestock & Fisheries Department	2022-23	02	0.763
Mines & Mineral Development				
1	Secretary, Mines & Mineral Development Department, Karachi	2023-24	19	0.199
Planning & Development				
1	Program Director, Municipal Services Delivery Program, Karachi	2022-23 & 2023-24	14	3.232
2	Secretary, Planning & Development Department, Karachi	2023-24	23	1.387
Population Welfare Department				
1	District Population welfare Officer, Naushahroferoze	2023-24	05	0.676
2	District Population welfare Officer, West Karachi	2023-24	02	0.501
3	District Population Welfare Officer, Sanghar	2023-24	12	0.202
School Education & Literacy Department				

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Principal, Government Elementary College for Men, Hyderabad	2018-19 to 2023-24	05, 07 & 10	12.521
2	Project Coordinator, Sindh Early Learning Enhancement Through Classroom Transformation (FAP), Karachi	2023-24	18	0.739
SGA&CD				
1	Deputy Commissioner, Dadu	2023-24	03	6.826
			06	3.744
			02	1.679
2	Deputy Commissioner, Khairpur	2023-24	07	2.755
3	Deputy Commissioner West, Karachi	2023-24	04	2.323
4	Deputy Commissioner, Thatta	2023-24	09	0.482
5	Deputy Commissioner, Kamber @ Shahdadkot	2023-24	06	0.341
6	Deputy Commissioner, Shaheed Benazirabad	2023-24	06	1.436
Sindh HEC				
1	Liaquat University of Medical & Health Sciences, Jamshoro	2022-23	12	45.130
2	Quaid-e-Awam University of Engineering & Technology, Shaheed Benazirabad	2022-23	43	8.554
			02	1.943
3	Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 to 2022-23	28	0.664
4	University of Karachi	2021-22 to 2022-23	53	0.368
Total				1,266.232

Annex-3

1.5.26 Excess expenditure incurred over & above the budget allocation – Rs 135.591 million

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
Cooperative Department				
1	Secretary, Cooperative Department, Karachi	2023-24	19	2.548
Human Settlement, Spatial Development & Social Housing Department				
1	Director General Human Settlement Authority, Karachi	2023-24	21	10.531
Labour & Human Resources Department				
1	Secretary, Workers Welfare Board Sindh, Karachi	2022-23 & 2023-24	23	122.512
Total				135.591

Annex-4

1.5.27 Savings not surrendered in time – Rs 7,591.259 million

(Rs in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
Health Department				
1	Principal, Sir CJ, College of Nursing (Male), Hyderabad	2021-22 & 2022-23	12	61.369
2	District Health Officer Keamari, Karachi	2021-22 & 2022-23	14	14.00
3	Medical Superintendent, Taluka Hospital, Shahdadtal	2021-22 & 2022-23	12	5.754
4	MS Civil Hospital, Jacobabad	2022-23	19	4.740
5	Principal, College of Nursing (Female), Mirpurkhas	2021-22 & 2022-23	12	24.545
6	Medical Superintendent, Taluka Hospital, Moro	2021-22 & 2022-23	14	65.414
Investment Department				
1	Project Director, Competitive & Livable City of Karachi Investment Department	2022-23	08	2,329.445
2	Secretary, Investment Department, Karachi	2023-24	10	85.00
Minorities Affairs Department				
1	Director, Minorities Affairs, Hyderabad	2022-23 & 2023-24	19	79.004
Planning & Development				
1	Director General, Peoples poverty Reduction Program, Karachi	2021-22 & 2022-23	01	1,659.071
Population Welfare Department				
1	District Population welfare Officer, Dadu	2023-24	25	5.106
2	Medical Officer, RHS-A Center K.N Shah	2023-24	37	0.909
Provincial Assembly Sindh				
1	Secretary, Provincial Assembly, Sindh	2023-24	07	433.506
School Education & Literacy Department				
1	Managing Director, Sindh Education Foundation, Karachi	2022-23	24	147.894
2	Project Coordinator, Sindh Early Learning Enhancement Through Classroom Transformation Project, Karachi	2023-24	13	2,406.653
Social Protection Department				
1	Project Director, Strengthening Social Protection Delivery System in Sindh, Karachi	2023-24	01	177.390

(Rs in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
Transport & Mass Transit Department				
1	Secretary Transport & Mass Transit Department, Government of Sindh, Karachi	2023-24	22	91.459
Total				7,591.259

Chapter-2 Agriculture, Supply and Prices Department

Annex-1

2.5.8 Less/Non-deduction of taxes – Rs 271.594 million

(Rupees in Million)

Sr. #	Name of office	Particulars	AIR Para #	Financial Year	Amount	Deduct .	Due	Less Deduct.
1	DG, Agriculture Engineering, Hyderabad	Non-deduction of IT	03	2023-24	4,542.470	-	249.835	249.835
2	Sindh Water & Agriculture Transformation Project, Hyderabad	Non deduction of SST on providing banking services	08	2023-24	60.662	-	7.886	7.886
3	Accelerated Action Plan for reduction of Stunting & Malnutrition (Agri. Sector) Karachi	Less deduction of IT	08	2023-24	88.494	1.327	3.982	2.655
		Less deduction of SST	09	2023-24	88.494	10.181	11.504	1.323
4	Sindh Irrigated Agriculture Productivity Enhancement Project Hyderabad	Non deduction of IT	13	2023-24	34.980	-	1.923	1.923
5	DG, Bureau of Supply & Prices Karachi	Non-deduction of GST	09	2023-24	13.129	-	2.232	2.232
		Non-deduction of IT	10	2023-24	13.129	-	0.853	0.853
6	Directorate of Agriculture Farms & Major Crops Development Sindh, Hyderabad	Less deduction of SST/Income	16	2022-23	10.142	1.186	2.181	0.994
7	Director Crop Reporting Service Center Sindh, Hyderabad	Less-deduction of SST	01	2022-23	22.994	2.197	2.969	0.772
8	DG, Agriculture Research, Tandojam	Non-deduction of SST	19	2023-24	14.759	1.484	1.919	0.435
		Less deduction of IT	20	2023-24	8.808	0.107	0.396	0.289
9	Additional Director, Agriculture Extension, Tando Muhammad Khan	Less deduction of IT	06	2021-22 to 2022-23	6.048	0.273	0.604	0.332
10	Additional Director Agriculture Extension Ghotki	Less deduction of IT	01	2022-23	8.563	0.344	0.670	0.325

(Rupees in Million)

Sr. #	Name of office	Particulars	AIR Para #	Financial Year	Amount	Deduct .	Due	Less Deduct.
11	Director Agriculture/Wheat Research Institute, Sakrand Shaheed Benazirabad	Less deduction of IT	18	2017-18 to 2022-23	4.608	0.207	0.461	0.253
12	Director, Agriculture Research Center, Tando Jam	Less deduction of IT	01	2022-23	3.596	0.126	0.364	0.238
13	Cotton Commissioner Sindh, Hyderabad	Non-deduction of SST	17	2022-23	1.243	-	0.162	0.162
14	Secretary, Agriculture Supply & Price Department Karachi	Less deduction of SST	08	2023-24	9.978	1.127	1.236	0.149
		Less deduction of IT	07	2023-24	8.050	0.686	0.724	0.038
15	Deputy Controller, Weights and Measures Cell, HQ, Karachi	Less deduction of IT	17	2023-24	4.245	0.361	0.760	0.398
			24	2023-24	1.061	0.381	0.404	0.022
		Less deduction of SST	22	2023-24	1.249	0.093	0.144	0.051
16	Director, Agriculture Research Center, Tando Jam	Less-deduction of SST	02	2022-23	1.234	0.033	0.142	0.109
17	Cotton Commissioner Sindh, Hyderabad	Less deduction of IT	16	2022-23	2.861	0.051	0.129	0.078
18	Director, Quaid-e-Awam Agriculture Research Institute, Naudero Larkano	Non-deduction of Taxes	07	2022-23	0.724	-	0.072	0.072
19	Principal, Agriculture Training Institute, Sakrand	Less deduction of IT	01	2022-23	1.203	0.053	0.120	0.067
20	Additional Director Agriculture Extension Kamber	Non-deduction of IT	06	2020-21 to 2022-23	0.432	-	0.043	0.043
21	Director, Plant Protection, Hyderabad	Less deduction of IT	03	2022-23	0.634	0.063	0.029	0.035
22	Director, Agriculture Training Sindh, Hyderabad	Less deduction of IT	14	2023-24	0.522	0.028	0.052	0.025
Total					4,954.312			271.594

Chapter-4 Board of Revenue

Annex-1

4.5.2 Deficiencies in Agricultural Income Tax Assessment & Revenue Collection

Sr. No.	Name of Office	Financial Year	Para No.	Functions
1	Senior Member, Board of Revenue, Hyderabad	2022-23	25	• The office does not have the recorded number of total khatedars falling under tax net and regime of the Agriculture income Tax and no efforts were made to record the number of eligible Khatedars in order to collect the total due Agriculture Income Tax (AIT). • In absence of record of total Khatedars, possibility of non-recovery of Agriculture income Tax from various eligible Khatedars persists. • Amount recovered from the Khatedars was realized on the basis of Income declared by the Khatedars whereas the officer responsible did not make any efforts to calculate their fair income of the Khatedars or to verify the expenditure and income from the crop by certifying the expenditure slips to impose the fair Agriculture income Tax. • No any assessment was conducted to ascertain the income generated from the specific land to collect the Agriculture income Tax • Set target was not achieved regarding the collection of Agriculture income Tax and other taxes.

Annex-2

4.5.5 Less/ Non- deduction of various taxes – Rs 5.939 million

(Amount in Rupees)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of account	Particulars	Exp:	Due tax	Deducted	Less deduction
1	Member, Survey and Settlement Sindh, Hyderabad	2018-19 to 2022-23	03, 04 & 05	Various head of accounts	Less- deduction IT, SST & GST	-	-	-	1,185,291
2	PD Automation of stamps & Registration Karachi	2021-22 to 2023-24	25	Procurement of IT equipment	Less- deduction of GST	55,500,000	1,962,000	1,344,929	617,071
			28	Repair of IT equipment	Less deduction of income tax	2,013,308	150,613	90,598	60,015
3	Senior Member, BoR Hyderabad	2023-24	9	Various head of account	Less/ Non- deduction of GST	24,686,973	4,443,655	366,676	4,076,979
Total									5,939,356

Chapter-6 College Education Department

Annex-1

6.5.6 Non/less-deduction of various taxes – Rs 12.070 million

(Rs. in Million)

Sr. #	Name of Office	Financial year(s)	Description	AIR Para #	Exp.	Tax due	Tax deducted	difference
1	Director General Colleges, Sindh	2023-24	SST	01	29.880	3.884	1.138	2.746
2	Principal Cadet College Petaro, Jamshoro	2022-23	WHT	02	14.891	0.670	0	0.670
			GST		14.891	2.531	0	2.531
3	Principal Degree Girls College Sehwan Sharif, District Jamshoro	2018-19 to 2022-23	GST	14	8.066	1.371	0.252	1.119
			SST	16	8.235	1.071	0.330	0.740
			WHT	15	9.024	0.902	0.404	0.498
4	Principal Boys Degree College Sehwan Sharif, District Jamshoro	2018-19 to 2022-23	GST	14	3.755	0.863	0.249	0.614
			SST	16	2.186	0.284	0.114	0.171
			WHT	15	2.462	0.246	0.112	0.135
5	Principal, Government Shah Latif (SL) Girls College, Latifabad No.06, Hyderabad	2017-18 to 2022-23	GST	06	3.662	0.526	0.110	0.421
			SST		1.185	0.133	0.032	0.092
6	Regional Director of Colleges, Sukkur	2019-20 to 2022-23	WHT	15	2.556	0.256	0.070	0.185
			GST		1.072	0.182	0.015	0.167
7	Principal Boys Degree College K.N Shah, District Dadu	2018-19 to 2022-23	GST	07	2.665	0.453	0.090	0.363
			WHT	08	2.792	0.279	0.128	0.152
			SST	09	0.148	0.019	0.0043	0.015
8	Chairman, Sindhi Adabi Board, Jamshoro	2022-23	SST	08	7.161	0.358	0	0.358
09	Principal, Degree College, Johi, Dadu	2017-18 to 2022-23	GST	04	1.813	0.263	0.022	0.241
			SST		0.728	0.084	0.022	0.062
10	Principal Govt. Girls Degree College Gulshan-e-Hadeed, Karachi	2020-21 to 2022-23	Income Tax	01	0.530	0.024	0	0.024
			SST		0.840	0.109	0.058	0.051
			GST		1.588	0.270	0.070	0.200
11	Principal Govt. Degree College Mirpur Mathelo	2018-19 to 2022-23	GST	03	2.827	0.298	0.481	0.183
			SST		1.980	0.257	0.227	0.031

(Rs. in Million)

Sr. #	Name of Office	Financial year(s)	Description	AIR Para #	Exp.	Tax due	Tax deducted	difference
12	Government Girls Degree College, Darsano Channo, Karachi	2020-21 to 2022-23	WHT	07	1.297	0.130	0.103	0.026
			SST		1.297	0.169	0.101	0.068
13	Principal Govt. College for Women Block-"M" North Nazimabad Karachi	2020-21 to 2022-23	WHT	30	1.599	0.071	0	0.071
14	Regional Director of Colleges, Sukkur	2019-20 to 2022-23	SST	16	2.755	0.358	0.302	0.056
15	Principal Government Islamia Degree College, Badin	2018-19 to 2022-23	Sales tax	03	0.260	0.047	0	0.047
16	Director, Directorate of Inspection and registration of Private Colleges in Sindh, Karachi	2022-23 to 2023-24	GST & SST	12	3.211	0.204	0.171	0.033
Total					135.356	16.312	4.356	12.07

7.5.1 Non Production of various auditable record

List of Auditable Record and Informations

1. Organogram Chart, Functions, Objectives and achievement of your organizations.
2. By-laws of your organization if any.
3. Bank Statement showing deposits and payments from 01-07-2023 to 30-06-2024.
4. Details of total societies registered in Sindh / registration record with allottees name
5. Total plots/ houses /owners/ Map details of the the societies.
6. Bank Account details/statements of societies
7. Details of total maintenance fees received from the owners of the societies.
8. Members' details/formation of societies in Sindh
9. Total Recoveries made on account of maintenance & Arrears of fees
10. List of defaulters, details of outstanding fees
11. Total complaints received of societies
12. Total inquiries conducted of societies and their disposal /reports.
13. Details of fines/penalty to societies
14. Audit reports of the accounts of societies etc
15. Supervisory reports regarding provision of basic amenities
16. Details of total revenue / Receipts record pertaining to the Cooperative Department.
17. Registration Fees
18. Details of Total NOCs issued.

Chapter-8 Culture, Tourism & Antiquities Department

Annex-1

8.5.1 Non-production of auditable record – Rs 27.011 million

(Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Observation	Amount
1	Secretary Culture, Tourism and Antiquities Department	2023-24	18	Procurement plan, detailed estimates, bidding documents, accepted and rejected bids, work order, BOQ, call deposit, performance security, bid evaluation report, agreement, minutes of procurement committee and stock register	24.435
			50	Supporting record/evidences	1.121
			53	Adjustment record	1.066
			08	Supporting vouchers	0.389
2	Resident Director, Planning, Development, Monitoring & Implementation Cell, Karachi	2023-24	25	Various auditable record	-
3	Secretary Film Censors, Karachi	2022-23	01	Record of previous years	-
Total					27.011

Chapter-9 Department of Empowerment of Persons with Disabilities

Annex-1

9.5.2 Deficiency in providing quality service due to non-execution of various key departmental functions

Sr. #	Name of office	Financial Year	AIR Para #	Particulars
1	Director General, Sindh Persons with Disabilities, Protection Authority Karachi	2023-24	09	i. The Authority shall develop, promulgate and monitor the implementation of minimum standards and guidelines for accessibility of services and facilities to the 'Persons with Disabilities' which are open or provided to the public by Government or private sector..... Section 6 (2) ii. The Authority shall develop rules for minimum standards of access and related signage that each department, authority, entity, and major enterprise shall put in place to ensure access and comprehension of 'Persons with Disabilities'. Section 6 (3) iii. The Authority shall develop and enforce rules ensuring access to audio, print and electronic media as well as information technology by the 'Persons with Disabilities', to enjoy freedom of speech and freedom of information. Section 6 (4) iv. The 'Authority' conducts survey of school going children in every three years for identifying children with disabilities, ascertaining their special needs and the extent to which these are being met. Section 9. (2) a). v. Authority shall establish a 'Special Employment Exchange and Portal', to which every establishment shall furnish such information as may be prescribed by the Government in relation to vacancies earmarked for 'Persons with Disabilities' which have occurred and filled or about to occur. Section 11 (9).
2	Principal, Government Special Educational Complex Nawabshah, Shaheed Benazirabad	2022-23 & 2023-24	15	i. No survey was conducted in district for monitoring disabled children population and increasing enrolment for the betterment of Special children as per the set targets. ii. The proper mechanism was not adopted for training and development of faculty. iii. The awareness campaign at district level was not conducted to reduce the population of disable children by educating parents about the need of special education for their children

Sr. #	Name of office	Financial Year	AIR Para #	Particulars
3	Director, Special Education Complex (PHC MRC BHC & HIC) Karachi	2020-21 to 2023-24	01 & 02	i. As per progress report, there were 355 enrolled students; out of which 193 students are awaiting for admission due to shortage of space in building and faculty staff. ii. The reasons for permanent shortage of teaching and non-teaching staff. No strategies devised to overcome that issue permanently so that enrolment of students may be adjusted accordingly. iii. As per PC-I, the capacity of students are 50 students per class. Whereas, the current position disclosed 100 students per class. iv. The CCTV Camera facility was not available in school. Due to non-availability of this basic facilities the monitoring could be compromised. v. It was observed that the female students needs help of female attendant during classes; whereas, only one female attendant is working against three post. vi. The new vans were handed over to department for transportation of disabled students however, due to shortage of drivers & conductors, the proper facilitation could not be possible.

Chapter-12 Finance Department

Annex-1

12.5.1 Un-justified payment through invalid CNICs numbers – Rs 1,465.428 million

(Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	District Accounts Office, Dadu	2022-23	2	Unauthorized hiring of 410 IDs having Even number of CNIC to male pensioners and paid family/self pension	478.613
2	District Accounts Office, Dadu	2022-23	31	Doubtful payment on account of pension benefits against 706 IDs hired on old NICs	431.160
3	District Accounts Office, Naushahroferoze	2022-23	26	Unauthorized hiring of 687 IDs having Even number of CNIC to male pensioners and paid family/self-pension	291.228
4	District Accounts Office, Dadu	2022-23	33	Unjustified payment of pension to 107 IDs on old NIC numbers	80.943
5	District Accounts Office, Jamshoro	2022-23	4	Unjustified payment of pensioners with dummy CNICs	66.633
6	District Accounts Office, Naushahroferoze	2022-23	27	Irregular payment of monthly pension to 1,112 doubtful pensioners having invalid CNIC	61.899
7	District Accounts Office, Thatta	2021-22 & 2022-23	3	Doubtful disbursement of pension on invalid / wrong / dubious CNIC numbers Rs25.229 million	25.229
8	District Accounts Office, Larkana	2022-23	6	Doubtful payment of GP Fund on invalid CNICs numbers	23.545
9	District Accounts Office, Dadu	2022-23	37	Payment of arrears without updating CNIC in SAP master record	6.178
10	District Accounts Office, Shaheed Benazirabad	2022-23	15	Doubtful payment of pensioners having incomplete CNIC numbers.	0
11	District Accounts Office, Mirpurkhas	2022-23	4	Non-transparent payment on Invalid CNIC	0
12	District Accounts Office, Khairpur	2022-23	14	Irregular allowing pensionary payments on invalid NICs	0
Total					1,465.428

Annex-2

12.5.6 Excess payment on account of Pension, LPR and GP Fund – Rs 2,794.435 million

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	District Accounts Office, Mirpurkhas	2022-23	9 & 10	Payment made in twice & thrice	2,578.824
2	District Accounts Office, Matiari	2022-23	24	Duplication of payment of LPR, Gratuity, Commutation and arrears to pensioners	76.884
3	District Accounts Office, Dadu	2022-23	34	Duplication of GP fund payments	29.277
4	District Accounts Office, Mithi	2022-23	4	Double payment of GPF Final Settlement, Commutation and Gratuity	25.885
5	District Accounts Office, Shaheed Benazirabad	2022-23	17	Dual payment of G.P fund, Commutation & Gratuity through off-cycle	22.571
6	District Accounts Office, Thatta	2021-22 & 2022-23	18	Double payment of Gratuity	12.322
7	District Accounts Office, Shikarpur	2022-23	14	Dual payment of G.P fund, Gratuity & Arrears of Pension through off-cycle	9.527
8	District Accounts Office, Khairpur	2022-23	13	Dual payments on account of G.P Fund Advance and Gratuity	8.205
9	District Accounts Office, Hyderabad	2022-23	18	Excess payment of Leave Encashment	8.017
10	District Accounts Office, Thatta	2021-22 & 2022-23	27	Double payment of medical reimbursement to pensioners	5.319
11	District Accounts Office, Larkana	2022-23	12	Duplicate payment of medical charges – Rs4.340 million	4.340
12	District Accounts Office, Matiari	2022-23	2	Excess payment of LPR	4.221
13	District Accounts Office, Mithi	2022-23	1	Dual payment of adjustment / arrear of pay bills	2.174
14	District Accounts Office, Thatta	2021-22 & 2022-23	23	Double payment of Leave Encashment	1.382
15	District Accounts Office, Hyderabad	2022-23	39	Double payment of GP Fund Final Payment	1.357
16	District Accounts Office, Matiari	2022-23	3	double payment of pension arrears to a pensioner	1.268
17	District Accounts Office, Matiari	2022-23	1	Double payment of Salary to same persons under the head other	1.267

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
				services rendered A03919 & Others A06102	
18	District Accounts Office, Sukkur	2022-23	11	Excess release of pension without delimitation	1.045
19	District Accounts Office, Mirpurkhas	2022-23	39	Payment of Pension twice in the same month in separate bank accounts	0.260
20	District Accounts Office, Mirpurkhas	2022-23	1	Double payment of Gratuity	0.155
21	District Accounts Office, Matiari	2022-23	28	Excess payment of Leave Encashment	0.135
Total					2,794.435

Annex-3

12.5.7 Doubtful double/increase payments in retirement benefits – Rs 1,206.141 million

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Details	Amount
1	District Accounts Office, Shikarpur	2022-23	16	Irregular payment on account of commutation	500.445
2	District Accounts Office, Mirpurkhas	2022-23	12	Doubtful increase in pension payment	270.787
3	District Accounts Office, Sanghar	2022-23	10	Suspicious payment of pension	79.594
4	District Accounts Office, Dadu	2022-23	3	Doubtful over payment of pension increase-Self/family	64.079
5	District Accounts Office, Mirpurkhas	2022-23	40	Suspicious increase in pension payments	57.502
6	District Accounts Office, Thatta	2021-22 & 2022-23	19	Unjustified payment of pension increase in excess of due amount/double payment	56.597
7	District Accounts Office, Hyderabad	2022-23	14	Suspected double payment of arrears of pension	48.385
8	District Accounts Office, Dadu	2022-23	4	Suspicious payment of pension to 52 pensioners	45.085
9	District Accounts Office, Shikarpur	2022-23	20	Doubtful increase on account of pension payments	22.174
10	District Accounts Office, Jamshoro	2022-23	10	Irregular payment to pensioners without provision of record	13.762
11	District Accounts Office, Mirpurkhas	2022-23	3	Suspicious double payment of pension arrears to a pensioner	13.180
12	District Accounts Office, Dadu	2022-23	7	Suspicious drawl of monthly family pension by self	8.221
13	District Accounts Office, Hyderabad	2022-23	17	Suspected payment of GP Fund final payments	5.594
14	District Accounts Office, Hyderabad	2022-23	15	Suspected double payment of commutation	5.497
15	District Accounts Office, Sukkur	2022-23	10	Flaws in system of payment of pension	4.539

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Details	Amount
16	District Accounts Office, Hyderabad	2022-23	16	Suspected payments of gratuity	4.377
17	District Accounts Office, Dadu	2022-23	8	Suspicious payment of salary and pension in dormant bank accounts	3.321
18	District Accounts Office, Sukkur	2022-23	12	Suspected payments made through pension more than entitlement	0.788
19	District Accounts Office, Naushahroferoze	2022-23	9	Payment of monthly family pension to suspicious daughter	0.698
20	District Accounts Office, Hyderabad	2022-23	13	Suspected double payment of leave encashment	0.689
21	District Accounts Office, Naushahroferoze	2022-23	10	Doubtful payment of family pension to Mst. Naila Khatoon	0.455
22	District Accounts Office, Naushahroferoze	2022-23	11	Pension payment to suspicious ID of Late M.Paryal and Service of Late Khuda Bux .	0.372
23	District Accounts Office, Shaheed Benazirabad	2022-23	19	Suspicious payment observed on account of pension as onlyRs1 transferred	0
24	District Accounts Office, Dadu	2022-23	12	Suspicious payment of monthly pension to 6,455 pensioners	0
25	District Accounts Office, Badin	2021-22 & 2022-23	26	significant increase in monthly pension of various pensioners without justification and supporting documents	0
Total					1206.141

Annex-4

12.5.9 Un-justified payment of honorarium upto 18 Basic pay – Rs 214.313 million

(Amount in Rs.)

Name of Officer	Designation	Amount of Honorarium
Shahmeer Bhutto	CM inspection inquires	516,920
Mateeurrehman	Transport Dept	133,560
Zaheer Ahmed Burdi	Agriculture Dept	206,420
Faisal Hussain Chandio	Secretariat Staff to the Governor	165,380
Muhammad Shafique Bukhari	Health Dept	248,070
Saeed Kerio	SG&CD	110,050
Mumtaz Ali Unar	Transport Dept	875,100
Ghulam Asghar Suhag	Education Dept	317,080
Shahab Qamar Ansari	SG&CD	568,320
Shahab Qamar Ansari	SG&CD	757,760
Mansoor Ahmed	SG&CD	75,850
Fayaz Ahmed Jumani	Local Govt.	114,570
Syed Shamim Hyder	Transport Dept	58,750
Sadar Ali Soomro	Health Dept	190,500
Masood Ali	Chief Minister	566,397
Masood Ali	Local Govt. Adjust	324,650
Masood Ali	Local Govt.	105,860
Haji Mehmood	Social Wel Dept	58,750
Hasnain Ahmed	Education Dept	400,000
Sajid Jamal Abro	Social Wel Dept	242,960
Yasir Ali	Health Dept	373,020
M.Kashif Khoso	Education Dept	289,720
Ghulam Mustafa	S&GAD	352,500
Ghulam Mustafa	Education Dept	288,680
Shahban Shaikh	CM inspection inquires	117,500
Naeem Sharif Chandio	Health Dept	58,750
Total		7,517,117

*The SAP statement also reveals that some officers received an additional honorarium amounting to Rs 7.517 million from other departments, which is yet to be recovered. In the absence of the recovery of Rs 7.517 million, as directed by the DAC, the matter remains unresolved.

Annex-5**12.5.12 Excess payment on account of pension – Rs 7.009 million**

(Amount in Rupees.)

Pers.No.	Name	Grade	Cost Ctr	Pensioner	Amount
10950332	Ghulam Muhammad	Grade 10	Bi0000	Spouse	370,479
10950332	Ghulam Muhammad	Grade 10	Bi0000	Spouse	108,122
10341203	Arjan	Grade 17	Bi0000	Self	146,221
10341203	Arjan	Grade 17	Bi0000	Self	106,345
10469710	Dr Mohammad Nawaz Abbasi	Grade 20	Bi0000	Self	867,445
10469710	Dr Mohammad Nawaz Abbasi	Grade 20	Bi0000	Self	656,135
10328610	Nasim Akhtar Gopang	Grade 18	Bi0000	Spouse	336,343
10328610	Nasim Akhtar Gopang	Grade 18	Bi0000	Spouse	272,490
10970275	Mst: Late Naseeban	Grade 02	Bi0000	Spouse	883,593
10970275	Mst: Late Naseeban	Grade 02	Bi0000	Spouse	113,088
10328593	Muhammad Ashraf	Grade 15	Bi0000	Spouse	850,000
10328593	Muhammad Ashraf	Grade 15	Bi0000	Spouse	630,702
10364554	Razia Shah	Grade 17	Bi0000	Spouse	180,295
10364554	Razia Shah	Grade 17	Bi0000	Spouse	251,453
10464055	Muhammad Hassan Ansari	Grade 19	Bi0000	Self	835,000
10464055	Muhammad Hassan Ansari	Grade 19	Bi0000	Self	401,698
Total					7,009,409

Annex-6

12.5.13 Non production of record– Rs 3,568.001 million

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	District Accounts Office, Hyderabad	2022-23	1	Arrears of pension, Commutation, Gratuity, LPR, FI, Pension case files record 2021-22 & 2022-23 and receipts record.	1,260.000
2	Project Director, Supporting Public-Private Partnership Investments in Sindh Province, Karachi	2023-24	11	it was observed that an amount to Rs 723.745 million was paid to Education & literacy department through Assignment Account No.1163945469 (PPP) but Invoices with copies of the Annuity Amount Payment Certificate appended to Authority in triplicate demanding payment of the Payable Annuity Amount Payment, Independent Audit Certificates and Independent Expert Certificates in respect of payments made to PPP Node of Education Department during the period under audit were not provided / obtained.	723.745
3	Secretary to Govt. of Sindh, Finance Department	2023-24	1	Details of Non-Production of Record is at Annex 6(A)	597.359
4	Project Director, Supporting Public-Private Partnership Investments in Sindh Province, Karachi	2023-24	3	580 Specialists and Consultants to support project execution were hired, but no records of their hiring or related details were provided	498.805
5	Project Director, Supporting Public-Private Partnership Investments in Sindh Province, Karachi	2023-24	7	It was observed that CEO, CFO, other specialists and outsource staff were hired in PSF. However, on audit inquire, the detail of hiring of staff and their salaries were not produced. Audit could not authenticate the drawl of huge salaries by above employees without checking their recruitment procedure.	271.855

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
6	Project Director, Supporting Public-Private Partnership Investments in Sindh Province, Karachi	2023-24	14	It was observed that an amount of Rs 161.009 million was adjusted on account of RFPs EMO. However, detailed justifications and adjustment record was not provided for verification.	161.009
7	Project Director, Supporting Public-Private Partnership Investments in Sindh Province, Karachi	2023-24	6	While reviewing P.C-1 it was observed that an amount of US\$ 150,217 was allocated for operating expenses on contingencies during financial year 2021-22. Due to continuation of PPP project till 2023-24 the operating expenses of US\$ 198,663 equals to PKR Rs 55.228 million on contingencies during financial year 2023-24 were incurred (15% per annum inflation rate as per PC-1). However, the detail of contingencies expenses was not produced to audit. Therefore, audit could not authenticate the expenses incurred on contingencies without availability of relevant record.	55.228
8	District Accounts Office, Matiari	2022-23	36	Various auditable record i.e Monthly details of pension payment, Copies of monthly DCS, Credit Bank Advices, Inquiries reports etc.	0
9	District Accounts Office, Jamshoro	2022-23	19	Copies of monthly Bank Credit Advices	0
10	Project Director, Supporting Public-Private Partnership Investments in Sindh Province, Karachi	2023-24	4	The grant of USD 4,750,530 (PKR 498.805 million) from the UK Government, intended for project support such as staffing and coordination, lacked any expenditure documentation.	0
Total					3,568.001

Detail of non-production of record of office at Serial #3 of Annex-6

1. Total Number of Cost Centers being operated in the office
2. Reconciled Expenditure Statement of all cost centers
3. Receipt statement
4. List of total Bank Accounts along with bank statements
5. Total Sections with functions
6. List of Cost centers with DDO names of Finance department throughout Sindh with DDO names and addresses
7. Total Investment made by Finance Department with details of return on its
8. Budget releases and related files & allocation, revision, and supplementary grants records
9. Personal files of officers and officials, including those retired or on deputation.
10. Records of new appointments, promotions, disciplinary actions, and terminations.
11. Service books, pay bills, arrear adjustments, and records of loans and advances.
12. Documentation of government accommodations and vehicles.
13. Documentation for development schemes, including PC-I, II, III, IV, and progress reports.
14. Compliance with PPP Law, procurement rules, and other regulations.
15. Documentation of any defalcation losses, recovery of inadmissible allowances, and discrepancies.
16. Minutes of meetings for the Provincial Finance Commission, Purchase Committee, and other relevant boards.
17. Correspondence and directives related to departmental operations and financial management.
18. Detail of Inquiries of FD department including treasury offices under various agencies
19. CM directives
20. Workshop/ Awareness/ Seminars & other activities
21. Correspondence file directives to DAOs & implications SOP
22. Specialized Units working in Finance Department
23. Progress report / monitoring report / analysis report.
24. Detail of consultants along with hiring documents.
25. Detail of employees along with detail of pay & allowances.
26. List of Buildings hired on rent basis with agreement and correspondence file.

27. details of the transactions, as it has been noted in the SAP-generated report for cost center KQ0042 that non-tax revenue transactions classified under General Ledger (GL) head code 'C' amounted to Rs 156,912.587 million
28. Furnish the details of transaction under following cost centers with DDO details empowered to operate

Cost Center	Description of Cost Center	Amount
KQ0045	FINANCE DEPARTMENT (SECRETARIAT)	240,479,397
KQ0046	DIRECTORATE OF ACCOUNT	2,724,500
KQ0051	COMPENSATION CASES	99,305,500
KQ0055	GRANTS TO OTHERS IN SINDH	54,080,000
KQ0056	GRANTS TO NON-FINANCIAL	200,770,000
		597,359,397

29. Furnish the details of total summaries moved by Finance Department to Chief Ministers Sindh

Resource Wing: (Section-I-Resource Wing)

- DO (Demi-Official) letters sent to departments inviting tax proposals.
- Summaries presented to the cabinet regarding tax proposals.
- Correspondence with the legal department for the Finance Act drafts.
- Legal certificates obtained for proposed drafts.
- Detailed records of major taxes including Duties, Cess, Fees, and Rates.
- Drafts of the finance bill and related documentation.
- Approved Sindh Finance Act and related legal documentation.
- Documentation of the constitution and membership of the NFC.
- Recommendations made by the NFC to the President regarding:
- Distribution of net proceeds of taxes.
- Grants-in-aid by the Federal Government to the Provincial Governments.
- Exercise of borrowing powers by the Federal and Provincial Governments.
- Details of revenues included in the FDP (income tax, sales tax, customs duties, central excise, GST on services, CVT, and WT).
- Recommendations codified in NFC Award or Presidential Order.
- Records of staff training involved in the tax policies and NFC processes.

Section-II-Resource Wing

- Monthly reports from AG-Sindh on communicated figures of receipts and public accounts.
- Data from State-Bank and Treasuries on monthly figures.
- Detailed records of all receipts and expenditures for the audit period.
- Copies of Consolidated Monthly Civil Accounts prepared by AG-Sindh.

- Correspondence with departments regarding justifications for exceeding budgetary provisions.
- Trend analysis reports of receipts and expenditures.
- Detailed records of all provincial tax collections
- Detailed records of non-tax receipts, including:
- Documentation of internal policies and procedures for compiling, monitoring, and reconciling receipts and expenditures.
- Records of staff training involved in the reconciliation and monitoring processes.

Section-III-Resource Wing

- Documentation of non-development grants from the Federal Government.
- Documentation of development grants from the Federal Government.
- Records of sales tax received.
- Records of federal excise received.
- Records of federal excise on natural gas.
- Documentation of floating debt (Account No. I).
- Records of surcharge on gas received.
- Documentation of foreign debt (permanent).
- Records of floating debt (Account No. II).
- Records of debt servicing (interest payment charged).
- Documentation of floating debt (Account No. I).
- Records of floating debt (Account No. II).
- Records of floating debt (food and non-food account).
- Documentation of all assignments and imprest accounts.
- Records of provincial claims against the Federal Government and its agencies.
- Documentation of issues related to OZT grants with the Federal Government.
- Records of the opening of PLAs for all departments/agencies in Sindh.
- Documentation of maintaining and reconciling accounts of all PLAs in Sindh.
- Documentation of internal policies and procedures for managing federal receipts, debt servicing, assignments, and PLAs.
- Evidence of compliance with relevant financial regulations and policies.
- Complete audit trails for all financial transactions related to federal receipts, debt servicing, assignments, and PLAs.

Section-IV-Resource Wing

- Records of loans and advances provided to financial and non-financial institutions.
- Detailed documentation of current loans and advances, including terms and conditions.
- Correspondence related to loans and advances, including approvals and agreements.
- Detailed records of subsidies provided, including purposes and beneficiaries.
- Budgeting documentation for subsidies.
- Reports on the disbursement and utilization of subsidies.
- Correspondence and approvals related to subsidy allocations.
- Records of investment portfolios and performance reports.
- Reports on the returns and dividends received from investments.
- Budgeting and financial planning documentation for investments.
- Records of releases to local bodies from provincial taxes.
- Documentation of releases to specific bodies, including SASO, KTC, and Karachi Water and Sewerage Board.
- Correspondence and approvals related to releases to local bodies.
- Reports on the utilization and impact of funds released to local bodies.
- Records related to loans and advances provided to district governments.
- Documentation of issues and resolutions related to district government loans and advances.
- Correspondence and approvals related to district government financial matters.
- Records related to defunct and non-functional institutions managed by the section.
- Documentation of staff retained for future requirements.
- Financial records of these institutions, including any remaining assets and liabilities.
- Records of staff training related to financial management and reporting.
- Evidence of compliance with relevant financial regulations and policies.

Section-V-Resource Wing

- Records of sugarcane cess collected by the Cane Commissioner.
- Detailed documentation of the total amount of sugarcane cess collected.
- Documentation of the 17% retention, including breakdowns of the 15% for development and 2% for collection charges.

- Records showing the calculation and deduction of these percentages from the total cess collected.
- Correspondence and approvals related to the retention and deduction of cess.
- Records of the amount of 15% released as Infrastructure Development Cess to the districts.
- Documentation of the disbursement process, including approvals and transfer records.
- Correspondence with districts regarding the release and utilization of Infrastructure Development Cess.
- Reports on the utilization of Infrastructure Development Cess by the districts for development projects.
- Monthly, quarterly, and annual financial reports on sugarcane cess collection, retention, and releases.
- Variance analysis reports comparing projected vs. actual cess collection and disbursement.
- Documentation of internal policies and procedures for managing sugarcane cess collection, retention, and release.
- Records of staff training related to cess management and financial reporting.
- Evidence of compliance with relevant financial regulations and policies regarding cess collection and disbursement.
- Complete audit trails for all financial transactions related to sugarcane cess.

SR-II

- Detail of cases in 2023-24(Received, passed, rejected/returned, Pending)
- Detail of pending cases before July 2023.
- Minutes of meeting in this regard, if any.
- Case files.

SR-III

- Policy / Criteria / SOP for issuance of release orders of Ph.D. and M.Phil. Allowance.
- Detail of cases in 2023-24(Received, passed, rejected/returned, Pending)
- Detail of pending cases before July 2023.
- Minutes of meeting in this regard, if any.
- Case files.
- Consolidated report including subject of proposal, action taken by the FD with date of receipt from Administrative Department and date of disposal

submitted to competent authority in light of FD Standing Order No.FD(E&A)18(03)/2018.

Budget Sections

- Policy / Mechanism to allow regular / revised / supplementary budget to the department.
- Copies of Budget Call Circular duly endorsed by concerned Secretary of the Department.

Care Taker Cell

- Up to date, section wise position of stock / physical assets (Computer, Laptop etc)
- Requisitions submitted by the concerned.
- Correspondence / approval file for issuance of stock to as per requisition.
- Stock registers of computer paper and printer tonners.

Local Fund Audit

- Minutes of meeting of last Provincial Finance Commission along with schedule of OZT disbursement.
- Policy / SOP for distribution of funds.
- Detail of funds transferred to local bodies to TMAS (Tehsil, Town & Unions) as per budget allocation
- Detail of funds transferred, other than regular budget, if any.

Directorate of Account (Inspection)

- Bank statement of DDO.
- Inspection report conducted, if any.
- Other assignment performed, if any.

Annex-7

12.5.16 Irregular payment of arrears of pay & allowances – Rs 2,110.757 million (Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	District Accounts Office, Thatta	2021-22 & 2022-23	33	Due drawn statements, pay bills, non-payment certificate was not attached with case file.	433.929
2	District Accounts Office, Dadu	2022-23	13	Approval of Finance Department, orders of promotion/time scale/up-gradation not produced.	381.538
3	District Accounts Office, Umerkot	2022-23	05	--do---	251.640
4	District Accounts Office, Larkana	2022-23	2	Approval of Finance Department, copies of manual bills, notifications of transfer posting/up-gradation/promotion, LPC, personal files, service books were not provided.	242.551
5	District Accounts Office, Ghotki	2022-23	22	Permission of competent authority was not attached. Promotion, time scale and up-gradation orders were not attached. The copies of service books/ personal files was not produced	197.538
6	District Accounts Office, Tando Allahyar	2022-23	16	F-02 forms, due drawn statements, amendment forms, office orders, personal files, LPCs not available.	160.119
7	District Accounts Office, Sukkur	2022-23	22	Approval of Finance Department, orders of promotion/time scale/up-gradation not produced.	140.862
8	District Accounts Office, Tando Muhammad Khan	2022-23	1	Approval of Finance Department, reasons of splitting claims, supporting documents	135.468

(Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
				including minutes of DPC/DSC, service books were not available.	
9	District Accounts Office, Hyderabad	2022-23	2	Approval of Finance Department, Supplementary bills, LPCs, Due Drawn, Sanction orders were not attached.	95.597
10	District Accounts Office, Naushahroferoze	2022-23	14	FO2 forms personal file, service books, notification, due drawn, and Finance permission was not attached.	54.903
11	District Accounts Office, Badin	2021-22 & 2022-23	22	The approval from the Finance department, notifications and relevant supporting documents i.e. manual bills, LPC, personal file, service books were also not attached.	8.860
12	Secretary Finance Department	2023-24	26	FO2, register of Difference, personal files and service books, due drawn statement with FD permission	7.752
Total					2110.757

Annex-8

12.5.21 Irregular payments through DDO account – Rs 2,314.923 million

(Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Amount
1	District Accounts Office, Hyderabad	2022-23	24	590.052
2	District Accounts Office, Dadu	2022-23	29	276.474
3	District Accounts Office, Naushahroferoze	2022-23	19	208.032
4	District Accounts Office, Sukkur	2022-23	3	197.515
5	District Accounts Office, Shaheed Benazirabad	2022-23	14	166.884
6	District Accounts Office, Khairpur	2022-23	1	104.646
7	District Accounts Office, Umerkote	2022-23	13	94.997
8	District Accounts Office, Mithi	2022-23	7	82.500
9	District Accounts Office, Shikarpur	2022-23	11	82.344
10	District Accounts Office, Kambar	2022-23	7	78.000
11	District Accounts Office, Sanghar	2022-23	3	76.491
12	District Accounts Office, Matiari	2022-23	8	64.637
13	District Accounts Office, Thatta	2021-22 & 2022-23	8	61.136
14	District Accounts Office, Ghotki	2022-23	4	60.000
15	District Accounts Office, Tando Allahyar	2022-23	12	53.499
16	District Accounts Office, Jamshoro	2022-23	11	48.277
17	District Accounts Office, Tando Muhammad Khan	2022-23	8	37.465
18	District Accounts Office, Larkana	2022-23	7	14.659
19	District Accounts Office, Matiari	2022-23	12	5.847
20	District Accounts Office, Sujawal	2021-22 & 2022-23	23	5.572
21	Treasury Officer, Karachi	2022-23	1	4.271
22	District Accounts Office, Shaheed Benazirabad	2022-23	16	1.458
23	District Accounts Office, Shikarpur	2022-23	21	0.167
Total				2,314.923

Annex-9

12.5.26 Non / Less deduction of Government taxes – Rs 1,158.368 million

(Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Amount
1	District Accounts Office, Hyderabad	2022-23	7	473.224
2	District Accounts Office, Sukkur	2022-23	1	135.486
3	District Accounts Office, Hyderabad	2022-23	9	132.780
4	District Accounts Office, Hyderabad	2022-23	23	131.325
5	District Accounts Office, Larkana	2022-23	4	63.852
6	District Accounts Office, Matiari	2022-23	22	62.072
7	District Accounts Office, Hyderabad	2022-23	11	26.032
8	District Accounts Office, Hyderabad	2022-23	12	23.258
9	District Accounts Office, Umerkote	2022-23	10	21.926
10	District Accounts Office, Matiari	2022-23	13	16.890
11	District Accounts Office, Sujawal	2021-22 & 2022-23	5	14.695
12	District Accounts Office, Larkana	2022-23	9	8.808
13	District Accounts Office, Hyderabad	2022-23	8	5.712
14	District Accounts Office, Larkana	2022-23	11	5.471
15	District Accounts Office, Thatta	2021-22 & 2022-23	1	5.093
16	District Accounts Office, Ghotki	2022-23	23	4.587
17	District Accounts Office, Mirpurkhas	2022-23	13	3.737
18	District Accounts Office, Badin	2021-22 & 2022-23	1	3.272
19	District Accounts Office, Kambar	2022-23	2	3.213
20	District Accounts Office, Larkana	2022-23	15	2.249
21	District Accounts Office, Umerkote	2022-23	11	3.071
22	District Accounts Office, Mirpurkhas	2022-23	14	0.641
23	District Accounts Office, Jamshoro	2022-23	5	2.381
24	District Accounts Office, Tando Allahyar	2022-23	5	2.044
25	District Accounts Office, Kambar	2022-23	10	1.743
26	District Accounts Office, Larkana	2022-23	17	1.195
27	District Accounts Office, Larkana	2022-23	18	0.969
28	Secretary to Govt. of Sindh, Finance Department	2023-24	48	0.951
29	District Accounts Office, Larkana	2022-23	19	0.919

(Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Amount
30	District Accounts Office, Tando Muhammad Khan	2022-23	12	0.295
31	District Accounts Office, Tando Muhammad Khan	2022-23	13	0.249
32	District Accounts Office, Badin	2021-22 & 2022-23	2	0.183
33	District Accounts Office, Shikarpur	2022-23	28	0.045
Total				1,158.368

Chapter-15 Health Department

Annex-1

15.5.1 Non-production of record – Rs 6,405.421 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Project Coordinator, Extension of Maternal & Child Healthcare Facilities in Sindh at Liaquat University Hospital, Jamshoro	2023-24	02	i. Procurement procedures employed other than competitive bidding ii. Public announcement for pre-qualification bidding iii. Selection of pre-qualification (the list of pre-qualified firms that applied to be selected as the Suppliers, the report on the selection process, notification of the result of the pre-qualification). iv. Bidding procedures (Bidding documents such as notices and instructions to bidders. the bid form, bid evaluation criteria, analysis of bid prices v. Procurement Contract	4,789.106
			04	i. Certificate of concurrence of bidding document. ii. Certificate of completion of the construction work (at each stage) issued by the client (GoS in this case) iii. Required documents for shipment and delivery of equipment.	196.129

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				iv. Certificate of completion of services for supervision stages. v. Defect report and notifications. vi. Inspection reports vii. Construction contract viii. Certificate of bidding document for equipment procurement. ix. Procurement contract	
2	Liaquat University Hospital, Hyderabad	2022-23	02	Record related to retention of funds in the bank accounts. Details in AIR para	640.874
			01	Various records related to creation of liability, cash book, bank accounts, court cases, development schemes (revenue component), revenue, bidding documents, record of non govt accounts, internal audit reports.	0
3	Medical Superintendent, Taluka Hospital, Kotri	2023-24	01	Complete record of pay and contingency	364.180
4	MS, Taluka Hospital Obauro Ghotki	2022-23	01	Audit could not be conducted due to non-production of entire auditable record	88.292
5	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	18	Supply order and contract agreement of medicines	70.023
6	MS Rural Health Center Missan Wadi, Tando Allahyar	2022-23	01	Audit could not be conducted due to non-	42.349

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				production of entire auditable record	
7	Deputy Director General, Communicable Disease Control, TB Control Program Sindh, Hyderabad	2023-24	12	Attendance and work performance certificate from employees posted in various districts	41.961
8	Program Director, Sindh Integrated Health and Population Project, Karachi	2023-24	01	Disbursed salaries without adequate supporting documentation to verify the authenticity of the appointments. Key documents were not produced, including the approved list of appointed individuals, selection criteria and place of posting, work performance or duty reports. Additionally, the final list of recommended candidates from the selection committee was missing, and no verification of educational qualifications or degrees was provided. Furthermore, the absence of character and antecedents' reports, along with medical fitness certificates from the Civil Surgeon, creates doubt on the completeness and integrity of the recruitment process.	34.595

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
9	Project Director Children Hospital Sukkur	2023-24	12	Record of reimbursement of payment	28.921
10	Medical Superintendent Taluka Hospital, Manjhand	2021-22 & 2022-23	01	Bank Statements, Tender documents, Inspection Reports, Supply orders, Delivery challans, supporting vouchers, Quotations, donations, details of medicines under CRC/LP, List of vehicles / generators, history sheets and Continent bills of 2021-22 and other details in attached annexures.	23.734
11	Executive Director, National Institute of Child Health, Karachi	2022-23	36	Record including tender documents, administrative approval and all other documents on account of repair & maintenance of NICH building by XEN Mechanical and electrical division, Karachi	22.799
12	Medical Superintendent, Khairpur Medical College Hospital, Khairpur	2023-24	08	Delivery challan of medicines	13.870
			09	Registration of security guards with SECP	5.236
			13	Work assignment and posting details, attendance, etc	0
13	Medical Superintendent, Chandka Medical College, Hospital, Larkana	2023-24	21	Tax paid challan and security deposit of contractor	13.167
14	Director, Institute of Chest Diseases, Kotri	2023-24	01	Record of various heads of account	6.542

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			32	Reasons for collection of non-tax receipts not known	0.178
15	District Health Officer, Dadu	2023-24	02	Financial assistance - Death certificate, medical reports, heirship certificate, NOC, obituary, no marriage certificate and acknowledgement	5.600
16	Project Director Expanded Programme on Immunization (EPI), Karachi	2023-24	05	Office orders for visiting different offices, field activity report, etc	5.571
17	District Health Officer, Hyderabad	2023-24	19	Record of others	3.547
18	District Health Officer, Tando Muhammad Khan	2023-24	30	Financial assistance – heirship certificate & no marriage certificate	2.700
19	Medical Superintendent Civil Hospital, Sanghar	2023-24	10	Diet & TA/DA	1.704
20	Medical Superintendent Taluka Hospital/DHQ Hospital Tando Muhammad Khan	2023-24	17	Financial assistance – heirship certificate & no marriage certificate	1.500
21	District Health Officer, Kashmore @ Kandhkot	2023-24	14	Financial assistance – obituary, death certificate, heirship certificate, etc	1.100
22	District Health Officer, Shikarpur	2023-24	07	Various heads of account	0.760
23	District Health Officer, Central, Karachi	2023-24	17	Financial assistance – service book, heirship certificate, death certificate, medical reports, acknowledgement of payee, non-marriage certificate, etc	0.600
24	Sindh Blood Transfusion Authority, Karachi	2018-19 to 2023-24	06	Record of Trainings	0.383

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
25	Director General Health Services Sindh, Hyderabad	2023-24	08	Details of availability and procurement of nets and medicines transported to COD Karachi – stock entries	0
26	District Health Officer, Jamshoro	2023-24	01	Record of Penalties imposed on quack doctors, revenue earned from sale of drug licenses, donations received, physical verification report, sanctioned & working strength and personal files	0
27	Secretary, Health Department, Karachi	2023-24	01	Various record	0
28	Director, Syed Abdullah Shah Institute of Medical Sciences Sehwan Sharif, Jamshoro	2023-24	22	As per Act, the institute was to take over the properties, rights and interest and all liabilities of the constituents centers; however, no record was available pertaining to the assets taken over from Taluka Hospital, Rural Health Care & Basis Health Units Sehwan.	0
			33	Non-disclosure of receipts / income in proper head of account – need supporting record	0
	Total				6,405.421

Annex-2

15.5.4 Recovery of salaries from absconding officers / officials - Rs 43.584 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	District Health Officer, Malir Karachi	2023-24	03	Non-taking action against absconder doctor drawing salary	0.619
2	Medical Superintendent Civil Hospital, District Sanghar	2023-24	20	Non-initiation of departmental disciplinary procedure against absconder doctor	0
3	M.S. Taluka Hospital, K.N Shah	2022-23	01	Three medical officers and a sanitary worker have been absent from their duties for a long time	19.192
4	Executive Director, National Institute of Child Health, Karachi	2022-23	12	Payment of salary to pharmacist during her unauthorized absence from duty	2.444
5	Medical Superintendent, Taluka Hospital, Shahdadkot	2021-22 & 2022-23	01	Payments of salaries to various officials who remained absconders from duties since long	5.221
6	M.S. Taluka Hospital Sujawal	2021-22 & 2022-23	07	Salaries paid to Dr. Benazir and two nurses Ms. Ghazal & Mr. Jamshed Qureshi who absconded from their duties	3.400
7	M.S. Taluka Hospital, Rohri, Sukkur	2021-22 & 2022-23	09	Salaries paid to Dr. Anita Devi, Senior Resident Medical Officer during her absence period with effect from 10.03.2022	6.814
8	M.S. Peoples Medical College Hospital Nawabshah, SBA	2022-23	08	Salaries paid to 12 employees who were absent from duties. Some were absent since 2012, 2015 & 2016.	5.894
Total					43.584

Annex-3

15.5.7 Loss due to missing medicines / diet – Rs 304.941 million

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Deputy Director General (VBD), Directorate Anti-Malaria Programme, Hyderabad	2022-23	05	Medicine named “Temphose 1% Granules” procured from M/s Medical Corporation were found missing in stock register which could be due to shoplifting from store	61.500
			06	Medicine named “Lambda 2.5% EC” (quantity 53,223) were found missing in stock register which could be due to shoplifting from store	137.848
			11	25,000 KG Alphacypermethrin 5% WP were not shown in stock	74.750
2	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2022-23	04	73,168 tablets of Cap Sofosbuvir 400 mg were missing in stock register.	11.078
3	MS, Peoples Medical College Hospital Nawabshah, SBA	2022-23	14	Inj Meropenem 1G from Genix supplier but as per record medicines were not shown received / consumed in hospital	19.215
4	Director, Institute of Chest Diseases, Kotri	2023-24	16	Dietary articles worth Rs 0.550 million (based on the cost of the selected sample items) were shown as issued. This issuance is highly questionable, as the patients had already been discharged due to the Eid holidays, and the need for dietary supplies during this period does not align with the records	0.550
Total					304.941

Annex-4

15.5.9 Mis-procurement of articles – Rs 3,316.467 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Medical Superintendent, Dr. Ruth K.M. Pfau Civil Hospital, Karachi	2023-24	15, 16 & 19	Three vendors invoices exhibits similarities, vendors has same address and Email ID in FBR record.	791.141
			36	Specific consumables – split up, work order disclosed emergency / immediate delivery but delivered articles late, efficacy report of X-rays, consumption account, etc	65.599
			17	Diet and orthopedic articles – single bid	33.835
			20	Ineligible vendor having less than three year's experience – generally required to qualify in tender	25.640
2	Medical Superintendent, Chandka Medical College, Hospital, Larkana	2023-24	02	Various heads -Documents in support of Technical criteria was not available, call deposit details, affidavit for black list, tax certificates and tender documents not provided	404.561
3	Shaheed Mohtarma Benazir Bhutto Medical College, Lyari, Karachi	2023-24	07	Tender was required to be opened on 16-09-2023 as per NIT, however the same was opened on 22-09-2023 without recording any reason of delay	338.567
			11	Single bid without rate analysis	18.899
4	Provincial Co-coordinator Sindh Lady Health Worker, Hyderabad	2023-24	08	Agreement, call deposit, tender fees, constitution of redressal committee, warranty cards tender documents, comparative statement, quotations, etc not provided	265.560
5	Director, Syed Abdullah Shah Institute of Medical Sciences	2023-24	02	Collusive practice as vendors have same address	168.983
			14	Stamp duty not recovered, purchased on higher rates and in	96.027

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
	Sehwan Sharif, Jamshoro			excess quantity over tender, stock register inspection, etc	
			35	Stationery -Same bidders participated in tenders and only M/s QA traders win the tender	8.000
			34	X-Ray films and Dialysis items – tenders were awarded; whereas two bidders only participated- lower level of competitiveness in these tenders	6.283
6	Director, Institute of Chest Diseases, Kotri	2023-24	02	Bidding documents not provided; which hindered to scrutinize rates mentioned in comparative statement	92.603
			06	Single bid of diet & medical gas	47.005
7	Medical Superintendent, Khairpur Medical College Hospital, Khairpur	2023-24	10	Supply of medicines were not in minimum batches	68.415
			01	Diet tender - Valid professional certificate, bank turnover, 3 year's experience, satisfactory performance certificate, registration certificate from food department, audit reports for three years	48.639
8	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	07	Complaint redressal, agreement, performance guarantee, minutes of procurement committee, awarded to second lowest, registration certificates of drugs	57.476
			23	Diet – Single bid	25.834
			22	Bid security not obtained	1.328
9	Medical Superintendent, Sindh Government Hospital, New Karachi	2023-24	06	bid evaluation reports, comparative statements, minutes of meeting and contract agreements not hoisted	34.192
			03	Procurement was made before tendering process and against the decision of Procurement Committee.	2.861
			02	Generic consumables – procurement committee not constituted, indents, consumption account and stock register	2.784

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			12	2% Earnest money was not obtained from successful bidders	1.956
10	District Health Officer, Central, Karachi	2023-24	04	Agreement, approximate in cost of tender items used instead of confirmed rates, procurement plan on simple page instead of letter head, contractor was qualified without evaluation of last three years audited financial statements, experience, performance of company and other credentials. Correspondence was not produced, tax certificates were not provided	8.161
11	Executive Director, SMBB Institute of Trauma, Karachi	2023-24	16	Procurement plan, complaint redressal committee, various certificates were not obtained relating to Tax authorities, etc	5.204
12	District Health Officer, Shikarpur	2023-24	09	Procurement committee notification was not provided for 15% LP	4.774
13	Civil Surgeon, Civil Hospital, Mithi	2022-23	17	Contract of diet awarded to M/s Black Gold, 2 nd lowest bidder instead of first lowest M/s ABA Enterprises	3.749
14	Medical Superintendent, CDF Hospital, Hyderabad	2023-24	05	Medicine procured from general order supplier	3.233
15	District Health Officer, West, Karachi	2023-24	18	ARV procured from supplier who was not approved in CRC	1.456
			05	Without eligibility criteria like registration with FBR & SRB.	1.028
16	District Health Officer, Korangi, Karachi	2023-24	24	Complaint redressal committee not formed	0
17	Principal College of Nursing Jamshoro	2019-20 to 2022-23	01	Same vendor registered with different names in FBR	6.603
			02		4.295
18	Liaquat University	2022-23	22	Two vendors with different names were engaged in various	236.208

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
	Hospital, Hyderabad			tenders having same contact numbers on their bills.	
			25	Procurement of medicines from vendors who are related to each other either having same contact numbers, similar type of invoices with slight changes. This means they all participate with mutual understanding and manipulate the tendering process.	323.889
19	Executive Director, Jinnah Postgraduate Medical Centre, Karachi	2022-23	52	Various vendors having dual vendor numbers	111.679
Total					3,316.467

Annex-5

15.5.10 Non-invitation of open tenders - Rs 3,025.867 million

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	MS, Taluka Hospital, Daharki	2022-23	15	Medicines procured under LP without tender	9.359
2	MS, Taluka Hospital, Ghotki	2022-23	15		11.074
3	MS, Civil Hospital, Naushehroferoze	2022-23	13		21.046
4	MS, Taluka Hospital, K.N Shah	2022-23	6		4.858
5	Civil Surgeon, Civil Hospital, Mithi	2022-23	1		15.971
6	Medical Superintendent, Taluka Hospital Diplo, Tharparkar	2021-22 & 2022-23	10	Expenditure on diet without tender	1.904
7	District Health Officer Keamari,,Karachi	2021-22 & 2022-23	3	Expenditure on Others, Transport, repair of machinery and furniture incurred without tender.	20.263
8	Sindh Mental Health Authority, Karachi	2022-23	1	Paid to Royal Traders on account of Printing / Meetings / Repairs without tender	6.161
9	Director, Sindh Institute of Urology & Transplantation (SIUT), Karachi	2021-22 & 2022-23	31	Expenditure on insurance premium charges and insurance without tender	9.199
10	MS Civil Hospital Jacobabad	2022-23	9	Medicines & other misc	10.079
11	MS, Taluka Hospital Jacobabad @ Thul	2018-19 to 2022-23	6	Expenditure incurred on local purchase of medicines without tender	5.667
12	MS Civil Hospital, Sanghar	2022-23	20	Medicines	10.253
			32	Dialysis Solutions	9.877
13	MS, Taluka Hospital Sujawal	2021-22 & 2022-23	14	Medicines on local purchase basis	24.118
14		2019-20 to 2022-23	13		21.822

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
	PD, Shaheed Benazir ANF Model Addiction Treatment & Rehabilitation Center, Karachi			Purchase of food, medicines & repairs of building	
15	MS, Taluka Hospital Sinjhor	2021-22 & 2022-23	5	Medicines procured locally without tenders	3.004
16	Executive Director, Sindh Institute of Child Health and Neonatology (SICHN) Karachi	2021-22 & 2022-23	29	Medicines procured locally	11.383
			34	Repair of building	8.644
17	MS, Taluka Hospital Mirpur Bathoro	2021-22 & 2022-23	9	Repair of building	1.813
18	Director PPP Node Health Department Karachi	2022-23	24	Uniforms & Laundry procured by DHQ Badin (Indus Hospital & Health Network)	3.13
			26	Hiring of Security Guards by DHQ Badin (Indus Hospital & Health Network)	9.408
19	Executive Director, Shahdadpur Institute of Medical Sciences, Shahdadpur, Sanghar	2022-23	6	Procurement of Dietary items from M/s G.A Electric & Civil Builder, Khairpur Mirs an irrelevant vendor without tender	1.077
			16	Purchase of lab items	5.952
20	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2021-22 & 2022-23	26	Medical & Surgical items	101.908
			39	Stationary & Printing	22.288
			44	Mess Food items from M/s M.Z Traders	159.792
			46	Repair & Maintenance of Building	30.619
21	Program Director, Sindh Integrated Health and Population Project, Karachi	2023-24	02	Fabrication of ambulances / mobile van	2,321.851
22	Project Director Expanded Programme on Immunization (EPI), Karachi	2023-24	07	Printing, conference & advertisement	108.200
23	Medical Superintendent, Ghulam Muhammad Mahar	2023-24	10	Diet charges	14.655

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
	Medical College Hospital, Sukkur				
24	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	14	M&R work	9.000
25	Director, Institute of Chest Diseases, Kotri	2023-24	09	Diet, medicines, medical supplies	6.796
26	Medical Superintendent, Taluka Hospital Mehar	2022-23 & 2023-24	02	Medicines	6.027
27	District Health Officer, Tando Muhammad Khan	2023-24	10	Medicines (LP)	5.828
28	District Health Officer, Umerkot	2023-24	18	Stationery & uniform	5.635
29	District Health Officer, Shikarpur	2023-24	01	Local purchase of medicines	4.774
30	Medical Superintendent, Taluka Hospital, Qasimabad Hyderabad	2023-24	03	Diet	2.432
Total					3,025.867

Annex-6

15.5.11 Irregular expenditure by split up – Rs 559.807 million

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Executive Director, Sindh Institute of Physical Medicine & Rehabilitation, Karachi	2021-22 & 2022-23	6	Procurement of various articles and repairs works	14.436
			24		8.675
2	Executive Director, National Institute of Child Health, Karachi	2022-23	25		0.855
3	Civil Surgeon District Head Quarter Hospital Ghotki @ Mirpur Mathelo	2022-23	16		2.725
4	Medical Superintendent Taluka Hospital Jati district Sujawal	2021-22 & 2022-23	4		8.783
5	Liaquat University Hospital, Hyderabad	2022-23	18		37.192
6	MS Civil Hospital Jacobabad	2022-23	8		5.049
7	MS, Taluka Hospital Jacobabad @ Thul	2018-19 to 2022-23	13		3.96
8	Executive Director, Jinnah Postgraduate Medical Centre, Karachi	2022-23	47		69.595
9	MS, Taluka Hospital Sujawal	2021-22 2022-23	6	Uniforms	0.931
10	Benazir Shaheed ANF, Model Addiction Treatment & Rehabilitation Center, (Manghopir Centre (Malir Youth Development Centre)	2019-20 2022-23	13	Medical equipment procured	4.874
			14	Purchase of furniture & fixtures	75.348
11	MS, Taluka Headquarter Hospital (Digri), Mirpurkhas	2021-22 2022-23	9	Purchase of medicines and Other items	5.321
12	Executive Director, Sindh Institute of Child Health and Neonatology (SICHN) Karachi	2021-22 2022-23	6	Purchase of furniture items	2.741
			20	Physical assets procured during September 2022 by splitting	0.565
13	MS, Taluka Hospital Mirpur Bathoro	2021-22 2022-23	1	Purchase of medicines on LP	2.082

(Rs. in Million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
14	Chief Executive Officer of the Sindh HealthCare Commission, Karachi	2021-22 2022-23	16	Office Equipment, Electrical Equipment, Printing Publication, Stationary & Furniture	4.899
15	MS, Taluka Hospital, Pithoro @ Umerkot	2021-22 2022-23	10	Medicines & Dietary items	1.378
16	MS, Peoples Medical College Hospital Nawabshah, SBA	2022-23	41	Repair of government vehicle	2.92
17	Director PPP Node Health Department Karachi	2022-23	30	Expenditure on repair of buildings by MERF was split up	9.801
18	Principal, Nursing College for Female, Mirpurkhas	2021-22 2022-23	5	Machinery & Others	0.85
19	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2023-24	02	Various heads of account	135.174
20	Medical Superintendent, Dr. Ruth K.M. Pfau Civil Hospital, Karachi	2023-24	18	Various heads of account	83.720
21	Secretary, Health Department, Karachi	2023-24	02	Printing, stationery and other head od account	65.523
22	Medical Superintendent, THQ Hospital, Matiari	2023-24	10	Consumables	8.726
23	District Health Officer, Tharparkar @ Mithi	2023-24	16	Medicines and surgical items	2.794
24	Project Director Children Hospital Sukkur	2023-24	01	Inauguration of the project to serve lunch boxes etc	0.890
Total					559.807

Annex-7

15.5.13 Irregular expenditure on purchase of medicines – Rs 5,324.958 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Provincial Co-coordinator Sindh Lady Health Worker, Hyderabad	2023-24	01	Invoices and delivery varied reference numbers, inspection committees correspondence, registration of drugs/license, serial numbers were not in logical order, and delivery made before invoice date	2,005.445
2	Medical Superintendent, Chandka Medical College, Hospital, Larkana	2023-24	01	Procurement plan on the basis of previous years balances and utilization, inspection without letter of calling members, supply order did not have address	643.898
3	Director, Syed Abdullah Shah Institute of Medical Sciences Sehwan Sharif, Jamshoro	2023-24	11	Invoices and delivery challan were without Mfg/Expiry date and batch #.	436.324
			09	Delivery and invoices did not show any period	84.588
			06	Supply order was issued after issuance of invoices	0.146
4	Director, Health Services, Karachi	2023-24	09	Requisition from health facilities, approvals, inspection report	99.685
5	Medical Superintendent / Civil Surgeon Civil Hospital Mirpurkhas	2023-24	04	Period of delivery, note of store keeper, not written and inspection was made without period / remarks	89.684
			02	Work order did not reflect address, invoices/delivery challan has varied numbers, inspection committee was not called through letters, handwritten dates were made on invoices	70.704

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
6	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	06	Inspection carried out before delivery, approval for tendering process was not obtained, Mfg./expiry date was not mentioned on invoices and delivery challan and acknowledgement	80.486
			17	Medicines without sale license	15.423
7	Medical Superintendent, Sir Cowasji Institute of Psychiatry, Hyderabad	2023-24	04	Need assessment, requisition and consumption at end user level	70.876
8	Director, Institute of Chest Diseases, Kotri	2023-24	05	Patient wise consumption and documentation not provided, ward record not available	63.411
9	District Health Officer, Sukkur	2023-24	14	Medicines purchased without need assessment	47.991
			13	Partial acceptance of medicines	2.197
10	District Health Officer, Keamari	2023-24	08	Agreement, performance security, drug test laboratory report, stock register, acknowledgement	32.752
			10	Batch #, Mfg. / Expiry date not mentioned on inspection report	2.795
11	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2023-24	06	Short delivery of medicines over required in work order	20.999
		2022-23	13	Supply orders issued but vendors failed to deliver ordered quantity of medicines	66.934
			14	Medicines procured from selected vendors instead of approved contractors under CRC	404.39
12	District Health Officer, Umerkot	2023-24	11	Medicines without Mfg./expiry date and batch #	29.998
			13	ARV & ASV Inj.- cases not reported, stock register, joint	9.985

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				inspection and without knowing shelf life.	
13	District Health Officer, Tando Muhammad Khan	2023-24	20	Need assessment was not made for dispensaries, etc	28.107
14	District Health Officer, Tharparkar @ Mithi	2023-24	10	Mfg. Expiry date and batch # not mentioned on delivery challan	26.061
15	Medical Superintendent, Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2023-24	06	Mfg. Expiry date and batch # not mentioned on invoices and delivery challan	22.434
16	Deputy Director General (Vector Borne Diseases) Sindh, Hyderabad	2023-24	05	Delivery challan, batch #, Mfg. / Expiry date not mentioned on invoice	19.400
		2022-23	19	Procurement of medicines from selected firms instead of approved contractors under CRC	78.386
17	District Health Officer, Central, Karachi	2023-24	03	Work order did not reflect address, invoices/delivery challan has varied numbers, inspection committee was not called through letters, handwritten dates were made on invoices, inspection report have no date of inspection, agreement, security deposit, utilization report, etc	17.548
			22	Invoices and delivery were made before work order date, invoice pertains to last financial year, chances of misuse of funds	0.227
			25	Indents from UHC, Goherabad were not provided supported with other record.	0

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			26	Errors in stock maintenance – quantity demanded was received from main store but entry was not found in stock register, demand & issuance record not provided.	0
18	District Health Officer, Kashmore @ Kandhkot	2023-24	08	Medicines – invoices without date, supply order reference, date of delivery , batch number, Mfg. / Expiry date, etc	16.525
			20	Medicines purchase without considering minimum batches	0.540
19	District Health Officer Mirpurkhas	2023-24	07	Local purchase of medicines- batch number, Mfg/expiry dates not mentioned on invoices, receiving date not available and inspection not carried out	12.382
			08	Medicines without demand	0.852
20	DHO, Thatta	2023-24	22	Agreement	11.925
			09	Invoices & DCs of Medicines without disclosure of Mfg. & expiry date along with batch numbers	8.617
			11	Without involvement / approval of procurement committee	7.184
21	District Health Officer, Sujawal	2023-24	05	Medicines without Mfg./Expiry date and batch	10.672
22	Director General Health Services Sindh, Hyderabad	2023-24	09	Medicines issued to single health facility	8.370
23	Medical Superintendent Civil Hospital, Sanghar	2023-24	12	Medicines – not entered in appropriate ward register and requisition from sub-store	8.332
			02	Medicines – without warranty	1.882
24		2023-24	13	Manufacturing date was after date of delivery	11.449

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
	Executive Director, SMBB Institute of Trauma, Karachi		14	Medicines - Expiry date not mentioned on invoices & delivery challan	7.993
25	District Health Officer, Hyderabad	2023-24	11	Agreement, no clause of time period location of material supplied	7.032
			13	Medicine - Delivery & invoice did not show period	2.585
			10	Short payment against invoice	1.982
26	Medical Superintendent, Shah Bhittai Hospital, Hyderabad	2023-24	03	Medicines without Mfg.& expiry date on invoices and delivery challan	6.988
27	District Health Officer, Kambar @ Shahdadkot	2023-24	08	Patient record not obtained from dispensaries against issued medicines	3.690
28	Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Karachi	2023-24	12	Short delivery of medicines which could suffer the patients	3.417
29	Medical Superintendent, Services Hospital, Karachi	2023-24	09	Medicines, generic / Specific consumables - Mfg. Expiry date and batch # not mentioned on invoices & delivery challan	3.395
30	Medical Superintendent, Taluka Hospital, Qasimabad Hyderabad	2023-24	02	Medicines – invoices & DCs were Mfg. / Expiry date,	1.924
31	District Health Officer, Malir, Karachi	2023-24	10	Vendors failed to provide medicines as per work order required quantity – no action was taken as per special instructions	0.465
32	District Health Officer, East, Karachi	2023-24	12	Mfg./expiry date and Batch # not disclosed	1.385

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
33	MS, Taluka Hospital, Ghotki	2022-23	10	Medicines procured without assessing actual need. Lack of requisition records from doctors led to arbitrary purchases. Additionally, the absence of proper records for medicine issuance and consumption increases the risk of misplacement and theft.	73.829
34	Medical Superintendent Taluka Hospital, Manjhand	2021-22 & 2022-23	3	Expenditure incurred without maintaining consumption record of OPD against fabricated quotations without inspection and drug testing reports, deduction of stamp duty and obtaining performance securities. No tenders invited for LP and medicines accepted without batch numbers, mfg and expiry dates.	38.597
35	Civil Surgeon District Head Quarter Hospital Ghotki @ Mirpur Mathelo	2022-23	9	Expenditure on LP of medicines from remote cities rather than local market, without joint inspection without obtaining discount and with acceptance of incomplete vouchers	29.498
			12	Medicines for dialysis centre were directly placed at the disposal of Dialysis Centre instead of receiving in Main store. No utilization and demand was found on record	3.983
			13	Medicines procured under CRC without joint inspection, receiving report between store and ward missing, unapproved contractors were also engaged etc.	28.202
36	Medical Superintendent Taluka Hospital Jati district Sujawal	2021-22 & 2022-23	1	Medicines procured under CRC without joint inspection & drug test, receiving report between store and ward missing	48.129

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
37	Liaquat University Hospital, Hyderabad	2022-23	54	Breakup of CRC and Local purchase of medicines @ 85% & 15% respectively was not provided to Audit. Previous liability was also cleared without providing any record.	230.892
38	MS, District Headquarter Hospital Tando Muhammad Khan	2022-23	15	Medicines procured from M/s. Al-Mustafa Enterprises, (vendor number 30647074) and cheque issued to M/s. Al-Mustafa Government Contractor (Vendor No.30723504)	0.900
39	MS, Taluka Hospital, Pano Akil	2021-22 & 2022-23	11	Supply order for 40,000 syrups of Panadol Forte (120 ml) issued but vendor supplied Panadol Forte (90 ml) at the same rate.	2.756
			12	Medicines / Surgical Items of same nature procured on different rates	3.961
40	MS, Taluka Hospital Sujawal	2021-22 & 2022-23	2	Medicines procured without proper Joint Inspection & drug testing report, issuance of medicines from store to sub store and in the wards not documented, local medicines not packaged as per government requirement	154.141
41	MS, Peoples Medical College Hospital Nawabshah, SBA	2022-23	35	Substandard medicines procured at cost even below the wholesale price with compromised quality	21.894
42	Director PPP Node Health Department Karachi	2022-23	22	Medicines were procured for DHQ Badin (Indus Hospital & Health Network) without inviting tenders, in absence of records related to OPD and Wards and without Joint Inspection Reports, without agreements resulting in loss of stamp duty of Rs 0.083 million.	23.941
43	Medical Superintendent, Taluka Hospital Kandiaro	2021-22 & 2022-23	11	Centre / Ward/ Patient wise utilization / consumption was not available. Agreement and Performance security missing.	14.535

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
44	Executive Director, Shahdampur Institute of Medical Sciences, Shahdampur, Sanghar	2022-23	26	Medicines on emergent need under local purchase were procured from Hyderabad & NaushehroFeroze instead of home town of Shahdampur or Sanghar	39.24
	Total				5,324.958

Annex-8**15.5.15 Irregular cash payments instead of cross cheques – Rs 35.544 million**

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2021-22 & 2022-23	33	Cash withdrawals from Assignment account no. (CA001-4) maintained with NBP Karachi	31.960
2	Medical Superintendent, Sindh Government Qatar Hospital Orangi	2022-23	36	Cash withdrawn from NBP Bank Account No. # 4108685592	1.300
3	Medical Superintendent, Sindh Government Hospital, Korangi, Karachi	2023-24	01	Cash withdrawal from account no. 4102579413 - NBP Korangi Township branch	1.146
4	Medical Superintendent, Taluka Hospital, Qasimabad, Hyderabad	2023-24	09	Payment in cash from DDO account	0.421
5	Medical Superintendent Peoples Medical College Hospital Nawabshah, SBA	2022-23	16	Cash withdrawals from 3 bank accounts.	0.292
6	Medical Superintendent, Shah Bhattai Hospital, Hyderabad	2023-24	09	Amount drawn in DDO account for Rs 0.409 million – cash payment Rs0.261 million	0.261
7	District Health Officer, Hyderabad	2023-24	01	Cash drawal	0.164
Total					35.544

Annex-9

15.5.17 Irregular release of Grant-in-Aid funds – Rs 33,754.20 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Description	Amount
1	Secretary Health Department, Karachi	2023-24	27	Irrational expenditure under Grant-in-aid	16,413.00
			28	Unjustified payment of Grant-in-aid to the Indus Hospital	8,000.00
			29	Discrepancy between SAP & Management Data resulted into understatement of Grant-in-Aid amount	1,458.22
			30	Irregular release of funds on account of Sindh Integrated Emergency and Health Services (SIEH)	2,945.00
			31	Irregular payment for grant-in-aid to Child Life Foundation	2,400.00
			32	Illogical release of funds to Infectious Disease Hospital @ NIPA	1,000.00
			33	Irregular release of funds to International Center for Chemical and Biological Sciences (ICCBS)	537.98
			34	Un-authorized allotment of cost centre & payment of grant-in-aid to NIBD (Pvt) Ltd	500.00
			35	Release of Grant without obtaining detail of patients / signed MoU	250.00
			36	Payment of grant-in-aid to Child Aid Association	100.00
			37	Irregular Payment to Fatimiyah Hospital, Karachi	50.00
			38	Irregular expenditure on medical treatment via Grant-in-aid	50.00
			39	Irregular release of grant-in-aid to M/s Preen Rasool Thalassemia Care Trust (PRTCT), Hyderabad	50.00
Total					33,754.20

Annex-10**15.5.18 Irregular payment through DDO account – Rs 457.490 million**

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Executive Director, Shahdadpur Institute of Medical Sciences, Shahdadpur, Sanghar	2022-23	08	Payments were made by District Accounts Office to DDO i.e. Director SIMS under all heads instead of direct payments to vendors	439.359
2	Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Karachi	2023-24	19	Payment to PGs through DDO account	1.338
3	Medical Superintendent, Services Hospital, Karachi	2023-24	07	-	10.040
4	MS, Taluka Headquarter Hospital (Digri), Mirpurkhas	2021-22 & 2022-23	02	10 cheques issued in favour of DDO	2.687
5	Shaheed Mohtarma Benazir Bhutto Medical College, Lyari, Karachi	2023-24	16	Salary in DDO account	2.172
6	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	27	Financial assistance	1.800
7	District Health Officer, Hyderabad	2023-24	02	National Bank of Pakistan Account # 4054795629	0.094
Total					457.490

Annex-11

15.5.19 Irregular retention of government funds – Rs 136.041 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Principal, College of Nursing, Shikarpur	2021-22 & 2022-23	11	Funds on account of Scholarship and stipend remained unutilized and same were not surrendered in time	47.366
2	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	28	UBL Account # 040101013700 & Sindh Bank A/c # 03755565481000	34.338
3	Medical Superintendent, Services Hospital, Karachi	2023-24	08	4079127429 - NBP, Kutchery Road Branch, Karachi	16.793
			27	Tender fees retained	0.024
4	Executive Director, Shahdadpur Institute of Medical Sciences, Shahdadpur, Sanghar	2022-23	04	Funds retained in DDO Account which was being maintained through District Account Office, which is against the procedure of payments adopted by autonomous bodies.	12.089
5	Executive Director, Sindh Institute of Child Health and Neonatology (SICHN) Karachi	2021-22 & 2022-23	05	Closing balance in DDO Account	10.234
6	Medical Superintendent, Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2023-24	05	NBP PK43SIND000108006114 1000	4.214
7	Director, Health Services, Karachi	2023-24	10	Two DDO accounts	3.350
8	Director, Syed Abdullah Shah Institute of Medical Sciences Sehwan Sharif, Jamshoro	2023-24	20	Retention in PK80SINDH 001094380511000 maintained in Sindh Bank, Sehwan Shairif Branch	2.853
9	Medical Superintendent, Sindh Government Hospital, New Karachi	2023-24	05	Retention of funds in DDO account	2.414
10	MS, Taluka Headquarter Hospital (Digri), Mirpurkhas	2021-22 & 2022-23	03	Funds drawn from treasury and kept in DDO Account	1.002

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				till close of the financial year	
11	District Health Officer, Umerkot	2023-24	17	Cash payment and retention	0.805
12	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	42	-	0.309
13	District Health Officer, West Karachi	2023-24	02	-	0.131
14	Project Director Expanded Programme on Immunization (EPI), Karachi	2023-24	32	-	0.119
Total					136.041

Annex-12

15.5.22 Irregular expenditure on purchase of Plant & Machinery – Rs 1,008.061 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Shaheed Mohtarma Benazir Bhutto Medical College, Lyari, Karachi	2023-24	08	Machinery, furniture – joint inspection, Assets register, installation details	319.668
2	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	38	Various machinery – competitive process, need assessment, delivery challan, machinery not installed and warranty card	297.192
			37	Various instruments - Indent delivery period was not disclosed as late delivery noticed, stock register	59.758
			33	The entire process of purchase was made within 2 to 4 days for Echocardiography	9.550
3	Executive Director, SMBB Institute of Trauma, Karachi	2023-24	25	Procurement of Machinery made but not installed as work was not completed	73.435
4	Medical Superintendent, Services Hospital, Karachi	2023-24	21	Assets register not maintained, need analysis, joint inspection, satisfactory delivery report, installation report	57.224
5	District Health Officer, Kambar @ Shahdadkot	2023-24	20	Machinery not delivered by supplier under ADP scheme 2020-21	20.026
6	DHO, Thatta	2023-24	04	With assessment of need and constitution of procurement committee – purchased solar plates and machinery	2.543
7	Medical Superintendent, Sindh Government Qatar Hospital Orangi	2021-22 & 2022-23	5	Difference in quantity between release order and actual items procured as per detailed vouchers.	11.964

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
8	MS Civil Hospital, Sanghar	2022-23	34	Various X-Ray machineries procured in January 2023 were not traced in stock register and Incharge of store recorded a certificate of non-receipt of these items.	4.738
9	MS, Taluka Hospital, Pano Akil	2021-22 & 2022-23	2	Repetitive procurement of batteries, UPSs, and Biometric machines in each fiscal year from head of others without warrantee cards, make models	4.044
			3	Procurement of electrical fittings in 2022-23 however new constructed building was handed over by the Army in 2018. Electrical items were procured without engineer estimate and without evidence of installation.	1.497
			4	Procurement of various items including machinery and hardware on higher rates, without approval from Health Department, Contract Agreement, Warrantee cards need assessment, evidence of installation,	5.09
10	Benazir Shaheed ANF, Model Addiction Treatment & Rehabilitation Center, (Manghopir Centre (Malir Youth Development Centre))	2019-20 to 2022-23	15	24 LCDs, 40 stabilizers 24 dispensers, 16 deep freezers, but physically these quantities were not found.	85.307
11	Executive Director, Sindh Institute of Child Health and Neonatology (SICHN) Karachi	2021-22 & 2022-23	12	Procurement of luxury vehicles (Revo Hilux 645B 2755 CC 4WD) in violation of austerity measures and beyond the CC limit specified by SGA & D.	15.194

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
12	Chief Executive Officer of the Sindh HealthCare Commission, Karachi	2021-22 & 2022-23	14	Procurement of vehicles without obtaining relaxation and approval from Finance Department from regular budget for operating expenses.	40.831
Total					1,008.061

Annex-13

15.5.23 Irregular expenditure on other services rendered – Rs 1,415.282 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	District Health Officer, Hyderabad	2023-24	06	Salaries paid from service rendered head showing misclassification, recovery of 10% tax, approval of FD, competitive process, attendance, performance, posting orders, etc	241.018
2	District Health Officer, South, Karachi	2023-24	01	Extension in job of staff, attendance, performance report, approval of FD	165.958
3	District Health Officer, East, Karachi	2023-24	02	Appointment record, agreement, attendance, progress / performance report, place of posting, etc	90.483
4	District Health Officer District Khairpur Mirs	2023-24	01	Covid staff was paid despite no cases of covid reported	85.024
			02	Contingent paid staff – appointment without adopting due process, approval of FD, and need assessment	32.630
			03	Extension not made for covid 19 staff	15.128
			05	Contingent paid staff on 89 days	1.426
5	District Health Officer, Malir, Karachi	2023-24	12	Justification for appointment of contingent paid staff, advertisement, covid ended but still staff is allowed working, attendance & performance	60.508
6	District Health Officer, Sujawal	2023-24	03	Various observations	57.682
7	District Health Officer, Korangi, Karachi	2023-24	27	Covid staff was paid despite no cases of covid reported	57.242
			18	Attendance, performance report, posting orders, visits of healthcare facilities	3.559

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
8	Project Director Expanded Programme on Immunization (EPI), Karachi	2023-24	01	Payment made to employees on closed project was irregular. Appointment record, degree/experience verification record. Reasons for appointments, approval of FD and evidence of tax deduction	49.431
9	District Health Officer, Jamshoro	2023-24	03	Payment through NBP instead of through SAP ID from pay & allowances to contract staff	43.767
			04	Complete appointment record of hiring of contingent paid staff	18.357
10	District Health Officer, Naushahro Feroze	2023-24	11	Salary paid from contingency head "services rendered". Complete appointment record	39.366
11	DHO, Thatta	2023-24	05	Salary paid from contingency head "services rendered". Progress / performance report, place of postings, attendance	34.235
12	District Health Officer, Central, Karachi	2023-24	01	same type expenditure incurred by PD EPI office – selection criteria, posting orders, duty report, list of recommendation of competent authority, medical fitness certificate, verification of degrees, etc	32.960
13	District Health Officer, Tando Muhammad Khan	2023-24	16	Covid staff was paid despite no cases of covid reported, performance evaluation, etc	30.577
			14	Covid staff was paid despite no cases of covid reported	18.501
14	District Health Officer Mirpurkhas	2023-24	04	Covid staff continued without reported cases of covid-19	29.170
15	District Health Officer Kamber-Shahdadkot	2023-24	03	Salaries paid from service rendered account instead of pay & allowances, attendance, cases of covid patients not furnished, etc	25.963

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
16	District Health Officer, Umerkot	2023-24	16 & 21	Payment through NBP instead of through SAP ID from pay & allowances to contract staff Record of appointment i.e. personal files, FDs approval, etc	25.423
17	District Health Officer, Tharparkar @ Mithi	2023-24	12	Payment made through NBP instead of direct to the staff – vouchers and purpose of payment was not provided	24.705
			22	89 days staff – personal files, approval of FD, non-appointment of regular stadd, renewal of appointment orders, attendance sheet, performance report	24.705
18	District Health Officer, Sukkur	2023-24	07	Employees hired without competitive process, approval of FD, attendance, details of bank accounts	24.563
			04	Covid staff continued without reported cases of covid-19	23.709
19	Shaheed Mohtarma Benazir Bhutto Medical College, Lyari, Karachi	2023-24	03	Job description, approval of FD, record of recruitment process, posting orders, work performed, and muster roll.	24.519
20	District Health Officer, Keamari	2023-24	03	Covid staff was paid despite no cases of covid reported	24.300
21	District Health Officer, Shikarpur	2023-24	11	Monitor the performance and quality of services by appointed staff, attendance, service delivery, etc	22.961
22	District Health Officer, Dadu	2023-24	01	Without proper procedure before making appointments and approval from competent authorities	20.434
23	District Health Officer, West Karachi	2023-24	03	Salary paid from contingency head “services rendered”.	18.391

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				Progress / performance report, place of postings, attendance	
24	Medical Superintendent, Khairpur Medical College Hospital, Khairpur	2023-24	02	Extension in services of daily wages staff	17.969
25	District Health Officer, Kashmore @ Kandhkot	2023-24	02	30 computer operators hired through daily wages but have no computer qualification and verification of degrees, experience certificates, no character antecedents obtained, posting orders, etc	16.219
26	Executive Director, SMBB Institute of Trauma, Karachi	2023-24	18	Third party engaged for R/M but charged to service rendered. List of staff working not provided	8.933
27	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	09	Covid staff was paid despite no cases of covid reported, contact renewal, attendance report	5.466
Total					1,415.282

Annex-14

15.5.24 Non/Less-deduction of various taxes - Rs 842.432 million

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount	Tax Due	Tax Deducted	Less deducted
1	Director General Health Services Sindh, Hyderabad	2023-24	2	Non-deduction of IT & GST	98.055	21.082	0	21.082
			18	Less deduction of SST & Income tax	2.653	0.610	0.391	0.219
2	Medical Superintendent, Dr. Ruth K.M. Pfau Civil Hospital, Karachi	2023-24	25	SST not deducted	154.629	20.102	0	20.102
			24	Income tax Less/Not deducted	239.27	9.78	0	9.78
3	Secretary, Health Department, Karachi	2023-24	8	Non/less deduction of IT & SST	148.585	18.885	6.461	12.424
4	Executive Director, SMBB Institute of Trauma, Karachi	2023-24	27	SST not deducted on security services	58.815	7.646	0	7.646
5	Medical Superintendent, THQ Hospital, Matiari	2023-24	17	GST not deducted	23.801	4.046	0	4.046
			16	Income tax was not deducted	12.85	0.578	0	0.578
6	Medical Superintendent, Services Hospital, Karachi	2023-24	31	Income tax not deducted	71.066	3.198	0.010	3.188
			30	SST not deducted	0.176	0.023	0	0.023
7	Medical Superintendent, Chandka Medical College, Hospital, Larkana	2023-24	5	GST & SST non-less deducted	6.033	8.194	5.924	2.27
8	Director, Syed Abdullah Shah Institute of Medical Sciences	2023-24	4	Income tax not deducted	100.365	2.263	0	2.263
			19	Less deduction of SST	67.342	6.734	5.016	1.718

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount	Tax Due	Tax Deducted	Less deducted
	Sehwan Sharif, Jamshoro							
9	Director, Health Services, Karachi	2023-24	22	Income tax not deducted	2101	2.101	0	2.101
10	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	21	Less deduction of GST	7.158	1.217	0	1.217
			20	Income tax	28.487	1.635	0.432	1.203
11	District Health Officer, Keamari	2023-24	5	Non-deduction of income tax	112.779	1.128	0	1.128
			6	Less deduction of GST	1.65	0.251	0.050	0.201
			4	Less deduction of income tax	6.766	0.744	0.677	0.067
12	Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Karachi	2023-24	5	Non-deduction of Income Tax and SST	26.397	1.425	0.321	1.104
13	Project Director Expanded Programme on Immunization (EPI), Karachi	2023-24	31	Income tax and SST	178.689	9.151	8.072	1.079
14	Shaheed Mohtarma Benazir Bhutto Medical College, Lyari, Karachi	2023-24	5	Non-deduction of tax on annual fees	21.348	1.067	0	1.067
15	Medical Superintendent, Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2023-24	24	SST not deducted	11.873	1.544	0.547	0.997
			23	Income tax not deducted	12.407	0.558	0.234	0.324

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount	Tax Due	Tax Deducted	Less deducted
16	Medical Superintendent, Sindh Government Hospital, New Karachi	2023-24	4	Non-deduction of SST on diet	7.13	0.927	0	0.927
17	District Health Officer, Korangi, Karachi	2023-24	26	SST not deducted	7.119	0.925	0	0.925
18	Medical Superintendent, CDF Hospital, Hyderabad	2023-24	19	SST and Income Tax	5.767	1.329	0.439	0.888
19	Medical Superintendent, Shah Bhattai Hospital, Hyderabad	2023-24	12	Non-recovery of GST	5.994	0.870	0	0.870
20	District Health Officer, Sujawal	2023-24	18	Less deduction of income tax	38.365	0.849	0	0.849
21	Provincial Co-coordinator Sindh Lady Health Worker, Hyderabad	2023-24	21	GST & SST	32.119	3.197	2.352	0.845
22	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2023-24	18	GST not/less deducted	1.200	0.204	0	0.204
			20	SST less deducted	1.861	0.214	0.049	0.164
		2022-23	27	Income tax	2.120	0.095	0	0.095
23	Medical Superintendent / Civil Surgeon Civil Hospital Mirpurkhas	2023-24	24	SST less deducted	4.576	0.594	0.463	0.131
24	District Health Officer, West Karachi	2023-24	8	Less deduction of Income Tax	24.691	0.246	0.134	0.112
25	Deputy Director Communicable Disease Control, TB Control	2023-24	4	Less deduction of GST	14.014	1.282	1.198	0.084

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount	Tax Due	Tax Deducted	Less deducted
	Program Sindh, Hyderabad							
26	Executive Director, Jinnah Postgraduate Medical Centre, Karachi	2022-23	35	SST	63.314	8.231	7.281	0.950
27	Medical Superintendent Taluka Hospital Kotri Jamshoro	2022-23	18	SST	1.072	0.139	0.075	0.064
			17	Income Tax	1.072	0.107	0.049	0.058
28	Medical Superintendent Taluka Hospital, Majhand	2021-22 & 2022-23	20	SST	0.322	0.041	0	0.041
			18	GST	3.755	0.638	0	0.638
			19	Income Tax	0.322	0.032	0.0152	0.017
29	Sindh Mental Health Authority, Karachi	2022-23	16	SST	1.950	0.254	0	0.254
30	Director, Sindh Institute of Urology & Transplantation (SIUT), Karachi	2021-22 & 2022-23	3	SST	732.160	95.180	76.144	19.036
			32	SST	9.199	1.196	0	1.196
			11	Excess Payment of SST to Contractor	732.160	677.180	0	54.180
31	Liaquat University Hospital, Hyderabad	2022-23	32	SST	57.810	2.891	2.675	0.216
			34	Income Tax	100.313	7.523	7.022	0.501
32	MS Taluka Hospital, Pano Akil	2021-22 & 2022-23	18	SST	5.353	0.696	0.584	0.112
33	Executive Director, Sindh Institute of Child Health and Neonatology (SICHN) Karachi	2021-22 & 2022-23	38	SST	10.504	1.365	0	1.365
			11	GST	102.242	2.332	0	2.332
			14	Income Tax	11.760	2.877	1.559	1.318
			28	Income Tax	102.242	4.600	0	4.600
34	MS, Taluka Hospital, Rohri Sukkur	2021-22 & 2022-23	18	SST	3.619	0.470	0	0.470
35	Chief Executive	2021-22 & 2022-23	30	SST	1.136	0.148	0	0.148
			31	GST	2.404	0.409	0	0.409

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount	Tax Due	Tax Deducted	Less deducted
	Officer of the Sindh HealthCare Commission, Karachi							
36	MS, Peoples Medical College Hospital Nawabshah, SBA	2022-23	19	SST	45.859	5.274	0	5.274
			18	GST	204.465	29.647	0	29.647
			17	Income Tax	1,433.66 2	27.998	0	27.998
37	Medical Superintendent, Taluka Hospital Kandiaro	2021-22 & 2022-23	29	SST	1.819	0.050	0	0.050
			30	Income Tax	1.819	0.100	0	0.100
38	Medical Superintendent Taluka Hospital, K.N Shah	2022-23	12	GST	4.664	0.793	0	0.793
			20	Income Tax	5.768	0.057	0	0.057
39	Principal Nursing College (female), Thatta	2021-22 & 2022-23	1	GST	1.195	0.035	0	0.035
40	Deputy Director General (VBD), Directorate Anti-Malaria Programme, Hyderabad	2022-23	20	GST	147.568	5.020	4.29	0.729
			21	GST	26.530	4.302	0	4.302
41	Executive Director, National Institute of Child Health, Karachi	2022-23	39	Income Tax	3.005	0.301	0	0.301
42	MS, Taluka Hospital Sujawal	2021-22 & 2022-23	9	Income Tax	25.519	0.952	0.366	0.586
43	MS Taluka Hospital, Pithoro @ Umerkot	2021-22 & 2022-23	7	Income Tax	4.024	0.099	0.038	0.061
44	Project Director,	2021-22 & 2022-23	3	Income Tax	2,817.21 7	200.960	0	200.960

(Rs.in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount	Tax Due	Tax Deducted	Less deducted
	Establishment of Child Hospital Sukkur		2	SST	2,863.147	372.208	0	372.208
45	Medical Superintendent Taluka Hospital Jati District Sujawal	2021-22 & 2022-23	15	GST	1.124	0.191	0.093	0.098
				SST	2.305	0.299	0.265	0.034
46	MS Civil Hospital, Sanghar	2022-23	5	GST	10.451	1.776	0.663	1.113
				SST	3.113	0.404	0.351	0.053
47	MS Taluka Hospital, Pano Akil	2021-22 & 2022-23	17	Income Tax	22.322	1.212	0.610	0.602
				GST	37.441	6.365	0	6.365
48	Benazir Shaheed ANF, Model Addiction Treatment & Rehabilitation Center, (Manghopir Centre (Malir Youth Development Centre)	2019-20 to 2022-23	16	Income Tax	109.793	5.938	5.553	0.385
				GST	5.426	0.165	0	0.165
				SST	3.363	0.387	0.214	0.173
49	Director, Shahdadpur Institute of Medical Sciences, Shahdadpur Sanghar	2022-23	12	Income Tax	0.807	0.023	0	0.023
				SST	4.295	0.493	0	0.494
Total								842.432

Annex-15

15.5.25 Irregular procurement made on higher rates – Rs 730.635 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Provincial Coordinator of Sindh Lady Health Workers Programme Hyderabad	2023-24	12	Excess rate paid for medicine purchased from approved rate	679.595
2	Director, Syed Abdullah Shah Institute of Medical Sciences Sehwan Sharif, Jamshoro	2023-24	3	Purchase of Dialysis items on higher rates	30.590
3	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	32	procurement made on higher rates	12.428
4	Medical Superintendent, Sindh Government Hospital, Korangi, Karachi	2023-24	14	Same item's purchased on different rate	3.337
5	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2023-24	3	Purchase of auto destructive syringes on different rates	2.600
6	Director, Institute of Chest Diseases, Kotri	2023-24	13	Procurement of medicine on higher rates	1.672
7	Medical Superintendent, CDF Hospital, Hyderabad	2023-24	2	Purchase of medicines on higher rates	0.413
Total					730.635

Annex-16

15.5.26 Non-deduction of stamp duty - Rs 71.198 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Project Director Children Hospital Sukkur	2021-22 & 2022-23	04	Contract / consultancy	22.648
2	Medical Superintendent, Dr. Ruth K.M. Pfau Civil Hospital, Karachi	2023-24	21	Various heads of account	9.637
3	Program Director, Sindh Integrated Health and Population Project, Karachi	2023-24	04	Purchase of ambulances and mobile vans / laboratories	8.423
4	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2023-24	19	Medicines/kits	4.241
		2022-23	12	Stamp duty was less deducted under various heads	0.077
5	Deputy Director General, Communicable Disease Control, TB Control Program Sindh, Hyderabad	2023-24	03	Medicines and generic consumables	2.986
6	District Health Officer, Sukkur	2023-24	08	Medicines	0.137
7	Director, Syed Abdullah Shah Institute of Medical Sciences Sehwan Sharif, Jamshoro	2023-24	10	Medicines	0.964
8	District Health Officer, Tharparkar @ Mithi	2023-24	15	Medicines	0.945
9	Project Director Expanded Programme on Immunization (EPI), Karachi	2023-24	25	Various head of accounts	0.848
10	Director, Health Services, Karachi	2023-24	21	Less deduction of stamp duty on medicines	0.698
11	District Health Officer, Hyderabad	2023-24	16	Medicines	0.628
12	District Health Officer, Jamshoro	2023-24	20	Medicines	0.560
13	Medical Superintendent, Shah Bhattai Hospital, Hyderabad	2023-24	02	Various articles	0.489
14	Executive Director, SMBB Institute of Trauma, Karachi	2023-24	22	Service rendered	0.458

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
15	Medical Superintendent, Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2023-24	20	Medicines	0.417
16	Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Karachi	2023-24	11	Medicines	0.351
17	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	26	Medicines / kits	0.339
18	Secretary, Health Department, Karachi	2023-24	20	Various heads of account	0.302
19	District Health Officer, Umerkot	2023-24	14	Medicines	0.298
20	Medical Superintendent, Taluka Hospital, Qasimabad Hyderabad	2023-24	13	Medicines	0.258
21	Medical Superintendent, Services Hospital, Karachi	2023-24	14	Various head of account on Rs67.411 million	0.236
22	Medical Superintendent, Sindh Government Hospital, New Karachi	2023-24	09	Drugs and medicines	0.164
23	Medical Superintendent, THQ Hospital, Matiari	2023-24	22	Various items	0.144
24	Medical Superintendent, Khairpur Medical College Hospital, Khairpur	2023-24	19	Local Purchase of medicines	0.128
25	District Health Officer District Khairpur Mirs	2023-24	19	Medicines	0.126
26	District Health Officer, Tando Muhammad Khan	2023-24	22	Medicines	0.098
27	District Health Officer, Kambar @ Shahdadkot	2023-24	13	Medicines	0.070
28	District Health Officer, West, Karachi	2023-24	04	Agreement not executed which ultimately put loss of stamp duty on Rs14.853 million	0.052
29	District Health Officer, South, Karachi	2023-24	14	Medicines	0.051

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
30	Director General Health Services Sindh, Hyderabad	2023-24	06	Medicines	0.034
31	District Health Officer, Dadu	2023-24	18	Miscellaneous head of account	0.027
32	Medical Superintendent / Civil Surgeon Civil Hospital Mirpurkhas	2023-24	12	Medicines of Rs2.588 million	0.009
33	Executive Director, Sindh Institute of Physical Medicine & Rehabilitation, Karachi	2021-22 & 2022-23	11	Expenditure of Rs314.508 million incurred without deduction of stamp duty @ 0.35%	1.101
34	MS, Taluka Hospital, Daharki	2022-23	14	Medicines of Rs36.288 million procured without deduction of stamp duty	0.127
35	Medical Superintendent, Hira Nand Ganga Bai Women Hospital, Shikarpur	2020-21 to 2022-23	9	Medicines of Rs36.354 million procured but stamp duty was short deducted	0.255
36	MS, Civil Hospital, Naushehroferoze	2022-23	14	Medicines of Rs9.015 million purchased without deduction of stamp duty @ 0.35%	0.032
37	Medical Superintendent, Taluka Hospital Diplo, Tharparkar	2021-22 & 2022-23	31	Expenditure of Rs24.874 incurred on various heads without executing Agreement resulting in loss of stamp duty @ 0.35%	0.075
38	Director, Sindh Institute of Urology & Transplantation (SIUT), Karachi	2021-22 & 2022-23	14	Payments amounting to Rs295.831 million were passed on medicines / surgical items etc without deducting stamp duty	1.076
39	Liaquat University Hospital, Hyderabad	2022-23	36	Stamp duty not recovered	7.678

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
40	MS, Taluka Hospital, Pano Akil	2021-22 2022-23	16	Payments amounting to Rs104.641 million were made to various vendors without deducting stamp duty.	0.366
41	PD, Shaheed Benazir ANF Model Addiction Treatment & Rehabilitation Center, Karachi	2019-20 2022-23	15	Stamp duty on various heads including medicines, food, uniform & stationary not deducted	0.088
42	Deputy Director General (VBD), Directorate Anti-Malaria Programme, Hyderabad	2022-23	13	Payments amounting to Rs 374.027 million were made to various vendors without deducting of stamp duty	1.309
43	MS, Taluka Headquarter Hospital (Digri), Mirpurkhas	2021-22 2022-23	5	Payments amounting to Rs 14.319 million on account of medicines without stamp duty	0.052
44	MS, Taluka Hospital Sinjhor	2021-22 2022-23	14	Payments of Rs 27.284 million on various heads without stamp duty	0.095
45	Chief Executive Officer of the Sindh HealthCare Commission, Karachi	2021-22 2022-23	32	Payments of Rs 22.099 million were made under the heads Computer Equipment and POL without stamp duty	0.077
46	MS, Taluka Hospital, Pithoro @ Umerkot	2021-22 2022-23	17	Payments of Rs 46.563 million on medicines & others without stamp duty	0.163
47	MS, Anwar Paracha Government Hospital, Sukkur	2022-23	22	Payments of Rs 11.907 million on medicines without stamp duty	0.041

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
48	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2021-22 & 2022-23	54	Payments of Rs520.00 million on procurement of Medical Equipment were made to M/s Siemens Healthcare Pvt. Ltd without stamp duty	1.82
Total					71.198

Annex-17

15.5.27 Blockage of government funds – Rs 1,002.888 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Provincial Co-coordinator Sindh Lady Health Worker, Hyderabad	2023-24	02	Machinery / equipment not installed	496.777
2	Director, Syed Abdullah Shah Institute of Medical Sciences Sehwan Sharif, Jamshoro	2023-24	07	Medicines not utilized	272.581
			08	Additional quantities were purchased despite availability of sufficient quantity in hand – need not assessed properly	4.818
3	Medical Superintendent, Services Hospital, Karachi	2023-24	20	Machinery not installed – OPG machine, Dental Unit, etc	57.079
4	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	16	Medicines not utilized	49.368
			08	10 Dialysis machines were remained uninstalled since 2015	9.321
5	District Health Officer, Malir, Karachi	2023-24	09	Medicines not utilized	25.094
6	Deputy Director General (Vector Borne Diseases) Sindh, Hyderabad	2023-24	01	RDT Kits for malaria	19.400
7	District Health Officer Mirpurkhas	2023-24	01	Machinery purchased in 2014 and not yet functional / installed	18.373
8	Director General Health Services Sindh, Hyderabad	2023-24	05	Stationery not received from govt. press	16.012
9	District Health Officer, Dadu	2023-24	10	Medicines not utilized	11.362
10	District Health Officer, South, Karachi	2023-24	07	Medicines not utilized	6.723
			05	Medicines not utilized	0.101
11	Deputy Director General, Communicable Disease Control, TB Control Program Sindh, Hyderabad	2023-24	08	Stationery not received from govt. press	5.670

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
12	Medical Superintendent, Taluka Hospital, Qasimabad, Hyderabad	2023-24	08	Non-installation of machinery – ventilators for peads, etc	3.065
13	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2023-24	05	Stock lying unutilized	2.273
14	Medical Superintendent, THQ Hospital, Matiari	2023-24	24	Medicines and disposables lying unutilized – procured without need assessment, indent, etc	2.067
15	Medical Superintendent, CDF Hospital, Hyderabad	2023-24	20	Medicines and disposables	2.005
16	Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Karachi	2023-24	18	Non-receipt of articles from Govt. press	0.799
17	District Health Officer Kamber-Shahdadkot	2023-24	17	Medicines / various items retained which were received from DGHS Hyderabad	0
18	DHO, Thatta	2023-24	19	Medicines 1,235,818 blocked	0
19	Medical Superintendent, Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2023-24	19	Medicines not utilized	0
Total					1,002.888

Annex-18

15.5.28 In-efficient management practices to implement proper service delivery – Rs 218.410 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	51	Poor lavatory maintenance despite expenditure of Rs 135.446 million	135.446
2	Project Director Expanded Programme on Immunization (EPI), Karachi	2023-24	18	Proper need assessment was not made as per annual growth of population. Vaccines were provided equally to rural and urban towns which was irrational. Supply to UCs was given in excess of eligible population.	0
3	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2023-24	01	Kits without stamping as “Sindh Govt. Property	60.269
			07	Medicines / kits without cold room facility - efficacy could not be preserved	0
			10	Software Program lacks integrated software-based system for tracking vaccination and screening activities across the province.	0
4	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	12	Medicines (LP) were not stamped as “Sindh Government Property”, “Not for Sale”	15.423
			49	Non-functioning of elevators – shifting of patients was inconvenient	0
5	DHO, Thatta	2023-24	15	Medicines without govt. packing and stamped as “Sindh Govt. Property”, “Not for Sale”	3.865
6	Medical Superintendent, Sir Cowasji Institute of Psychiatry, Hyderabad	2023-24	01	Psychiatry hospital is running without filling the post related to psychiatry, all least 10 positions were lying vacant. Only one senior psychiatrist is working	0

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
7	Deputy Director General, Communicable Disease Control, TB Control Program Sindh, Hyderabad	2023-24	14	311 key posts were lying vacant	0
8	Director General Health Services Sindh, Hyderabad	2023-24	19	As per DHIS report 2825 incinerators are non-functional at various health facilities in the province - Due to this chances of spreading many chronic diseases could not be avoided	0
9	Medical Superintendent, Khairpur Medical College Hospital, Khairpur	2023-24	17	Ambulances were off-road and no steps were taken by management	0
			20	Hospital waste disposal was not available	0
10	Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Karachi	2023-24	07	Medicine without stamp of "Sindh Govt. Property – Not for Sale"	0
11	District Health Officer, Kashmore @ Kandhkot	2023-24	03	Non-functioning of various BHUs and dispensaries	0
			18	Important basic activities were not executed like efforts to prevent HIV / AIDs, Dengue, Blindness, Malaria, etc	0
12	Medical Superintendent, Taluka Hospital, Qasimabad, Hyderabad	2023-24	12	Non-posting of doctors / staff	0
			20	Non-existence of incinerator	0
13	District Health Officer, South, Karachi	2023-24	12	Non-availability of essential medicines at Govt. dispensary Dehli Punjab Colony	0
			21	Poor conditions of medical store	0
			18	EPI vaccination target not attained	0
14	District Health Officer Mirpurkhas	2023-24	10	Licenses issued without observing codal formalities	1.535
			02	BHUs & Dispensaries not functional	0
			06	EPI vaccination targets not achieved	0

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			18	Stock inventory system was not in place – bulk quantity was procured	0
			20	Non-conducting of anti-quackery drive	0
			21	Preventive measures were not taken to control TB, Hepatitis, HIV, Malaria / Dengue and dog bite cases	0
15	District Health Officer, Umerkot	2023-24	10	Licenses issued without observing codal formalities	0.253
			08	Non-conducting of anti-quackery drive	0
			09	Non-conducting of periodic inspection of drugs, pharmacies, etc	0
			31	Non-posting / appointment of staff on various posts	0
16	Provincial Co-coordinator Sindh Lady Health Worker, Hyderabad	2023-24	15	Monitoring & evaluation – various areas were not monitored, lack of planning for scheduled visits, DPRS tracking system not adopted, etc	0
17	Director, Syed Abdullah Shah Institute of Medical Sciences Sehwan Sharif, Jamshoro	2023-24	21	More than twelve years have passed but the Institute is still working without proper strength of human resources. Key post of various specialists (i.e., Cardiologist, Chief Pathologist, ENT Surgeon, Eye Surgeon, Gynecologist, Nero Surgeon, Orthopedic Surgeon, Pediatrician, Consulting surgeon, Chest Specialist are still vacant	0
18	District Health Officer, Naushahro Feroze	2023-24	02	Licenses issued without observing codal formalities	0.327
			03	Non-achievement of set targets of vaccination	0
			05	No X-Ray machines & wheel chairs available in various health facilities	0

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
19	Medical Superintendent, CDF Hospital, Hyderabad	2023-24	21	LAMA - as per DHIS report 469 patient leave the hospital against the advice of Doctors	0
			22	DHIS report indicates 21.12% death cases were reported	0
20	District Health Officer, Shikarpur	2023-24	16	Non-functioning of six (06) dispensaries and other health facilities	0
			18	Failure of management to control TB / Malaria cases	0
			19	Licenses issued without observing codal formalities	0
			20	Inferior condition of main medical store / pharmacy - no fire extinguisher, medicines stored in dusty ground, computerized inventory control, etc	0
21	District Health Officer, Malir, Karachi	2023-24	08	License issued to dispensers and non-remittance of sale proceeds	0.556
			05	35 posts were not filled despite availability of sanctioned strength	0
			14	Management failed to achieve targets of the immunization of vaccines	0
22	District Health Officer, Kambar @ Shahdadkot	2023-24	12	Medicines / supplies found un hygienic condition, required equipment was not available, medicines were not dispensed to patients, X-Ray machine was not available, etc	0
			16	Non-functional spray pumps (15 No) which causes increase in malaria cases – 47451 cases reported in 9 months	0
			06	Machinery equipment available with DHO was not issued to health facilities	0

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			18	X-Ray & ultrasound machines and dental unit were not issued to RHC Umeed Ali Junejo	0
			19	Non-availability of technical staff – X-Ray technician, sinologist, etc at RHC wagan	0
23	District Health Officer, East, Karachi	2023-24	23	Posting of essential staff at DHO East - e Deputy DHOs, General surgeon, pathologist etc	0
24	Medical Superintendent, THQ Hospital, Matiari	2023-24	23	LAMA - as per DHIS report 1916 patient leave the hospital against the advice of Doctors	0
25	Director, Health Services, Karachi	2023-24	05	Director failed to visits Health facilities for monitoring, inspection, etc	0
26	District Health Officer, Hyderabad	2023-24	08	Non-functional government dispensaries, MCHs UHC/NHU centers	0
			09	Failure to control TB, Dengue and Malaria cases	0
			22	Licenses issued without observing codal formalities	0
27	Medical Superintendent, Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2023-24	21	Non-posting against sanctioned posts	0
			25	C.T. Scan, C-Arm & MRI machines not functional	0
28	District Health Officer, Tharparkar @ Mithi	2023-24	08	Non-conducting anti-quackery drive	0
			09	Licenses issued without observing codal formalities	0.736
29	District Health Officer, Korangi, Karachi	2023-24	09	Management failed to control TB cases	0
			10	Management failed to control Malaria cases	0
			11	Non-posting / appointment of specialized doctors	0
			12	Non-conduct of monitoring & evaluation of health facilities	0
30	District Health Officer, Tando Muhammad Khan	2023-24	15	Licenses issued without observing codal formalities	0

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			18	Non-conduct of periodic inspection of pharmacies, etc	0
			27	Monitoring / evaluation within district to assess performance of health facilities	0
31	Medical Superintendent, Services Hospital, Karachi	2023-24	29	Non-appointment of staff despite sanctioned posts	0
32	Medical Superintendent Civil Hospital, Sanghar	2023-24	16	53 key posts vacant	0
			24	LAMA - 2791 patient leave the hospital against medical advice of Doctors	0
33	District Health Officer District Khairpur Mirs	2023-24	22	39 health facilities were non-functional	0
			23	Poor performance due to non-control of communicable diseases	0
34	Director, Institute of Chest Diseases, Kotri	2023-24	24	30644 lab tests performed without availability of pathologist – Risk in diagnostic of diseases	0
			25	11 key posts remained vacant	0
35	District Health Officer, Central, Karachi	2023-24	23	System flaws in EPI activities – cold chain storage remained non-functional before November 2023, waste material disposal facility not available, Errors in software noticed, alternate energy was not adopted, the conditions of the vehicles were non-repairable, vaccinators have no transport facilities, etc	0
			24	The X-ray machine, ECG machines and laboratories, ultrasound and physiotherapy machines were not available at various health facilities.	0
36	District Health Officer, West, Karachi	2023-24	20	RHC Manghopir was below the standards and appeared pathetic. The hygienic	0

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				standards were not being kept up to the mark and walls, floors, corridors, pathways and wards were not being maintained and kept clean	
37	Medical Superintendent, Liaquat University Hospital, Hyderabad,	2022-23	80, 81, 82, 90 & 91	Failure to install crucial machinery, worth millions of rupees, deprived the community of essential healthcare resources, leading to a blockage of government funds and a dire lack of health facilities. Furthermore, an alarmingly high mortality rate within the hospital revealed systemic lapses in providing adequate care to emergency patients, with 30 casualties per day, totaling 11,202 per year, highlighting a failure to enforce stringent protocols.	0
Total					218.410

Annex-19

15.5.29 Irregular expenditure on diet charges – Rs 670.585 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	40	Previous year's tender was continued, single bid for tender of M/s Waseem Brothers, consumption account as per inflow/outflow of patients, stamp duty, etc	154.530
2	Medical Superintendent, Chandka Medical College, Hospital, Larkana	2023-24	16	Invoices without reference of supply order, signature of vendor and inspection report not available	80.852
3	Medical Superintendent, Sir Cowasji Institute of Psychiatry, Hyderabad	2023-24	03	Articles were purchase without mentioning their brand names. Furthermore, No proper mechanism/monitoring system was in place to ensure quality and quantity of diet articles purchased, neither Menu/Diet chart was prepared nor consumption was maintained	77.683
			06	Supply of various dietary items not as per patient -wise according to diet chart. Furthermore no practice adopted to administer, operate and monitor of kitchen and diet distribution by a Kitchen Committee, inspection committee was reviewing only quantity not a quality of items procured. Moreover consumption account not maintained	77.683

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
4	Director, Institute of Chest Diseases, Kotri	2023-24	04	Diet menu, dietician post vacant, dietary items were purchased in bulk instead of on daily/regular basis, additional expenditure over requirements of patients was incurred for Rs1.72 million,	64.323
			08	Bulk quantity supplied instead of regular basis – fresh meat, fish and mutton not provided – risks lives of patients – no frozen storage facility was not available	19.738
			10	Monitoring (mechanism) was not devised to provided diet articles as per requirements (Milk was taken as sample)	3.978
			12	Amount paid without supply of diet articles – M/s Jannat Traders did not participate in the bid	2.139
5	Medical Superintendent, Khairpur Medical College Hospital, Khairpur	2023-24	14	List of indoor patients served with diet, acknowledgement receipts of wards incharge, approved menu and inspection of food.	48.639
6	Medical Superintendent, Sindh Government Hospital, Orangi, Karachi	2023-24	13	Record of patients, evidence of supply of diet, stock register, etc	36.972
7	Medical Superintendent, Sindh Government Hospital Korangi, Karachi	2023-24	10	Bulk quantity procured, no cook was available during physical visit, inspection not made, consumption account, no dietician appointed/posted	25.834

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
8	Medical Superintendent, THQ Hospital, Matiari	2023-24	07	Procurement was made in huge quantity instead of day to day requirements, diet register, menu/diet chart, number of patients admitted and discharged, inspection, without dietician, etc	24.737
9	Director, Syed Abdullah Shah Institute of Medical Sciences, Sehwan Sharif, Jamshoro	2023-24	31	Record of patients ward-wise, indent, inspection reports, evidence of supply of articles, agreement and stock register	13.064
10	Medical Superintendent, Shah Bhattai Hospital, Hyderabad	2023-24	17	Patients admission details, and who were served food, diet chart, quality/quantity check / monitoring , acknowledgement	8.968
11	Medical Superintendent, Sindh Government Hospital, New Karachi	2023-24	07	Agreement, patients inflow and outflow in wards, diet chart and consumption account	6.930
12	Executive Director, SMBB Institute of Trauma, Karachi	2023-24	21	Consumption account, inspection report, advice, receiving of diet, monitoring system to verify quality / quantity	5.384
14	Medical Superintendent, Services Hospital, Karachi	2023-24	19	Details of patients, diet chart, inspection of diet, consumption account and agreement	4.363
			18	The supplier only deals with medicines business – irrelevant vendor doubts on supply of diet	1.108
15	Medical Superintendent / Civil Surgeon Civil Hospital Mirpurkhas	2023-24	06	Invoices without reference of supply order and delivery challan was not attached, raw material purchased but evidence of cooked food was not available, variation of	4.160

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				1.979 million excess expenditure noticed from diet and patient data.	
			19	Delivery not attached with diet bills	1.299
16	Medical Superintendent, CDF Hospital, Hyderabad	2023-24	12	Tenders not invited, procurement made in huge quantity instead of day to day requirements, diet register, menu/diet chart, without dietician, etc	2.995
17	Medical Superintendent Sindh Government Hospital, Paretabad Hyderabad	2023-24	06	Satisfactory report certificate, menu/ diet chart, dietician not appointed, stock register and acknowledgement	2.603
18	Medical Superintendent Civil Hospital, District Sanghar	2023-24	22	Unregistered suppliers, diet menu / chart, delivery challan & acknowledgement	2.603
Total					670.585

Annex-20

15.5.30 Non-recovery of outstanding dues / excess payments – Rs 39.855 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	26	Rent of various facilities like bank, , medical stores, etc	10.560
			11	Undue payment of salary to deputationist	3.274
2	Medical Superintendent Sindh Government Hospital, Korangi Karachi	2023-24	37	Utility charges from employees availing government accommodation	1.920
			36	Utility charges from canteen and medical store	0.540
			41	Excess payment from actual amount	0.052
3	Medical Superintendent, Chandka Medical College, Hospital, Larkana	2023-24	13	Utility charges from employees availing government accommodation	1.020
			17	Tender fees not deposited	0.276
4	Shaheed Mohtarma Benazir Bhutto Medical College, Lyari, Karachi	2023-24	06	Annual fees from defaulting students	0.978
5	Medical Superintendent Civil Hospital, District Sanghar	2023-24	21	Non-deposit of fees in treasury	0.157
		2022-23	8	Non recovery of rent from shops	0.562
6	Executive Director, Sindh Institute of Physical Medicine & Rehabilitation, Karachi	2021-22 & 2022-23	8	Outstanding different fees against various students	5.019
7	Medical Superintendent, Sindh Government Qatar Hospital, Karachi	2022-23	9	Non recovery of rent from the owners of medical store and canteen within the premises of hospital	3.900
8	Executive Director, National Institute of Child Health, Karachi	2022-23	37	Non recovery of rent from medical stores	0.600

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
9	Liaquat University Hospital, Hyderabad	2022-23	66	Non recovery of utility charges @2% from contractors	1.888
10	Chief Executive Officer of the Sindh Healthcare Commission, Karachi	2021-22 & 2022-23	15	Outstanding dues on account of de-sealing penalties by the Directorate of Anti-Quackery	3.495
			23	Fines imposed by Directorate of Complaint on various health care establishment was not recovered	4.050
			27	64 Health Care Establishments were de-sealed without realizing penalties	0.424
11	Executive Director, Shahdampur Institute of Medical Sciences, Shahdampur, Sanghar	2022-23	14	Rent and utilities charges were not recovered from the Medical Store & Canteen Owners within the premises	1.140
Total					39.855

Annex-21

15.5.31 Irregular expenditure on repair of office building – Rs 802.951 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Medical Superintendent, Dr. Ruth K.M PFAU Civil Hospital, Karachi	2023-24	47	Approval from standing rate Committee for non-scheduled items	243.669
			46	Not a single work was completed within original estimate, extra items were added, revision of estimates avoids open competitive bidding, rate analysis and same invoice seems repeatedly claimed as no invoice # mentioned on invoices	161.572
			44	Location of installation of cables not disclosed, record of hiring of employees not disclosed, K-electric was not preferred for electric work, rate analysis was not provided	136.701
			45	SPPRA not followed, liability created for Rs30.0 million, rate committee approval for non-scheduled items and consumption account	38.901
2	Medical Superintendent, Chandka Medical College, Hospital, Larkana	2023-24	20	Final payment to contractor was made against work in process	66.084
			22	Approval from standing rate Committee for non-scheduled items	7.704
			23	Escalation was paid without obtaining basic price indices	2.577
3	Director, Sindh Institute of Urology & Transplantation (SIUT), Karachi	2021-22 & 2022-23	12 & 20	Excess execution of items of work beyond permissible limit of 30% and expenditure	64.291

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				exceeded the contract cost	
4	Medical Superintendent, Ghulam Muhammad Mehar Medical College Hospital, Sukkur	2023-24	15	Work was not carried out through Works & Services department, estimate, contractors ledger, repair register, T&P account, monthly account, etc were not provided,	43.889
5	Shaheed Mohtarma Benazir Bhutto Medical College, Lyari, Karachi	2023-24	10	Actual date of start of work as 06-06-2024 and M.B was also recorded on 07-06-2024, which indicated that the whole work which was required to be completed in three months was executed within one day and sanction order was also passed on next day of issuance of work order. WIP noticed.	20.423
6	Project Coordinator, Extension of Maternal & Child Healthcare Facilities in Sindh at Liaquat University Hospital, Jamshoro	2023-24	07	The work was done without exercise of Check Measurement (10 %) by the Project Engineer	10.534
7	District Health Officer, Sujawal	2023-24	08	White wash of dispensaries – split up, estimates not prepared, completion certificate and acknowledgement by head of dispensaries	6.570
Total					802.915

Annex-22

15.5.33 Irregular procurement of medicines having low Shelf life – Rs 56.685 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Deputy Director General, Communicable Disease Control, TB Control Program Sindh, Hyderabad	2023-24	06	Medicines from M/s ZI Enterprises with short shelf life	38.013
2	District Health Officer, East, Karachi	2023-24	05	Low shelf life	12.125
3	Medical Superintendent, THQ Hospital, Matiari	2023-24	15	Low shelf life	3.438
4	Medical Superintendent, Sindh Government Qatar Hospital, Orangi, Karachi	2023-24	09	Low shelf life	1.340
5	Medical Superintendent, Services Hospital, Karachi	2023-24	10	Low shelf life	0.714
6	District Health Officer, Hyderabad	2023-24	15	Low shelf life	0.600
7	District Health Officer, Sujawal	2023-24	20	Low shelf life	0.455
Total					56.685

Annex-23

15.5.44 Un-authorized allotment / retention of government vehicles by outsiders / Ex-officer – Rs 6.143 million

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Programme Coordinator, National Programme for Family Planning & Primary Health Care, Hyderabad	2022-23	02	19 vehicles belonging to the local office are currently in the possession of former officers who have either been transferred or retired from the department, Consequently, the government has incurred an estimated loss of approximately Rs 2.172 million in rental	2.172
2	Liaquat University Hospital, Hyderabad	2022-23	75	Three luxurious vehicles were retained by Mr.Abdul Sattar Jatoti -Ex Director (Accounts, Development) who was transferred on court order. POL was also charged.	0.106
3	Deputy Director General, Hepatitis Prevention & Control Program Hyderabad	2022-23	21	Two vehicles Cultus VXR-GS-0571 & Jimni -AFR-2012 were in possession of Ex-Additional Secretary, Health Department & Director Health Service Larkana	2.00
4	Secretary Health Department,	2023-24	11	Various vehicles of secretary office were allotted to the officers / officials who were not the employees of secretariat. However, they were employees of the subordinate offices of Health Department. Moreover, the repair of Rs 1.865 million was also made on the vehicles allocated to outsiders.	1.865
Total					6.143

Chapter-16 Home Department

Annex-1

16.5.1 Non-production of record – Rs 1,864.561 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Superintendent of Police, Investigation West-I, Karachi	2019-20 to 2022-23	01	Auditable record for the years 2019-20 to 2021-22	1,404.226
2	Additional Inspector General of Police, Karachi	2021-22 to 2023-24	09	Revenue receipt record and reconciliation of receipts	460.335
3	Superintendent of Police, Tharparkar @ Mithi	2022-23	14	Appointment record	-
4	Superintendent of Police, Political Special Branch, Karachi	2022-23	01	Bank statement, Last three year audit report along with compliance details, Physical verification of store, internal audit report	-
5	Superintendent of Police, Sindh Reserve Police Base-I, Karachi	2022-23	01	Various record as per para	-
6	Superintendent of Police, Investigation-II East, Karachi	2022-23	01	Various record as per para	-
7	Superintendent of Police, District Naushero Feroze	2022-23	01	Various record	
8	Police Surgeon, Karachi	2022-23	01	Complete auditable record	
9	Superintendent of Police, Sindh Reserve Police, Hyderabad	2022-23	01	Complete auditable record	
10	Senior Superintendent of Police, Khairpur	2022-23	04	Appointment process and relevant record i-e vacancy position, educational degree qualification, experience certificates of candidate, DRC, minutes of selection committee	-
11	Superintendent of Police, Badin	2022-23	06	Appointment process of 204 various staff	-
Total					1864.561

Annex-2

16.5.3 Non/less recovery of government dues – Rs 1,213.380 million

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para #	Particulars	Amount
1	Senior Superintendent of Police, District Hyderabad	2022-23	10	Police guard charges	788.965
2	Superintendent of Police, VVIP Security-II, Karachi	2022-23	02	Police guard charges	330.129
3	Senior Superintendent of Police, Mirpurkhas	2022-23	04	Electricity charges from residents	19.680
4	Senior Superintendent of Police, Larkana	2022-23	01	Police guard charges	19.655
5	Superintendent of Police, Sanghar	2021-22 & 2022-23	08	Police guard charges	15.996
			19	Recovery of minor punishment	0.259
6	Senior Superintendent of Police, Shaheed Benazirabad	2022-23	04	Electricity charges from allottees of residence	8.940
			06	Police guard charges	7.425
7	Superintendent of Police, Naushero Feroze	2022-23	23	Police guard charges	8.714
8	Superintendent of Police, Traffic East Karachi	2022-23	09	Traffic Fines	4.246
9	Superintendent of Police, Traffic South, Karachi	2022-23	01	Traffic Fines	3.392
10	Deputy Inspector General of Police, South Range, Karachi	2020-21 to 2022-23	07	Water & electricity charges from contractors	2.093
11	Superintendent of Police, VVIP Security-I, Karachi	2022-23	02	Punishment Fine on employees	0.319
12	Senior Superintendent Central Prison, Karachi	2023-24	10	Payment was made to KWSB for 74 residential connections for staff accommodations	3.132
13	Senior Superintendent of Police, Khairpur	2022-23	09	Electricity charges from allottees of residence	0.435
Total					1213.380

Annex-3

16.5.6 Non/less recovery of various taxes – Rs 383.715 million

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of Account	Particulars	Exp:	Due Tax	Deducted	Less Deducted
1	Inspector General of Prisons Sindh, Hyderabad	2022-23	12	Feeding / diet charges	Non-deduction of SST	2,054.772	236.390	0	236.390
			13	CCTV camera & Jammer service	Less deduction of SST	150.177	17.277	3.455	13.822
			14	Electronic Communication	Non-deduction of SST	6.079	0.198	0	0.198
			11	Feeding / diet charges	Non-deduction of Income tax	2,054.772	205.477	92.464	113.012
			05	Purchase of ceiling fans	Less deduction of GST & income tax	15.00	1.058	0.510	0.548
2	Commandant Specialized Commando Training, Sakrand	2022-23	02	Various heads	Less deduction of GST	31.600	5.372	0.938	4.433
			03	Various repairs	Less deduction of SST	2.987	0.388	0.154	0.234
			04	Various repairs	Less deduction of Income Tax	2.987	0.299	0.135	0.164
3	Senior Superintendent of Police, Jacobabad	2022-23	04	Various heads	Less deduction of Income Tax	8.422	1.684	0.379	1.305
			05	Repairs & feeding charges	Less deduction of SST	8.422	1.095	0.884	0.211
4	Superintendent of Police (SP) VVIP Security-I, Karachi	2022-23	13	Repair of transport	Non-deduction of SST	8.380	1.089	0	1.089
5	Superintendent of Police, Matiari	2022-23	08	Repair of transport	Less deduction of Income Tax	16.105	1.610	0.725	0.885
6	Senior Superintendent of Police, Shaheed Benazirabad	2022-23	12	Various repairs	Less deduction of Income Tax	13.995	1.399	0.630	0.769
7	Superintendent of Police, Traffic South, Karachi	2022-23	08	Various supplies & services	Non-deduction of GST & SST	6.059	0.762	0	0.762
8	Superintendent of Police Sindh Reserve Police (SRP)	2022-23	16	Salary	Less deduction of Income Tax	13.591	0.680	0.003	0.677

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of Account	Particulars	Exp:	Due Tax	Deducted	Less Deducted
	Base-I, Karachi								
9	Senior Superintendent of Police, Jamshoro	2022-23	22	Repair works	Less deduction of Income Tax	9.980	0.998	0.524	0.473
			21	Various heads	Less deduction of GST	2.667	0.453	0.399	0.054
10	Superintendent of Police Political Special Branch, Karachi	2022-23	5	Various heads	Less deduction of GST	2.092	0.356	0.115	0.241
			6	Various repairs	Non-deduction of SST	2.566	0.334	0.259	0.074
11	Senior Superintendent of Police, Sanghar	2022-23	18	Various repairs	Less deduction of GST & SST	15.586	2.026	1.791	0.235
12	Superintendent of Police, Rapid Response Force -II, Karachi	2022-23	19	Feeding charges & repair works	Non-deduction of SST	1.977	0.227	0	0.227
			20	Feeding / diet charges	Non-deduction of Income Tax	0.817	0.045	0	0.045
13	Superintendent of Police Traffic East, Karachi	2022-23	28	Feeding & printing charges	Non-deduction of SST	1.435	0.165	0	0.165
			29	Feeding & printing charges	Non-deduction of Income Tax	1.435	0.143	0.060	0.083
14	Superintendent of Police, Investigation West Range-I, Karachi	2019-20 to 2022-23	17	Various heads	Less deduction of GST	1.620	0.275	0.139	0.136
15	Superintendent of Police, Court Police Karachi	2022-23	05	Feeding charges	Non-deduction of income tax & SST	0.320	0.068	0	0.068
16	Superintendent of Police, Investigation South Range, Karachi	2022-23	05	Feeding & printing charges	Non-deduction of SST	0.408	0.047	0	0.047
			06	Feeding, printing & stationery	Less deduction of Income Tax	0.457	0.043	0.020	0.023
17	Senior Superintendent of Police, Mirpurkhas	2022-23	09	Repair works & feeding charges	Less deduction of Income Tax	20.504	2.050	0.923	1.127
			10	Feeding charges	Non-deduction of SST	8.649	1.124	0	1.124

(Rs. in Million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of Account	Particulars	Exp:	Due Tax	Deducted	Less Deducted
18	Superintendent of Police, Naushero Feroze	2022-23	30	Various repairs & feeding charges	Non/less deduction of SST & income tax	N/A	N/A	N/A	0.775
19	Senior Superintendent of Police, Ghotki	2022-23	20	Feeding charges	Non-deduction of SST	N/A	N/A	N/A	0.751
20	Senior Superintendent of Police, Dadu	2022-23	02	Various heads	Less deduction of Income tax	N/A	N/A	N/A	0.578
			04	Repair of transport	Less deduction of SST	3.107	0.404	0.007	0.397
21	Superintendent of Police, Umerkot	2022-23	15	Various heads	Less deduction of Income tax	N/A	N/A	N/A	0.541
22	Director, Reclamation & Probation Sindh, Karachi	2018-19 to 2022-23	19	Various repairs	Less deduction of SST & GST	N/A	N/A	N/A	0.106
23	Assistant Inspector General of Police, Security (SSU), Karachi	2022-23 & 2023-24	06	Repair of transport	Less deduction of SST	30.322	3.942	3.488	0.453
			01	Feeding charges	Non-deduction of Income tax & SST	1.784	0.410	0	0.410
24	Inspector General of Police Sindh, Karachi	2023-24	19	Purchase of furniture	Non-deduction of GST	3.360	0.571	0	0.571
25	Additional Inspector General of Police, Karachi	2021-22 to 2023-24	12	Feeding charges	Non-deduction of SST	2.749	0.357	0	0.357
26	Superintendent of Police, Sujawal	2022-23	17	Various repairs	Less deduction of Income tax	4.394	0.308	0.198	0.110
27	Assistant Inspector General of Police, Motor Transport Sindh, Karachi	2019-20 to 2023-24	03	Feeding charges	No-deduction of Income tax	0.450	0.045	0	0.045
Total									383.715

Annex-4

16.5.9 Irregular payments through DDO account – Rs 392.599 million

(Rs. in Million)

Sr. #	Name of entity	Financial Year	AIR Para #	Amount
1	Superintendent of Police, Investigation South Range Karachi	2022-23	02	13.336
2	Senior Superintendent of Police, Jacobabad	2022-23	02	9.423
3	Superintendent of Police, Court Police, Karachi	2022-23	03	3.409
4	Deputy Inspector General of Police, Hyderabad	2019-20 to 2022-23	01	1.875
5	Senior Superintendent of Police, District Hyderabad	2022-23	14	1.200
6	Senior Superintendent of Police, District Ghotki	2022-23	07	1.00
7	Senior Superintendent of Police, Naushero Feroze	2022-23	11	0.091
8	Inspector General of Police Sindh, Karachi	2023-24	02	191.932
9	Secretary, Home Department, Government of Sindh, Karachi	2023-24	28	69.545
10	Additional Inspector General of Police, Karachi	201-22 to 2023-24	08	50.250
11	Senior Superintendent of Police District East Karachi	2019-20 to 2023-24	01	15.109
12	Senior Superintendent of Police, Khairpur	2022-23	06	12.961
13	Assistant Inspector General of Police, Security (SSU), Karachi	2022-23 & 2023-24	04	11.204
14	Superintendent of Police, Sujawal	2022-23	11	5.692
			10	5.572
Total				392.599

Annex-5

16.5.10 Unauthorized retention of funds in DDO account – Rs 281.625 million

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para #	Amount
1	Inspector General of Prisons Sindh, Hyderabad	2022-23	04	34.359
2	Commandant, Specialized Commando Training Center, Sakrand	2022-23	05	1.614
3	Commandant, Rapid Response Force-II, Karachi	2022-23	05	0.600
4	Superintendent of Police, Investigation, West-I Karachi	2019-20 to 2022-23	06	0.226
5	Superintendent of Police, Investigation South Range Karachi	2022-23	07	0.113
6	Superintendent of Police Traffic (East) Karachi	2022-23	12	0.101
7	Senior Superintendent of Police, District Hyderabad	2022-23	18	6.604
8	Senior Superintendent of Police, Dadu	2022-23	06	2.611
9	Superintendent of Police, Naushero Feroze	2022-23	20	0.453
10	Superintendent of Central Prison, Hyderabad	2022-23	19	0.370
11	Assistant Inspector General of Police, Forensic Division Sindh, Karachi	2019-20 to 2023-24	03	118.116
12	Inspector General of Police Sindh, Karachi	2023-24	22 07	42.152 24.770
13	Senior Superintendent of Police, Central Prison, Karachi	2023-24	06	34.754
14	Secretary, Home Department, Government of Sindh, Karachi	2023-24	14	14.288
15	Senior Superintendent of Police, Badin	2022-23	11	0.278
16	Senior Superintendent of Police, Khairpur	2022-23	08	0.216
Total				281.625

Annex-6

16.5.11 Un-authorized cash withdrawal from DDO account – Rs 68.646 million (Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para #	Amount
1	Additional Inspector General of Police, Karachi	2021-22 to 2023-24	07	54.400
2	Senior Superintendent of Police, Khairpur	2022-23	07	3.820
3	Superintendent of Police, Investigation, West-I Karachi	2019-20 to 2022-23	05	1.238
4	Commandant, Specialized Commando Training Center, Sakrand	2022-23	06	1.213
5	Superintendent of Police, VVIP Security-II, Karachi	2022-23	01	1.140
6	Superintendent of Police Traffic (East) Karachi	2022-23	02	0.150
7	Superintendent of Police, Investigation South Range Karachi	2022-23	16	0.150
8	Senior Superintendent of Police, Jamshoro	2022-23	11	0.145
9	Deputy Inspector General of Police, South Range, Karachi	2020-21 to 2022-23	14	2.950
10	Senior Superintendent of Police, Dadu	2022-23	20	2.150
11	Superintendent of Police, Special Branch, Hyderabad	2019-20 to 2022-23	12	0.639
12	Superintendent of Police, Umerkot	2022-23	10	0.530
13	Superintendent of Police, Naushero Feroze	2022-23	19	0.121
Total				68.646

Chapter-22 Labour & Human Resources Department

Annex-1

22.5.16 Non/less deduction of taxes – Rs 16.465 million

(Amount in Rupees)								
Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount	Tax Due	Tax Deducted	Less deducted
01	Secretary, Labour and Human Resource Department, Karachi	2023-24	04	Income tax on salary	--	--	--	271,345
			05	Income tax on various head of account	8,374,815	756,062	203,878	552,184
			06	General Sales Tax	4,437,745	676,944	43139	633,805
02	Secretary, Workers Welfare Board Sindh, Karachi	2022-23 to 2023-24	15	SST @ 13% on Payments to legal advisors/advocates and Consultant for development work	105,027,476	13,653,572	--	13,653,572
			41	1/5 th of 18% S.S.T. on Other service rendered	223,169,399	8,034,098	6,808,558	1,225,540
03	Director General, NILAT, Karachi	2019-20 to 2023-24	21	S.S.T. on Other service rendered	988,643	128,524	--	128,524
Total					341,998,078	23,249,200	7,055,575	16,464,970

Chapter-24 Livestock & Fisheries Department

Annex-1

24.5.1 Non-production of record – Rs 11,787.234 million

(Rs. in Million)

Sr #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
1	Secretary, Livestock and Fisheries Department, Government of Sindh, Karachi	21,16,07, 26 & 05	2023-24	The management did not provide the necessary records related to the development schemes amounting to Rs 6,368.244 million. This record specially pertaining to ADP schemes with PC-I status, feasibility original and revised cost, progress reports, MEC reports annual expenditure details and financial and physical progress.	6,368.244
				Total of (40) schemes were executed at different location of Sindh province and Rs 2435.00 million were expensed, however, GPS Coordinates (Latitude & Longitude) of scheme were not available	2,435.000
				The qualification documents of all the participants were not available for audit and scrutiny.	631.798
				Records related to the cost centers KQ5057 & KQ5058 amounting to Rs294.824 million	294.824
				Evidences of PSID / Challan of Income Tax, General Sales Tax (GST& SST) deducted from suppliers was not provided	21.167
2	Program Coordinator, Accelerated Action Plan for Reduction of stunting and Malnutrition	1,4,9, 25,33,35, 47, 50	2022-23 to 2023-24	<u>Purchase of livestock and poultry birds</u> i. Selection criteria of beneficiaries were not provided. ii. Distribution of livestock duly supported by pictorial	1,104.248

	Sindh, Karachi (Livestock sector)			view along with distribution report was not provided to audit iii. Joint Inspection of the procured animals / birds by the technical committee/ persons were not carried out due to which quality and quantity could not be ascertained. iv. Acknowledgement from the beneficiaries were not obtained. v. Performance security at applicable rates was also not obtained from the supplier.	
				1. Survey/ Need Analysis/Justification for stocking of fish seed was not made known to audit 2. No. of matured seeds out of total stocked along with details of beneficiaries were not provided to authenticate the expenditure so incurred. 3. Significant quantity of fish seeds were stocked, however, utilization of the same was not made known to audit due to which the expenditure so incurred could not be authenticated. 4. Details of total fish ponds/hatcheries/lakes and their capacity were not made known to audit due to which the authenticity of expenditure could not be ruled out. 5. Joint Inspection of the stocked seeds by the technical committee was	267.984

				not carried out due to which quality and quantity could not be ascertained. 6. Follow up of stocked seeds was not recorded. 7. Pictorial evidence of the items procured, stocked and distributed items were not available.	
				Detail on the invoices/vouchers to ascertain the Event/training, details of the trainees / participants, contract agreement with the vendors & progress report with pictorial evidence to ascertain the events / training	120.00
				i) Need justification for hiring of NGO duly supported by Selection Criteria was not provided to audit. ii) Terms of reference (TORs) were not provided to audit. iii) Total number of beneficiaries for awareness sessions was not provided. iv) Progress report was not provided to authenticate the payments. v) Detailed record of activities performed by all consultants/specialist was not produced. vi) Hiring of vehicles, Fuel for vehicles and TA/DA were charged in the bill without any details and justification. vii) Material for dissemination awareness was procured without knowing the details, however, utilization of	34.500

				the same was not provided. viii) Awareness charges were paid to the individuals without knowing the details of participants, acknowledgement details due to which the payment, as a whole, stands dubious. viii) Payment was made in excess to the contract amount. (In case of Sr.9)	
				1. Agreement with consultant. 2. Progress reports/ Monitoring & Evaluation reports of the work. 3. Activities performed by all consultants/specialist. 4. Detail of field visits along with results. 5. Terms of agreement with consultant. 6. Detail of deliverables.	28.900
				i. Provision of Procurement of biofloc aquaculture units. ii. Site Plan / Survey for installation. iii. Satisfactory Installation Report. iv. Technical committee constituted for check the technical aspects. v. Joint Inspection by the Inspection/ Technical committee. vi. Pictorial evidence of the installed biofloc aquaculture units.	22.222
				1. Survey of the damaged ponds was not conducted 2. Technical committee was not constituted to check the technical aspects.	21.360

				3. No detail of the work was attached with the bills 4. Third party monitoring report was not available. 5. Progress report was not available. 6. Applicable taxes were not deducted.	
				Selection Criteria of SRPO (NGO), terms of reference (TORs), total number of beneficiaries identified & progress report.	14.259
3	Registrar Livestock Breeding Services Authority Sindh, Hyderabad	26, 03 & 01	2023-24	Chartered Accountant or a firm of Chartered Accountants, as required by law. According to Section 6(2) of the Sindh Livestock Breeding Act, 2016 (PAS/Legis/B-17/2016 dated 08th April 2017), the Government may, the audit conducted under Section 6(1), arrange for the Authority's annual accounts to be audited by a Chartered Accountant or a firm of Chartered Accountants in the prescribed manner.	150.000
				1- The bidding documents of unsuccessful bidders were not available for audit review. Only the comparative statements were provided, which is insufficient for a transparent assessment of the procurement process. 2- A significant amount of expensive material, such as Liquid Nitrogen Gas (2 liters per container at Rs 148,000), was procured. However, the purpose of procuring such large quantities without proper documentation for provision and distribution	20.548

				remains questionable. It was verbally informed that the materials were distributed among trainees, but no official documentation exists to support this claim. 3- The need assessment, indent, and utilization records for the items procured under "Cost of Other Stores" were not provided for audit verification, raising concerns about the justification for these purchases. 4- There was no evidence of proper issuance or utilization of the consumable items by the end users. This lack of documentation raises doubts about whether the materials were used effectively. 5- If the procured items were intended for distribution among trainees, there was no documentation available to show what targets were assigned to them or what achievements have been recorded so far. The absence of these records makes it difficult to assess the effectiveness and impact of the expenditure.	
				1- No. of total meetings held during the year under audit 2- Minutes of meeting of Board of Director 3- Employee wise performance 4- Target achievement report of the authority	0

				5- Total receipt earned during the year component wise and its approval from Board of Director 6- List of bank accounts and Bank statement of all accounts 7- Audited statement of expenditure and receipt	
5	Director General, Livestock Sindh, Hyderabad	14	2023-24	Registration with DRAP was not provided to audit. Joint inspection reports of procurement of medicines were not provided to audit. Consumption account of medicines (in or out batch wise) detail was not available on record.	69.923
6	Director, Animal Breeding, Livestock & Fisheries Department Hyderabad	04, 05 & 01	2023-24	1- The total number of animals on the strength of Directorate, along with their specific locations, was not documented, making it difficult to verify the authenticity of the procured feeding/dietary items. 2- The approved dietary scale for feeding the animals (breed-wise) was not available. 3- Records detailing the consumption and actual delivery of feeding items to the animals (breed-wise) were absent, raising concerns about the proper utilization of the feed. 4- Indents and acknowledgments from the responsible livestock assistants or breed in-charges were not provided.	43.337
				The supplier did not furnish the necessary documents to verify whether the delivered materials specified in the tender	42.685

				documents were supplied imported or local. • Bidding documents of unsuccessful bidders were not available; however only the comparative statements were furnished for verification during the course of audit. • As per the evaluation criteria outlined in the bidding documents, the supplier was required to submit copies of the Air Waybills, Goods Declaration Certificates from customs, and Analysis Certificates for the imported items along with the vouchers. These documents were not provided which shows that the local products were supplied instead. • Need assessment, indent and utilization of items procured from cost of other stores was not furnished. • The issuance of material to the end user / proper utilization of consumable items was not evidenced.	
				HB5096 Plant and Machinery, HB0100 Livestock, HB0100 Medical Charges, HB0100 Postage, HB0100 Telephone and trunk call, HB0100 Newspapers periodicals and books	11.953
7	Deputy Director, Livestock/Animal Husbandry, Jamshoro	06	2020-21 to 2023-24	Registration of drugs / drug license, Agreements, physical verification and joint inspection reports demanded letter of doctors or initial on the ledger to whom issued medicines	34.601

8	Director General Sindh Institute of Animal Health, Karachi	05	2023-24	Medicines amounting to Rs 31.532 million were purchased for the purpose of production of vaccine for animals/birds, however details of consumption of medicines and production of vaccines were not recorded, furthermore criteria for usage/consumption of each medicine for the purpose of production of vaccines duly verified from concerned doctor was also not available on record	31.532
9	Executive Director Poultry Vaccine Production Karachi	11	2023-24	Estimates/Bills of Quantities, Completion report, evidence before maintenance/after maintenance of laboratory, Bid Security along with bid.	10.275
10	Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad	25	2022-23	(Purchase of Medicine) 1 Sales tax invoices with correct figure and freight charges. 2 DRAP Registration Certification of the procured medicine 3 Valid Drug Sales License of medicine suppliers. 4 Drug registration of all supplies. 5 Income Tax returns for last 3 years. 6 Sales Tax Certificate along with Sales Tax returns of last three years. 7 Drug Registration Certificate of tendered products for supply. 8 Detail of earnest money. 9 Stock/store registers of purchased items. 10 Regular reconciliation of actual stock with inventory and accounted for record	4.124
11	Director Animal Husbandry Hyderabad	15	2023-24	Expenditure of Rs3.750 million was incurred from development, but the evidence	3.750

				of physically work carried out, tender, estimate, date of work start and completion report feedback, demand/ correspondence, proper location/spot was not mentioned. However inspection report did not pertain period and complete three members instead of two members.	
12	Director General Sindh Institute of Animal Health, Karachi	12	2023-24	Non-conducting of survey/research, tests and equipment's of vaccines/drugs & biological	0
Total					11,787.234

Annex-2

24.5.8 Irregular expenditure on fish meals & seeds – Rs 216.099 million

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
KQ2295	5128814	26.12.2023	WINGS TRADING COMPANY	505/ 14-12- 23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at bakar lake, chotiari reservoir district Sanghar & adjacent lakes	361,704	7.4	2,676,610
KQ2295	5128812	26.12.2023	RANA & SONS	1029/ 13-12- 23	Labeo Rohita (Rahu), not less than 4 inches, stocked at bakar lake chotiari reservoir district sanghar & adjacent lakesNara canal district sukkur	428,618	7.3	3,128,911
KQ2295	5128813	26.12.2023	M/S TALHA ENTERPRISES	813/ Nil	Catlacatla (Thaila), not less than 3 inches stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	486,723	7.5	3,650,423
KQ2295	5128811	26.12.2023	RANA & SONS	1035/ 12-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	443,635	7.2	3,194,172
KQ2295	5129098	28.12.2023	RANA & SONS	1035/ 20-12- 23	Labeo Rohita (Rahu), not less than 4 inches, stocked at Nara canal district Sukkur	395,300	7.3	2,885,690

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
KQ2295	5129094	28.12.2023	RANA & SONS	1038/ 21-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at Nara canal district Sukkur	239,700	7.2	1,725,840
KQ2295	5129095	28.12.2023	RANA & SONS	1032/ 12-12- 23	Labeo Rohita (Rahu), not less than 4 inches, stocked at Nara canal district Sukkur	429,700	7.3	3,136,810
KQ2295	5129091	28.12.2023	RANA & SONS	1040/ 19-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at Nara canal district Sukkur	385,300	7.2	2,774,160
KQ2295	5129109	28.12.2023	WINGS TRADING COMPANY	510/ 15-12- 23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at Nara canal district Sukkur	330,217	7.4	2,443,606
KQ2295	5129107	28.12.2023	M/S TALHA ENTERPRISES	815/ Nil	Catlacatla (Thaila), not less than 3 inches stocked at Nara canal sukkur	415,334	7.5	3,115,005
KQ2295	5129101	28.12.2023	I-B-M INTERNATIONAL BUSINESS MA	1351/ 18-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	433,638	7.2	3,122,194
KQ2295	5129103	28.12.2023	I-B-M INTERNATIONAL BUSINESS MA	1353/ 13-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at Nara canal district sukkur	297,656	7.2	2,143,123

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
KQ2295	5129096	28.12.2023	RANA & SONS	1042/ 18-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	436,528	7.2	3,143,002
KQ2295	5129100	28.12.2023	I-B-M INTERNATIONAL BUSINESS MA	1355/ 14-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at Nara canal district sukkur	327,344	7.2	2,356,877
KQ2295	5129093	28.12.2023	RANA & SONS	1049/ 19-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	287,228	7.2	2,068,042
KQ2295	5129106	28.12.2023	M/S TALHA ENTERPRISES	820/ Nil	Catlatatla (Thaila), not less than 3 inches stocked at Nara canal sukkur	284,063	7.5	2,130,473
KQ2295	5129105	28.12.2023	M/S TALHA ENTERPRISES	818/ Nil	Catlatatla (Thaila), not less than 3 inches stocked at Nara canal sukkur	330,603	7.5	2,479,523
KQ2295	5129104	28.12.2023	M/S TALHA ENTERPRISES	822/ Nil	Catlatatla (Thaila), not less than 3 inches stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	485,913	7.5	3,644,348
KQ2295	5129092	28.12.2023	RANA & SONS	1044/ 20-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked	466,736	7.2	3,360,499

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
					at bakar lake, chotiari reservoir district sanghar & adjacent lakes			
KQ2295	5129099	28.12.2023	I-B-M INTERNATIONAL BUSINESS MA	1359/ 22-12-23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	443,683	7.2	3,194,518
KQ2295	5129090	28.12.2023	WINGS TRADING COMPANY	519/ 13-12-23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	496,335	7.4	3,672,879
KQ2295	5129110	28.12.2023	WINGS TRADING COMPANY	514/ 22-12-23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at Nara canal district sukkur	337,752	7.4	2,499,365
KQ2295	5129111	28.12.2023	WINGS TRADING COMPANY	512/ 20-12-23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at Nara canal district Sukkur	398,518	7.4	2,949,033
KQ2295	5129097	28.12.2023	RANA & SONS	1046/ 14-12-23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at bakar lake, Chotiari reservoir district Sanghar & adjacent lakes	445,873	7.2	3,210,286

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
KQ2295	5129112	28.12.2023	WINGS TRADING COMPANY	516/ 18-12- 23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at bakar lake, chotiari reservoir district Sanghar & adjacent lakes	418,923	7.4	3,100,030
KQ2295	5129108	28.12.2023	M/S TALHA ENTERPRISES	824/ Nil	Catlacatla (Thaila), not less than 3 inches stocked at bakar lake, chotiari reservoir district Sanghar & adjacent lakes	345,628	7.5	2,592,210
KQ2295	5129102	28.12.2023	I-B-M INTERNATIONAL BUSINESS MA	1362/ 21-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at bakar lake, chotiari reservoir district Sanghar & adjacent lakes	324,854	7.2	2,338,949
KQ2295	5129640	03.01.2024	M/S TALHA ENTERPRISES	839/ Nil	Catlacatla (Thaila), not less than 3 inches stocked at keenjhar lake in district Thatta	359,635	7.5	2,697,263
KQ2295	5129639	03.01.2024	M/S TALHA ENTERPRISES	834/ Nill	Catlacatla (Thaila), not less than 3 inches stocked at keenjhar lake in district Thatta	395,685	7.5	2,967,638
KQ2295	5129673	04.01.2024	M/S TALHA ENTERPRISES	832/ Nil	Catlacatla (Thaila), not less than 3 inches stocked at keenjhar lake in district Thatta	315,843	7.5	2,368,823
KQ2295	5129654	03.01.2024	WINGS TRADING COMPANY	532/ 17-12- 23	Hypo thalmichthys Moltrix (Silver), not less than 4	382,553	7.4	2,830,892

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
					inches stocked at keenhar lake in district Thatta			
KQ2295	5129653	03.01.2024	WINGS TRADING COMPANY	534/ 28-12-23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at keenhar lake in district Thatta	325,442	7.4	2,408,271
KQ2295	5129651	03.01.2024	WINGS TRADING COMPANY	536/ 20-12-23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at keenhar lake in district Thatta	376,554	7.4	2,786,500
KQ2295	5129657	03.01.2024	RANA & SONS	1046/ 29-12-23	Labeo Rohita (Rahu), not less than 4 inches, stocked at Keenjhar Lake in District Thatta	395,745	7.3	2,888,939
KQ2295	5129661	03.01.2024	RANA & SONS	1042/ 26-12-23	Labeo Rohita (Rahu), not less than 4 inches, stocked at Keenjhar Lake in District Thatta	397,953	7.3	2,905,057
KQ2295	5129658	03.01.2024	RANA & SONS	1044/ 28-12-23	Labeo Rohita (Rahu), not less than 4 inches, stocked at Keenjhar Lake in District Thatta	396,835	7.3	2,896,896
KQ2295	5129659	03.01.2024	RANA & SONS	1049/ 21-12-23	Labeo Rohita (Rahu), not less than 4 inches, stocked at Keenjhar Lake in District Thatta	398,795	7.3	2,911,204
KQ2295	5129643	03.01.2024	M/S TALHA ENTERPRISES	829/ Nil	Catlacatla (Thaila), not less than 3 inches stocked at keenjhar lake in district Thatta	319,544	7.5	2,396,580

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
KQ2295	5129655	03.01.2024	WINGS TRADING COMPANY	522/ 26-12- 23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at keenhar lake in district Thatta	340,221	7.4	2,517,635
KQ2295	5129656	03.01.2024	WINGS TRADING COMPANY	526/ 21-12- 23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at keenhar lake in district Thatta	205,895	7.4	1,523,623
KQ2295	5129642	03.01.2024	M/S TALHA ENTERPRISES	836/ Nill	Catlacatla (Thaila), not less than 3 inches stocked at keenjhar lake in district Thatta	383,972	7.5	2,879,790
KQ2295	5129652	03.01.2024	WINGS TRADING COMPANY	529/ 27-12- 23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at keenhar lake in district Thatta	369,335	7.4	2,733,079
KQ2295	5129662	03.01.2024	RANA & SONS	1038/ 22-12- 23	Labeo Rohita (Rahu), not less than 4 inches, stocked at keenjhar lake in district Thatta	406,433	7.3	2,966,961
KQ2295	5129663	03.01.2024	RANA & SONS	1040/ 18-12- 23	Labeo Rohita (Rahu), not less than 4 inches, stocked at keenjhar lake in district Thatta	399,582	7.3	2,916,949
KQ2295	5129660	03.01.2024	RANA & SONS	1210/ 15-12- 23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at keenjhar lake in district thatta	224,018	7.2	1,612,930
KQ2295	5129664	03.01.2024	RANA & SONS	1214/ 13-12- 23	Cirrhinus Mirgala (Morakhi), not	304,316	7.2	2,191,075

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
					less than 4 inches, stocked at keenjhar lake in district thatta			
KQ2295	5129647	03.01.2024	I-B-M INTERNATIONAL BUSINESS MA	1364/25-12-23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at keenjhar lake in district thatta	305,310	7.2	2,198,232
KQ2295	5129648	03.01.2024	I-B-M INTERNATIONAL BUSINESS MA	1366/19-12-23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked at keenjhar lake in district thatta	223,024	7.2	1,605,773
KQ2295	5129641	03.01.2024	M/S TALHA ENTERPRISES	826/Nil	Catlacatla (Thaila), not less than 3 inches stocked at keenjhar lake in district thatta	225,321	7.5	1,689,908
KQ2295	5129895	10.01.2024	WINGS TRADING COMPANY	541/18-12-23	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	788,802	7.4	5,837,135
KQ2295	5255533	27.02.2024	RANA & SONS	1059/2-1-24	Labeo Rohita (Rahu), not less than 4 inches, stocked at Dafri dhand & bareechi dhand, in district badin	100,000	7.3	729,994
KQ2295	5255531	27.02.2024	RANA & SONS	1055/1-1-24	Labeo Rohita (Rahu), not less than 4 inches, stocked at Bakar Lake, Chotiari Reservoir, District Sanghar & adjacent lakes	948,559	7.3	6,924,481

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
KQ2295	5255530	27.02.2024	WINGS TRADING COMPANY	539/ 1-1-24	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at bakar lake, chotiari reservoir district sanghar & adjacent lakes	1,254,236	7.4	9,281,346
KQ2295	5255529	27.02.2024	RANA & SONS	1051/ 5-1-24	Labeo Rohita (Rahu), not less than 4 inches, stocked at Bakar Lake, Chotiari Reservoir, District Sanghar & adjacent lakes	976,064	7.3	7,125,267
KQ2295	5255532	27.02.2024	I-B-M INTERNATIONAL BUSINESS MA	1369 2/1/2024	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked Bakar Lake, Chotiari Reservoir District Sanghar & Adjacent lakes	877,825	7.2	6,320,340
KQ2295	5255528	27.02.2024	WINGS TRADING COMPANY	543/ 3-1-24	Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at Dafri dhand in district badin	50,000	7.4	739,996
					Hypo thalmichthys Moltrix (Silver), not less than 4 inches stocked at bareechi dhand in district badin	50,000	7.4	
KQ2295	5255526	27.02.2024	RANA & SONS	1372/ 28-12-23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked Dafri dhand and	100,000	7.2	719,994

(Amount in Rupees)

C.C	Chq#	Chq Date	Vendor Name	Inv	Description	Qty	Rate	Amount
					Bareechi dhand in district badin			
KQ2295	5255527	27.02.2024	M/S TALHA ENTERPRISES	Date Nill	Catlacatla (Thaila), not less than 3 inches stocked Bakar Lake, Chotiari Reservoir District Sanghar & Adjacent lakes	100,000	7.5	749,996
KQ2295	5255525	27.02.2024	M/S TALHA ENTERPRISES	Date Nill	Catlacatla (Thaila), not less than 3 inches stocked at Dafri Dhand and Bareechi dhand in District Badin	889,752	7.5	6,673,140
KQ2295	5255524	27.02.2024	RANA & SONS	1053/3-1-24	Labeo Rohita (Rahu), not less than 4 inches, stocked at Bakar Lake, Chotiari Reservoir, District Sanghar & adjacent lakes	901,759	7.3	6,582,841
KQ2295	5255523	27.02.2024	M/S TALHA ENTERPRISES	Date Nill	Catlacatla (Thaila), not less than 3 inches stocked Bakar Lake, Chotiari Reservoir District Sanghar & Adjacent lakes	1,061,984	7.5	7,964,880
KQ2295	5255522	27.02.2024	I-B-M INTERNATIONAL BUSINESS MA	1216/26-12-23	Cirrhinus Mirgala (Morakhi), not less than 4 inches, stocked Dafri dhand and Bareechi dhand in district badin	100,000	7.2	719,994
Total						26,128,498		192,000,000

Year	C.C	Chq#	Chq Date	Vendor Name	Particulars	Amount
2022	KQ229 5	464112 9	19.10.202 2	Pervez Associates And Co	Rice bran mands, Fish meals , vitamins minerals, DAP, NPK bags and cow dung etc	6,265,600
2022	KQ229 5	464125 5	20.10.202 2	Pervez Associates And Co	Rice bran mands, Fish meals , vitamins minerals, DAP, NPK bags and cow dung etc	9,810,800
2022	KQ229 5	464125 6	20.10.202 2	Pervez Associates And Co	Rice bran mands, Fish meals , vitamins minerals, DAP, NPK bags and cow dung etc	7,602,400
2022	KQ229 5	474602 5	17.01.202 3	Talha Enterprises	Fish meal (Mands) and NPK bags	420,960
Total						24,099,760
G-Total						216,099,760

Annex-3

24.5.10 Irregular expenditure under various un-satisfactory schemes - Rs 2,827.532 million

(Amount in Rupees)

(Amount in Rupees)					
Sr. #	Name of Office	Particulars	AIR Para #	Financial Year	Amount
01	Secretary, Livestock and Fisheries Department, Government of Sindh, Karachi	The government sustained loss due to un-satisfactory work on ADP scheme#1974 LFDAH-PP-11-0021 Establishment of Cattle Colonies with District and Private Participation Phase-I. The scheme was uncompleted since many years, construction work was carried with poor material, all the work is in miserable condition as per MEC reports.	08, 11, 01,12 & 02	2023-24	1,344.169
		Un-satisfactory ADP scheme#1999 LFDAH-PP-06-0002 “Strengthening and Improvement of Fish and Shrimp Hatcheries in Sindh” (Karachi, Thatta, Badin, Dadu, N.Feroze, Shikarpur & Sukkur) declared by MEC of P&D Department			711.159
		Expenditure incurred on un-satisfactory performance of ADP scheme#1982 LFDAH-PP21-0596 regarding Save Buffalo Calves declared by MEC of P&D department			394.153
		An expenditure incurred on substandard and un-satisfactory ADP scheme#2000 LFDAH-PP-06-0022 Rehabilitation of Pilot Shrimp Farm Gharo as Training & Research Centre declared by MEC of P&D Department			211.933
		An expenditure on un-satisfactory ADP scheme#1983 LFDAH-PP21-0597 Fattening of Calves declared by MEC of P&D department.			166.118
Total					2,827.532

Annex-4

24.5.11 Non/short recovery of various taxes – Rs 279.031 million

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount	Tax / Stamp duty due	Tax / Stamp duty Deducted	Difference
1	Program Coordinator, Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh, Karachi (Livestock sector)	18, 7 & 43	2022-23 & 2023-24	IT4.5% Rs 49,687,339, GST17% Rs 187,707,724 Amount of Rs 237,395,063 was not / less deducted on General Sales Tax and Income Tax resulted short recovery of government taxes.)	1,104.163	237.395	--	237.395
				Non-deduction of stamp duty on procurement under “drugs & medicines” Rs 81,980,000 @ 0.35% Rs 286,930	81.980	0.287	--	0.287
				Contract agreement was executed for rent of office building amounting to Rs5,916,625/- but failed to deduct the stamp duty Rs 20,708	5.916	0.020	--	0.020
2	Secretary Livestock and Fisheries Department Government of Sindh Karachi	04	2023-24	Less deduction of Sindh Sales Tax on Services (SST)	219.223	28.499	8.599	19.899
3	Director General Sindh Institute of Animal Health, Karachi	03	2023-24	Expenditure Rs 31.532 million was incurred on purchase of drugs & medicines, but GST @ 18% Rs 5.676 million was not deducted from the bills	31.532	5.676	--	5.676

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount	Tax / Stamp duty due	Tax / Stamp duty Deducted	Difference
4	Director Poultry Production & Research Sindh, Karachi	21,17,10, 26 & 15	2023-24	Less deduction of income tax on salary	51.223	7.719	2.406	5.313
				Non/Less-deduction of GST	10.367	1.762	0.466	1.296
				Non deduction of Income Tax on Rs 27,872,955 amounting to Rs 1,114,918	27.873	1.115	--	1.115
				Contract Agreements amounting to Rs 59.982 million were executed with various contractors / suppliers but stamps amounting to Rs 0.209 were not affixed	59.982	0.209	--	0.209
				Less deduction Sindh Sales Tax Rs 0.118 on Services on expenditure of various bills Rs 7,259,484	7.259	0.944	0.826	0.118
5	Director Central Veterinary Diagnostic Laboratory, Sindh Tandojam	01	2022-23	Non/less deducted various taxes (I.T Rs 0.564, GST Rs 3.838)	80.65	6.775	2.372	4.403
6	Director, Animal Breeding, Livestock & Fisheries Department Hyderabad	13,16 & 15	2023-24	Less deduction of Income Tax	36.794	1.231	--	1.231
				Sales tax on services amounting to Rs 0.239 million was either less or not deducted and Rs 0.0725 million was also not deducted	4.090	0.531	0.219	0.311
				Less deduction of Stamp Duty	139.558	0.488	0.158	0.330
7	Director General, Livestock	15	2023-24	An amount of Rs 0.599 million of 1% of Income	59.923	0.599	--	0.599

(Rs. in Million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount	Tax / Stamp duty due	Tax / Stamp duty Deducted	Difference
	Sindh, Hyderabad			tax was not deducted.				
8	Deputy Director, Livestock/ Animal Husbandry, Jamshoro	16 & 17	2020-21 to 2023-24	Income Tax	12.700	0.326	0.101	0.225
				Sindh Sales Tax on Services	2.899	0.376	0.223	0.153
9	Registrar Livestock Breeding Services Authority Sindh, Hyderabad	23	2023-24	Less deduction of Income Tax	20.360	--	--	0.203
10	Project Director, Vaccine Production Unit, Tandojam @ Hyderabad	08	2022-23	Non-execution of agreement of Rs 36.183 @ 0.35%	36.183	0.126	--	0.126
11	Director General, Fisheries Sindh, Karachi @ Hyderabad	12	2019-20 to 2022-23	less deducted @ 3.4% instead of 17% GST	0.750	0.102	--	0.102
Total								279.011

Annex-5

24.5.13 Irregular expenditure through general order suppliers – Rs 683.936 million

(Amount in Rupees)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
1	Provincial Program Coordinator Accelerated Action Plan for Reduction of Stunting & Malnutrition Sindh (Fisheries Sector)	1 No any experience certificate was provided by the vendor as an evidence in engaging similar nature of works.(if any) 2 Technical certificates regarding supply of fish seeds was not obtained. 3 Fish seed suppliers were not registered with the Livestock and Fisheries department due to which the procurement stands unjustified, as a whole.	2022-23 to 2023-24	26, 36 & 34	558.078
		1. Requisitions from concerned districts were not obtained. 2. Medicine purchase through General order supplier instead of direct company/medicine suppliers (drugs license holder). 3. Manufacturing date, expiry date and batch No was not shown in the bill/invoice. 4. Delivery challan and joint inspection report was not available in record. 5. Monthly consumption account of medicines issued to different districts was not maintained.			29.171
		1.Handing/ Taking over of established community fish ponds was not made known to audit. 2.Beneficiaries were selected without any survey. 1.Progress report was not available. 3.Agreement was not executed with the vendors. 4.Pictorial evidence was not attached with the bills.			87.378

(Amount in Rupees)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
		5.Work was executed through general order supplier instead of the relevant vendor concerned.			
2	Director Central Veterinary Diagnostic Laboratory, Sindh Tandojam	Purchase of Machinery & Equipment	2022-23	14 & 18	4.232
		Repair of transport			3.806
3	Director General Fisheries Sindh, Karachi @ Hyderabad	Repair of Machinery & Equipment	2019-20 to 2022-23	05 & 06	0.693
		Repair of transport			0.578
Total					683.936

24.5.17 Irregular expenditure without inviting open tender – Rs 117.517million
(Rs. in million)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
1	Directorate of Fisheries Sindh (Hatcheries and Trainings) Hyderabad	i. There is not any utilization report of these stock with justification i.e., requisition for the supplies/ works available. The store record along consumption account of the procurements was also not available. ii. The purchase was made after getting a suspicious quotation from M/s S.A Enterprises and M/s Rana and Sons, without comparative statements, in violation SPPRA. iii. The vendors are unregistered because sales tax invoices were not obtained, and the payment was made without obtaining tax rate of un-registered supplier. iv. Bills of M/s Skyways Enterprises and M/s Rana & Sons are doubtful as Bills were drawn without supplies received to the office. v. Stamp of paid and cancelled were not made on cash memos before payments.	2022-23	20	85.371
2	Deputy Director, Animal Husbandry/Livestock, Hyderabad	Purchase of medicines without inviting fresh tenders. Furthermore, expenditure at Sr#01 was incurred by way of misclassification	2022-23 & 2023-24	02	20.245
3	Director General, Livestock Sindh, Hyderabad	Expenditure of Rs 3.484 million was incurred on account of purchase of drugs & medicines without inviting open tender	2023-24	13	3.484

(Rs. in million)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
4	Deputy Director, Livestock/Animal Husbandry, Jamshoro	Expenditure was incurred by avoiding open tenders in violation of rule	2020-21 to 2023-24	10	2.996
5	Program Coordinator, Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh, Karachi (Livestock sector),	Expenditure incurred through splitting on repair of transport to avoid open tenders	2022-23 & 2023-24	16 & 23	2.500
		An expenditure was incurred on account of purchase of gypsum and Bentonite clay (Special grade for Aquaculture), under the head of account A03970- Others through splitting up of expenditure in order to avoid open tenders.			1.997
6	Director, Animal Breeding, Livestock & Fisheries Department Hyderabad	Procurement of several materials were procured without tendering procedures, by engaging limited number of vendors.	2023-24	11	0.924
Total					117.517

24.5.26 Misuse of govt funds while awarding Biofloc units to Contractors and Petrol Pump owners – Rs 19.404 million

(Rs. in million)

District	Name of Applicant	Status	NTN	CNIC/NTN #	Rs. million	Status of the partner as per FBR (1)	Status of the partner as per FBR (2)
Sujawal	Hafeez-Ul-Haq Memon	Services/Petrol Pumps	3753156-5	4140545958519	2.156	M/S Memon Filling Station	
Sujawal	Wahid Dino Parhiar	Govt contractor and order supplier	3131076-1	4140597576019	2.156	M/S Wahid Dino Parhiar Govt Contractor	
Jamshor	Hakim Ali Nohani	Govt contractor and order supplier	2312708-2	4120655620133	2.156	Hakim Khan & Company	M/S Sardarzada & Company
Ghotki	Shakeel Ahmed Rajri	Other Service Activities/Services/Contractor	5007613-4	4510106211319	2.156	Shakeel Ahmed Rajri Govt: Contractor	
Ghotki	Mian Shafique Ahmed	Activities/Services/Contractor	0944408-4	4510198805727	2.156	M/S Mian Shafiq Associates Ltd	Mian Shafique Associates
Thatta	Muhammad Saleem	Technical consultancy/Architectural and engineering activities	3114279-6	4210169202993	2.156	Manzoorsons	S.K Engineering
Thatta	Tanweer Ahmed Memon	Other personal service activities n.e.c. 014600-	3105383-1	4140979583775	2.156	M/S Cafe-De-Khan	M/S Ahsan Protein Poultry Farm

(Rs. in million)

District	Name of Applicant	Status	NTN	CNIC/NTN #	Rs. million	Status of the partner as per FBR (1)	Status of the partner as per FBR (2)
		Agriculture, forestry Animal production/Raising of poultry					
Larkana	Mohammad Suhail Mohammad Ibrahim Soomro	Other personal service activities	7122476-2	4120524835765	2.156	M/s Suhail Soomro Agriculture & Other Income	Suhail Traders
T.M Khan	Wali Muhammad Jamari	Professional, scientific and technical activities/Legal activities/Legal activities	4377256-7	4130618160609	2.156	Wali Muhammad Jamari Advocate Of High Court	Office 6wp, Mehmood Shah Bukhari Colony Opposite Session Court
Total					19.404		

Annex-8

24.5.27 Irregular award of tender for supplies to Government Employees – Rs 4.737 million

(Amount in Rupees)

Cost Center	Vendor No	Vendor Name	G/L	G/L Descp	Document No	Document Date	Cheque No	Amount	Payment Date
HB5091	0030509895	Wings Trading Company NTN# 4201736-0 CNIC# 4130422968095	A03959	Stipend Incentives awards and allied expenditure	1900944938	6/12/2023	5008523	80,000	6/13/2023
			A03801	Training - domestic	1900918888	6/7/2023	4968607	75,000	6/8/2023
					1900918954	6/7/2023	4968607	75,000	6/8/2023
					1900918972	6/7/2023	4968607	75,000	6/8/2023
					1900918904	6/7/2023	4968607	96,000	6/8/2023
					1900918917	6/7/2023	4968607	99,000	6/8/2023
					1900918964	6/7/2023	4968607	105,000	6/8/2023
1900918989					6/7/2023	4968607	105,000	6/8/2023	
A03902			Printing and publication	1900802296	5/15/2023	4928633	119,700	5/16/2023	
HB0116			A13701	Hardware	1900794736	5/11/2023	4928185	10,500	5/11/2023
			A13201	Furniture and Fixture	1900794742	5/11/2023	4928185	15,500	5/11/2023
			A13101	Machinery and Equipment	1900795289	5/11/2023	4928185	17,480	5/11/2023
			A13001	Transport	1900795341	5/11/2023	4928185	15,270	5/11/2023
			A03906	Uniforms and protective clothing	1900795470	5/11/2023	4928185	10,248	5/11/2023
			A03902	Printing and publication	1900795477	5/11/2023	4928185	1,500	5/11/2023
	A03901	Stationery	1900790701	5/10/2023	4928952	1,750	5/10/2023		
	A03927	Purchase of drug and medicines	1900745051	4/17/2023	4925578	800,000	4/17/2023		
5100202100			1/10/2023	4772924	3,035,550	1/10/2023			
Total								4,737,498	

Annex-9

24.5.28 Non-remittance of taxes into treasury by Supplier – Rs 12.808 million

(Amount in Rupees)

Cheque No	Date	Particular	Folio	Head	Amount	Sales Tax Withhold	Invoice Amount	Total GST Due at 18%	Net Sales Tax Invoice
42577053	30-Oct-23	Scientific Traders	5	A03942 - Cost of Other Stores	5,721,925	174,564	4,849,089	872,836	698,272
42577054	2-Nov-23	Ali Ali Enterprises	9	A09701 - Purchase of Furniture & Fixture	348,000	10,617	294,915	53,085	42,468
42577055	2-Nov-23	Modern Furniture	10	A09701 - Purchase of Furniture & Fixture	632,500	19,296	536,017	96,483	77,187
42577056	2-Nov-23	Fast Enterprises	11	A09601 - Plant & Machinery	861,500	26,283	730,085	131,415	105,133
42577057	2-Nov-23	Fast Enterprises	12	A09201 - Hardware	934,000	28,494	791,525	142,475	113,980
42577075	2-Nov-23	Basit Enterprises	30	A09201 - Hardware	1,125,000	34,322	953,390	171,610	137,289
42577076	2-Nov-23	Basit Enterprises	31	A09601 - Plant & Machinery	120,000	3,661	101,695	18,305	14,644
42577077	6-Nov-23	Verizon Enterprises	32	A09201 - Hardware	690,000	21,051	584,746	105,254	84,204
42577078	10-Nov-23	Ali Ali Enterprises	33	A09601 - Plant & Machinery	2,027,500	61,855	1,718,220	309,280	247,425
42577079	10-Nov-23	Scientific Traders	34	A09404 - Medical & Lab Equipment	1,394,000	42,528	1,181,356	212,644	170,116
42577080	10-Nov-23	Scientific Traders	35	A09470 - Purchase of Other Stores	3,717,000	113,398	3,150,000	567,000	453,602
42577091	15-Nov-23	Scientific Traders	46	A09404 - Medical & Lab Equipment	2,789,000	85,087	2,363,559	425,441	340,354
42577105	1-Dec-23	NN & Sons	60	A03942 - Cost of Other Stores	399,500	12,188	338,559	60,941	48,753
42577126	18-Dec-23	Shield Centre	81	A03903 - Conference/ Seminars /Workshops	200,300	6,111	169,746	30,554	24,443
42577127	18-Dec-23	Sara Associates	82	A03970 - Other Miscellaneous	23,267	710	19,718	3,549	2,839
42577128	18-Dec-23	Ahmed Ali Enterprises	83	A03970 - Other Miscellaneous	20,027	611	16,972	3,055	2,444
42577129	18-Dec-23	Sara Associates	84	A03970 - Other Miscellaneous	24,083	735	20,409	3,674	2,939
42577130	18-Dec-23	Prime Traders	85	A03970 - Other Miscellaneous	24,704	754	20,936	3,768	3,015

(Amount in Rupees)

Cheque No	Date	Particular	Folio	Head	Amount	Sales Tax Withhold	Invoice Amount	Total GST Due at 18%	Net Sales Tax Invoice
42577131	18-Dec-23	Sara Associates	86	A03970 - Other Miscellaneous	24,488	747	20,753	3,735	2,988
42577132	18-Dec-23	Sara Associates	87	A03970 - Other Miscellaneous	20,597	628	17,455	3,142	2,514
42577133	18-Dec-23	Ahmed Ali Enterprises	88	A03970 - Other Miscellaneous	13,309	406	11,279	2,030	1,624
42577134	18-Dec-23	Aisha Traders	89	A03970 - Other Miscellaneous	24,083	735	20,409	3,674	2,939
42577136	20-Dec-23	Matrix International	91	A03902 - Printing & Publication	75,300	2,297	63,814	11,486	9,189
42577137	20-Dec-23	Aisha Traders	92	A03970 - Other Miscellaneous	24,273	741	20,570	3,703	2,962
42577138	20-Dec-23	Sara Associates	93	A03970 - Other Miscellaneous	10,140	309	8,593	1,547	1,237
42577139	20-Dec-23	Ahmed Ali Enterprises	94	A03970 - Other Miscellaneous	24,716	754	20,946	3,770	3,016
42577140	20-Dec-23	Salam Printing & Publishers	95	A03902 - Printing & Publication	123,175	3,758	104,386	18,789	15,032
42577141	20-Dec-23	Huzaiifa Graphics	96	A03902 - Printing & Publication	92,500	2,822	78,390	14,110	11,288
42577142	20-Dec-23	Shield Centre	97	A03903 - Conference/ Seminars /Workshops	28,900	882	24,492	4,408	3,527
42577145	22-Dec-23	Matrix International	100	A03906 - Uniforms & Protective Clothing	99,500	3,036	84,322	15,178	12,142
44007486	22-Dec-23	Standard Stationery Printing & Publication	101	A03902 - Printing & Publication	278,750	8,504	236,229	42,521	34,017
44007487	22-Dec-23	Zebra Expert Solution	102	A03963 - Feeding Diet Food Charges	73,844	2,253	62,580	11,264	9,012
44007488	22-Dec-23	Standard Stationery Printing & Publication	103	A03902 - Printing & Publication	235,000	7,169	199,153	35,847	28,678
44007490	22-Dec-23	Standard Stationery Printing & Publication	105	A03901 - Stationery	297,000	9,061	251,695	45,305	36,244
44007492	22-Dec-23	Zebra Expert Solution	107	A03901 - Stationery	121,600	3,710	103,051	18,549	14,839

(Amount in Rupees)

Cheque No	Date	Particular	Folio	Head	Amount	Sales Tax Withhold	Invoice Amount	Total GST Due at 18%	Net Sales Tax Invoice
44007495	22-Dec-23	Zebra Expert Solution	110	A03963 - Feeding Diet Food Charges	74,600	2,276	63,220	11,380	9,104
44007496	22-Dec-23	Matrix International	111	A03902 - Printing & Publication	23,760	725	20,136	3,624	2,900
44007497	22-Dec-23	Ahmed Ali Enterprises	112	A03970 - Other Miscellaneous	17,745	541	15,038	2,707	2,165
44007498	22-Dec-23	Matrix International	113	A03901 - Stationery	52,180	1,592	44,220	7,960	6,368
44007499	22-Dec-23	Zebra Expert Solution	114	A03987 - Feeds for Livestock owned by Govt.	90,978	2,776	77,100	13,878	11,102
44007500	26-Dec-23	M.K Enterprises & Marketing	115	A03970 - Other Miscellaneous	297,700	9,082	252,288	45,412	36,330
44007501	26-Dec-23	Matrix International	116	A03906 - Uniforms & Protective Clothing	63,000	1,922	53,390	9,610	7,688
44007502	26-Dec-23	Zebra Expert Solution	117	A03987 - Feeds for Livestock owned by Govt.	98,860	3,016	83,780	15,080	12,064
44007503	26-Dec-23	Matrix International	118	A03906 - Uniforms & Protective Clothing	84,000	2,563	71,186	12,814	10,251
44007504	26-Dec-23	Zebra Expert Solution	119	A03302 - Water	89,621	2,734	75,950	13,671	10,937
44007505	26-Dec-23	Zebra Expert Solution	120	A03987 - Feeds for Livestock owned by Govt.	94,282	2,876	79,900	14,382	11,506
44007507	26-Dec-23	Zebra Expert Solution	122	A03301 - Gas	89,810	2,740	76,110	13,700	10,960
44007515	8-Jan-24	Sara Associates	130	A03970 - Other Miscellaneous	14,925	455	12,648	2,277	1,821
44007517	8-Jan-24	Aisha Traders	132	A03970 - Other Miscellaneous	11,838	361	10,032	1,806	1,445
44007519	8-Jan-24	Shield Centre	134	A03930 - Vocational and Manpower Training	59,400	1,812	50,339	9,061	7,249
44007524	11-Jan-24	Panjtan Enterprises	139	A09404 - Medical & Lab Equipment	268,000	8,176	227,119	40,881	32,705
44007525	11-Jan-24	Matrix International	140	A03903 - Conference/ Seminars /Workshops	140,400	4,283	118,983	21,417	17,134

(Amount in Rupees)

Cheque No	Date	Particular	Folio	Head	Amount	Sales Tax Withhold	Invoice Amount	Total GST Due at 18%	Net Sales Tax Invoice
44007526	15-Jan-24	Zebra Expert Solution	141	A03918 - Exhibitions Fairs and other celebration	198,880	6,067	168,542	30,338	24,270
44007527	15-Jan-24	Zebra Expert Solution	142	A03918 - Exhibitions Fairs and other celebration	299,450	9,136	253,771	45,679	36,543
44007528	15-Jan-24	Zebra Expert Solution	143	A03918 - Exhibitions Fairs and other celebration	87,575	2,672	74,216	13,359	10,687
44007529	15-Jan-24	Zebra Expert Solution	144	A03918 - Exhibitions Fairs and other celebration	99,440	3,034	84,271	15,169	12,135
44007530	15-Jan-24	Zebra Expert Solution	145	A03918 - Exhibitions Fairs and other celebration	96,050	2,930	81,398	14,652	11,721
44007531	15-Jan-24	Matrix International	146	A03918 - Exhibitions Fairs and other celebration	93,600	2,856	79,322	14,278	11,422
44007532	15-Jan-24	Matrix International	147	A03918 - Exhibitions Fairs and other celebration	46,800	1,428	39,661	7,139	5,711
44007537	29-Jan-24	Zebra Expert Solution	152	A03302 - Water	45,100	1,376	38,220	6,880	5,504
44007538	29-Jan-24	Zebra Expert Solution	153	A03987 - Feeds for Livestock owned by Govt.	99,120	3,024	84,000	15,120	12,096
44007540	29-Jan-24	Zebra Expert Solution	155	A03301 - Gas	24,367	743	20,650	3,717	2,974
44007541	29-Jan-24	Zebra Expert Solution	156	A03963 - Feeding Diet Food Charges	49,289	1,504	41,770	7,519	6,015
44007542	29-Jan-24	Zebra Expert Solution	157	A03987 - Feeds for Livestock owned by Govt.	82,600	2,520	70,000	12,600	10,080
44007553	1-Feb-24	Ahmed Ali Enterprises	168	A03970 - Other Miscellaneous	15,755	481	13,352	2,403	1,923
44007560	20-Feb-24	Panjtan Enterprises	175	A09470 - Purchase of Other Stores	72,000	2,197	61,017	10,983	8,786
44007563	22-Feb-24	Fast Enterprises	178	A09201 - Hardware	765,000	23,339	648,305	116,695	93,356

(Amount in Rupees)

Cheque No	Date	Particular	Folio	Head	Amount	Sales Tax Withhold	Invoice Amount	Total GST Due at 18%	Net Sales Tax Invoice
44007564	22-Feb-24	Karimee Communication	179	A03204 - Internet Charges	50,150	1,530	42,500	7,650	6,120
42577566	22-Feb-24	Huzaifa Graphics	181	A03902 - Printing & Publication	79,150	2,415	67,076	12,074	9,659
42577575	11-Mar-24	Indus Enterprises	190	A03982 - Capacity Building	176,000	5,369	149,153	26,847	21,478
42577576	11-Mar-24	Matrix International	191	A03982 - Capacity Building	220,000	6,712	186,441	33,559	26,848
42577581	11-Mar-24	Aisha Traders	196	A03970 - Other Miscellaneous	30,838	941	26,134	4,704	3,763
42577584	13-Mar-24	Scientific Traders	199	A03942 - Cost of Other Stores	3,432,000	104,703	2,908,475	523,525	418,822
42577585	13-Mar-24	Scientific Traders	200	A09470 - Purchase of Other Stores	195,000	5,949	165,254	29,746	23,797
45502201	18-Mar-24	Fast Enterprises	201	A09601 - Plant & Machinery	548,000	16,718	464,407	83,593	66,875
45502205	18-Mar-24	Matrix International	205	A03901 - Stationery	135,320	4,128	114,678	20,642	16,514
45502206	18-Mar-24	Standard Stationery Printing & Publication	206	A03902 - Printing & Publication	297,750	9,084	252,331	45,419	36,336
45502207	18-Mar-24	Zebra Expert Solution	207	A03901 - Stationery	295,800	9,024	250,678	45,122	36,098
45502208	18-Mar-24	M.K Enterprises & Marketing	208	A03901 - Stationery	286,250	8,733	242,585	43,665	34,932
45502209	18-Mar-24	Matrix International	209	A03906 - Uniforms & Protective Clothing	248,750	7,589	210,805	37,945	30,356
45502212	18-Mar-24	Zebra Expert Solution	212	A03302 - Water	11,564	353	9,800	1,764	1,411
45502213	18-Mar-24	Zebra Expert Solution	213	A03987 - Feeds for Livestock owned by Govt.	130,390	3,978	110,500	19,890	15,912
45502214	18-Mar-24	Zebra Expert Solution	214	A03301 - Gas	41,772	1,274	35,400	6,372	5,098
45502215	18-Mar-24	Zebra Expert Solution	215	A03963 - Feeding Diet Food Charges	25,984	793	22,020	3,964	3,171
45502227	2-Apr-24	Sara Associates	227	A03970 - Other Miscellaneous	79,054	2,412	66,995	12,059	9,647

(Amount in Rupees)

Cheque No	Date	Particular	Folio	Head	Amount	Sales Tax Withhold	Invoice Amount	Total GST Due at 18%	Net Sales Tax Invoice
45502228	2-Apr-24	Matrix International	228	A03901 - Stationery	166,410	5,077	141,025	25,385	20,308
45502229	2-Apr-24	Standard Stationery Printing & Publication	229	A03902 - Printing & Publication	295,000	9,000	250,000	45,000	36,000
45502230	2-Apr-24	Zebra Expert Solution	230	A03901 - Stationery	288,300	8,795	244,322	43,978	35,183
45502231	2-Apr-24	M.K Enterprises & Marketing	231	A03901 - Stationery	297,700	9,082	252,288	45,412	36,330
45502240	17-Apr-24	Shield Centre	240	A03970 - Other Miscellaneous	20,500	625	17,373	3,127	2,502
45502241	26-Apr-24	Ahmed Ali Enterprises	241	A03970 - Other Miscellaneous	41,473	1,265	35,147	6,326	5,061
45502248	2-May-24	Ali Ali Enterprises	248	A09701 - Purchase of Furniture & Fixture	938,000	28,617	794,915	143,085	114,468
45502249	2-May-24	Modern Furniture	249	A09701 - Purchase of Furniture & Fixture	1,575,000	48,050	1,334,746	240,254	192,204
45502251	3-May-24	Bukhari Decoration & Catering Services	251	A03918 - Exhibitions Fairs and other celebration	294,000	8,969	249,153	44,847	35,878
45502252	3-May-24	King Traders	252	A03918 - Exhibitions Fairs and other celebration	223,000	6,803	188,983	34,017	27,214
45502253	3-May-24	I.S Enterpremier	253	A03918 - Exhibitions Fairs and other celebration	288,500	8,802	244,492	44,008	35,207
45502254	3-May-24	Indus Enterprises	254	A03918 - Exhibitions Fairs and other celebration	272,600	8,316	231,017	41,583	33,267
45502266	6-May-24	Matrix International	266	A03902 - Printing & Publication	260,000	7,932	220,339	39,661	31,729
45502267	6-May-24	Standard Stationery Printing & Publication	267	A03902 - Printing & Publication	238,000	7,261	201,695	36,305	29,044
45502268	6-May-24	Sara Associates	268	A03970 - Other Miscellaneous	75,987	2,318	64,396	11,591	9,273
45502285	13-May-24	Ahmed Ali Enterprises	285	A03970 - Other Miscellaneous	76,519	2,334	64,847	11,672	9,338

(Amount in Rupees)

Cheque No	Date	Particular	Folio	Head	Amount	Sales Tax Withhold	Invoice Amount	Total GST Due at 18%	Net Sales Tax Invoice
45502289	13-May-24	NN & Sons	289	A03942 - Cost of Other Stores	3,995,000	121,879	3,385,593	609,407	487,527
45502290	13-May-24	Scientific Traders	290	A03942 - Cost of Other Stores	7,400,000	225,759	6,271,186	1,128,814	903,054
45502291	3-Jun-24	Aisha Traders	291	A03970 - Other Miscellaneous	35,818	1,093	30,354	5,464	4,371
45502294	3-Jun-24	Zebra Expert Solution	294	A03963 - Feeding Diet Food Charges	94,424	2,881	80,020	14,404	11,523
45502296	3-Jun-24	Zebra Expert Solution	296	A03963 - Feeding Diet Food Charges	89,246	2,723	75,632	13,614	10,891
45502297	3-Jun-24	Sara Associate	297	A03970 - Other Miscellaneous	50,193	1,531	42,536	7,657	6,125
45502299	3-Jun-24	Zebra Expert Solution	299	A03301 - Gas	24,019	733	20,355	3,664	2,931
45502300	3-Jun-24	Zebra Expert Solution	300	A03302 - Water	33,535	1,023	28,419	5,116	4,092
46747354	5-Jun-24	Zebra Expert Solution	309	A03963 - Feeding Diet Food Charges	48,510	1,480	41,110	7,400	5,920
46747355	5-Jun-24	Ahmed Ali Enterprises	310	A03970 - Other Miscellaneous	40,100	1,223	33,983	6,117	4,894
46747360	5-Jun-24	Aisha Traders	315	A03970 - Other Miscellaneous	97,990	3,014	83,042	14,948	11,934
Total GST amount					49,809,202	1,519,604	42,211,188	7,598,014	6,078,410

Deposit Details of Taxes/ withhold amount

Cheque No.	Month	Date	Particular	Folio	Head	Gross Amount of Bill
42577102	Nov	28-Nov-23	General Sales Tax	57	Sales Tax	621,156
46747362	Jun	5-Jun-24	General Sales Tax	317	Sales Tax	898,448
42577101	Nov	28-Nov-23	Income Tax	56	Income Tax	1,349,258
46747361	Jun	5-Jun-24	Income Tax	316	Income Tax	2,642,343
45502288	May	13-May-24	SRB	288	SRB	1,134,791
46747364	Jun	5-Jun-24	SRB	319	SRB	84,638
Total						6,730,634

Withhold / Deduction Detail

Month	Type of tax	Deposited into treasury Or Not	Amount	If Deposited (Amount)
Oct	Income tax	No	445,136	0
Nov	Income tax	Yes	904,122	1,349,258
Dec	Income tax	No	311,488	0
Jan	Income tax	No	140,091	0
Feb	Income tax	No	390,616	0
Mar	Income tax	No	411,006	0
Apr	Income tax	No	191,690	0
May	Income tax	No	1,114,501	0
Jun	Income tax	Yes	82,951	2,642,343
Nov	SRB	No	78,129	0
Dec	SRB	No	114,333	0
Jan	SRB	No	72,738	0
Feb	SRB	No	68,363	0
Mar	SRB	No	47,293	0
Apr	SRB	No	291,004	0
May	SRB	Yes	462,930	1,134,791
Jun	SRB	Yes	84,638	84,638
Oct	GST	No	174,564	0
Nov	GST	Yes	446,591	621,156
Dec	GST	No	101,762	0
Jan	GST	No	52,377	0
Feb	GST	No	29,961	0
Mar	GST	No	185,349	0
Apr	GST	No	36,257	0
May	GST	No	477,042	0
Jun	GST	Yes	15,701	898,448
Total			6,730,633	6,730,634

Annex-10

24.5.30 Irregular procurement on single bid basis – Rs 395.737 million

(Rs. in million)

Sr #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
1	Provincial Program Coordinator Accelerated Action Plan for Reduction of Stunting & Malnutrition Sindh	Various tenders of amounting Rs 364,500,999/- was awarded to the various vendors under the head of account A03970- Others. However, the single contractor participated in the tender; the same was accepted and work was awarded on a single bid.	2022-23 to 2023-24	37	364.500
2	Executive Director Poultry Vaccine Production Karachi	Contract amounting to Rs 12.00 million was awarded to M/ Scientific on single bid basis for the procurement of item “Cory Freezers” without obtaining market rate analysis	2023-24	01	12.00
3	Director General, Livestock Sindh, Hyderabad	An expenditure of Rs 10.506 million was incurred on account of purchase of medicine but rates of those medicine were quoted by only one vendor and rates were neither comparable with last awarded contracts nor any market rate analysis	2023-24	11	10.506
4	Director Poultry Production & Research Sindh, Karachi	Expenditure of Rs 8.731 million was incurred on purchase of drugs & medicines. However, rates were quoted by only one vendor, but no market rate analysis was carried out/produced.	2023-24	19	8.731
Total					395.737

Chapter-26 Minorities Affairs Department

Annex-1

26.5.1 Irregular payments made to suspended vendor – Rs 6.716 million

(Amount in Rupees)

Cheque No	Payment Date	G/L	G/L Descp.	Amount
5349863	6/13/2024	A03970	Others	99,000
5349485	6/12/2024	A03970	Others	86,400
5347558	5/27/2024	A03906	Uniforms and protective clothing	75,000
5347558	5/27/2024	A03906	Uniforms and protective clothing	75,000
5349755	6/13/2024	A03970	Others	74,400
5410206	6/13/2024	A03970	Others	74,400
5349485	6/12/2024	A03970	Others	72,000
5349485	6/12/2024	A03970	Others	72,000
5349756	6/13/2024	A03970	Others	72,000
5349756	6/13/2024	A03918	Exhibitions fairs and other national celebrations	71,500
5349485	6/12/2024	A03970	Others	66,600
5349485	6/12/2024	A03970	Others	65,400
5410206	6/13/2024	A03970	Others	65,400
5348898	6/5/2024	A03970	Others	61,000
5347558	5/27/2024	A03906	Uniforms and protective clothing	60,000
5347882	5/27/2024	A03902	Printing and publication	60,000
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	56,250
5347882	5/27/2024	A03901	Stationery	52,200
5347882	5/27/2024	A03901	Stationery	51,500
5348898	6/5/2024	A03918	Exhibitions fairs and other national celebrations	51,200
5348897	6/5/2024	A03903	Conference/seminars/workshops/ symposia	51,200
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	51,000
5349756	6/13/2024	A03918	Exhibitions fairs and other national celebrations	51,000
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	50,000
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	50,000

(Amount in Rupees)

Cheque No	Payment Date	G/L	G/L Descp.	Amount
5349755	6/13/2024	A03918	Exhibitions fairs and other national celebrations	50,000
5349756	6/13/2024	A03918	Exhibitions fairs and other national celebrations	50,000
5349756	6/13/2024	A03970	Others	49,600
5349485	6/12/2024	A03970	Others	49,500
5349485	6/12/2024	A03970	Others	49,500
5349485	6/12/2024	A03970	Others	49,500
5349485	6/12/2024	A03970	Others	49,500
5349485	6/12/2024	A03970	Others	49,500
5349485	6/12/2024	A03970	Others	49,500
5349756	6/13/2024	A03970	Others	49,500
5349756	6/13/2024	A03970	Others	49,500
5349756	6/13/2024	A03970	Others	49,500
5349863	6/13/2024	A03970	Others	49,500
5349863	6/13/2024	A03970	Others	49,500
5349863	6/13/2024	A03970	Others	49,500
5410206	6/13/2024	A03970	Others	49,500
5410206	6/13/2024	A03970	Others	49,500
5410206	6/13/2024	A03970	Others	49,500
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	49,300
5348899	6/5/2024	A03918	Exhibitions fairs and other national celebrations	49,200
5348897	6/5/2024	A03903	Conference/seminars/workshops/ symposia	49,200
5349485	6/12/2024	A03970	Others	49,200
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	49,200
5349756	6/13/2024	A03918	Exhibitions fairs and other national celebrations	49,200
5334600	5/14/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334600	5/14/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334600	5/14/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334600	5/14/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334600	5/14/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334601	5/14/2024	A03970	Others	49,000
5334890	5/27/2024	A03903	Conference/seminars/workshops/ symposia	49,000

(Amount in Rupees)

Cheque No	Payment Date	G/L	G/L Descp.	Amount
5334890	5/27/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334890	5/27/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334890	5/27/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5334890	5/27/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5347882	5/27/2024	A03902	Printing and publication	49,000
5347882	5/27/2024	A03902	Printing and publication	49,000
5348898	6/5/2024	A03918	Exhibitions fairs and other national celebrations	49,000
5348897	6/5/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5348897	6/5/2024	A03970	Others	49,000
5348897	6/5/2024	A03970	Others	49,000
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	49,000
5347882	5/27/2024	A03902	Printing and publication	48,750
5347882	5/27/2024	A03902	Printing and publication	48,750
5347882	5/27/2024	A03902	Printing and publication	48,750
5348899	6/5/2024	A03918	Exhibitions fairs and other national celebrations	48,600
5348897	6/5/2024	A03903	Conference/seminars/workshops/ symposia	48,600
5349485	6/12/2024	A03970	Others	48,300
5349485	6/12/2024	A03970	Others	48,300
5334601	5/14/2024	A03902	Printing and publication	48,000
5347882	5/27/2024	A03901	Stationery	48,000
5347882	5/27/2024	A03901	Stationery	48,000
5347882	5/27/2024	A03901	Stationery	48,000
5348897	6/5/2024	A03970	Others	48,000
5348897	6/5/2024	A03970	Others	48,000
5348898	6/5/2024	A03970	Others	48,000
5349485	6/12/2024	A03970	Others	48,000
5349485	6/12/2024	A03970	Others	48,000
5349485	6/12/2024	A03970	Others	48,000
5349485	6/12/2024	A03970	Others	48,000
5349485	6/12/2024	A03970	Others	48,000
5349485	6/12/2024	A03970	Others	48,000
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	48,000

(Amount in Rupees)

Cheque No	Payment Date	G/L	G/L Descp.	Amount
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	48,000
5349755	6/13/2024	A03918	Exhibitions fairs and other national celebrations	48,000
5349756	6/13/2024	A03970	Others	48,000
5349756	6/13/2024	A03970	Others	48,000
5349756	6/13/2024	A03970	Others	48,000
5349863	6/13/2024	A03970	Others	48,000
5349863	6/13/2024	A03970	Others	48,000
5349863	6/13/2024	A03970	Others	48,000
5349863	6/13/2024	A03970	Others	48,000
5410206	6/13/2024	A03970	Others	48,000
5410206	6/13/2024	A03970	Others	48,000
5410206	6/13/2024	A03970	Others	48,000
5348898	6/5/2024	A03918	Exhibitions fairs and other national celebrations	47,500
5348898	6/5/2024	A03918	Exhibitions fairs and other national celebrations	47,500
5348899	6/5/2024	A03903	Conference/seminars/workshops/ symposia	47,500
5348899	6/5/2024	A03903	Conference/seminars/workshops/ symposia	47,500
5348899	6/5/2024	A03903	Conference/seminars/workshops/ symposia	47,500
5348898	6/5/2024	A03970	Others	46,500
5349755	6/13/2024	A03918	Exhibitions fairs and other national celebrations	46,400
5334601	5/14/2024	A03902	Printing and publication	46,000
5349755	6/13/2024	A03903	Conference/seminars/workshops/ symposia	46,000
5349756	6/13/2024	A03918	Exhibitions fairs and other national celebrations	46,000
5348897	6/5/2024	A03970	Others	45,600
5348897	6/5/2024	A03903	Conference/seminars/workshops/ symposia	45,500
5347882	5/27/2024	A03901	Stationery	45,200
5334600	5/14/2024	A03918	Exhibitions fairs and other national celebrations	45,000
5334600	5/14/2024	A03918	Exhibitions fairs and other national celebrations	45,000

(Amount in Rupees)

Cheque No	Payment Date	G/L	G/L Descp.	Amount
5334600	5/14/2024	A03918	Exhibitions fairs and other national celebrations	45,000
5334600	5/14/2024	A03918	Exhibitions fairs and other national celebrations	45,000
5334890	5/27/2024	A03918	Exhibitions fairs and other national celebrations	45,000
5334890	5/27/2024	A03918	Exhibitions fairs and other national celebrations	45,000
5348898	6/5/2024	A03918	Exhibitions fairs and other national celebrations	45,000
5348899	6/5/2024	A03903	Conference/seminars/workshops/ symposia	45,000
5349485	6/12/2024	A03970	Others	44,200
5334601	5/14/2024	A03901	Stationery	44,000
5334600	5/14/2024	A03970	Others	41,000
5348897	6/5/2024	A03903	Conference/seminars/workshops/ symposia	41,000
5334601	5/14/2024	A03970	Others	40,000
5334601	5/14/2024	A03918	Exhibitions fairs and other national celebrations	40,000
5334890	5/27/2024	A03918	Exhibitions fairs and other national celebrations	40,000
5334890	5/27/2024	A03918	Exhibitions fairs and other national celebrations	40,000
5348898	6/5/2024	A03918	Exhibitions fairs and other national celebrations	39,000
5334601	5/14/2024	A03901	Stationery	36,000
5348898	6/5/2024	A03918	Exhibitions fairs and other national celebrations	36,000
5348897	6/5/2024	A03903	Conference/seminars/workshops/ symposia	36,000
5334601	5/14/2024	A03902	Printing and publication	32,000
5334601	5/14/2024	A03901	Stationery	30,000
5334601	5/14/2024	A03902	Printing and publication	24,000
5347882	5/27/2024	A03901	Stationery	14,400
Total				6,716,700

Annex-2

26.5.3 Undue favour to contractors to allowed work over and above the estimated cost – Rs 4.417 million

(Amount in Rupees)

Sr#	Name of Work	Name of Contractor	Description of item	Cost as per Engineer's Estimate	Cost above %age allowed	Cost above %age quoted by the bidder	Excess cost accepted
1	Extension/ construction and provision of Additional Facilities of Minorities Places in Tharparkar (Taluka Mithi, Kolai and Chelhar) (Part-D) Additional facilities at Doonga Puri Ashram Village Malanhore Vena Near Mithi ADP No.3402	M/s. Rahit Trader	Cost of schedule item Part-A	2,522,781	252,278 10%	1,942,541 77%	1,690,263 67%
2	Extension/ construction and provision of Additional Facilities of Minorities Places in Tharparkar (Part-B-I) Satsang Hall Village Taho Bheel Samara Islamkot ADP No.3403	M/s. Mahesh Kumar & Co. Govt. Contractor	Cost of schedule item Part-A	1,188,077	118,808 10%	843,603 71.5%	724,795 61.5%
3	Extension/ construction and provision of Additional Facilities of Minorities Places in Tharparkar (Taluka Mithi, Kolai and Chelhar) (Part-B-I) Satsang Hall, Boundary Wall and Solar Lights at Sant Geehio Mall Near Kaloi ADP No.3402	M/s. Sawera Engineering	Cost of schedule item Part-A	2,059,465	205,946 10%	1,441,626 70%	1,235,680 60%
4	Extension/ construction and provision of Additional Facilities of Minorities Places in Tharparkar (Taluka Mithi, Kolai and Chelhar) (Part-E) Satsang Hall in Chahyar Mithi ADP No.3402	M/s. Khalid Rajput & Co.	Cost of schedule item Part-A	1,206,999	120,700 10%	887,102 74%	766,402 64%
Total							4,417,140

Chapter-27 Organs of State

Principal Secretary to Governor

Annex-1

27.5.2 Non-recovery of Government Taxes – Rs 2.073 million

(Amount in Rupees)

IT Short Deduction								
Cost Center	Document No	G/L Description	Vendor Name	Amount	IT Deducted	Tax Rate %	IT Due	IT Short
KQ1961	1900196023	Machinery and Equipment	M/S Salman Traders	18,739	1031	10.00%	1,874	843
KQ1961	1900223205	Office Buildings	M/S Salman Traders	99,981	0	10.00%	9,998	9,998
KQ1961	1900390754	Office Buildings	M/S Salman Traders	138,923	0	10.00%	13,892	13,892
KQ1961	1900747757	Office Buildings	M/S Salman Traders	49,925	0	10.00%	4,993	4,993
KQ1961	1900762877	Transport	New S.A. Motors	13,230	727	10.00%	1,323	596
KQ1961	1900762882	Transport	New S.A. Motors	9,500	522	10.00%	950	428
KQ1961	1900762888	Transport	New S.A. Motors	13,230	727	10.00%	1,323	596
KQ1961	1900762901	Machinery and Equipment	Agha Engineering	28,905	1589	10.00%	2,891	1,302
KQ1961	1900855921	Office Buildings	M/S Salman Traders	139,623	0	10.00%	13,962	13,962
KQ1961	1900949442	Office Buildings	H.S Traders	480,739	0	10.00%	48,074	48,074
KQ1961	1901002497	Others	New S.A. Motors	43,027	1642	4.50%	1,936	294
KQ1961	1901020099	Office Buildings	H.S Traders	48,775	0	10.00%	4,878	4,878
KQ1961	5100251943	Transport	Toyota Society Motors (Private) Limited	2,832,000	0	4.50%	127,440	127,440
KQ1961	5100251945	Transport	Indus Motor Company Limited	13,988,000	0	4.50%	629,460	629,460
KQ1961	5100254961	Plant and Machinery	Shahtex Enterprises	5,829,500	0	4.50%	262,328	262,328
KQ0003	1900426881	Office Buildings	Noor Enterprises	92,337	0	10.00%	9,234	9,234
KQ0003	1900940793	Office Buildings	M/S Salman Traders	277,571	0	10.00%	27,757	27,757
Total				24,104,005	6238		1,162,312	1,156,074
GST short deduction								

Cost Center	Document No	G/L Description	Vendor Name	Amount	GST Deducted	GST Rate %	GST Due	GST Short
KQ1961	1900063436	Others	Owais Enterprise	58,600	8939	17.00%	9,962	1023
KQ1961	1900073012	Others	Owais Enterprise	61,120	9323	17.00%	10,390	1067
KQ1961	1900189265	Printing and publication	Noor Enterprises	19,850	3028	17.00%	3,375	347
KQ1961	1900207249	Printing and publication	Noor Enterprises	34,919	5327	17.00%	5,936	609
KQ1961	1900219716	Stationery	Reliance Traders	36,000	1098	3.40%	1,224	126
KQ1961	1900234677	Printing and publication	Noor Enterprises	69,920	10666	17.00%	11,886	1220
KQ1961	1900235497	Others	Owais Enterprise	29,630	4520	17.00%	5,037	517
KQ1961	1900246996	Others	Reliance Traders	89,975	2745	3.40%	3,059	314
KQ1961	1900294863	Stationery	Reliance Traders	17,500	534	3.40%	595	61
KQ1961	1900296917	Printing and publication	Noor Enterprises	79,400	12112	17.00%	13,498	1386
KQ1961	1900318824	Others	M. Siddique & Co	22,810	3479	17.00%	3,878	399
KQ1961	1900371304	Others	Reliance Traders	96,920	2957	3.40%	3,295	338
KQ1961	1900402290	Printing and publication	Noor Enterprises	31,875	4862	17.00%	5,419	557
KQ1961	1900430786	Stationery	Reliance Traders	21,450	654	3.40%	729	75
KQ1961	1900502167	Others	Madina Traders	31,500	4805	17.00%	5,355	550
KQ1961	1900527019	Stationery	Reliance Traders	27,800	848	3.40%	945	97
KQ1961	1900557019	Others	M. Siddique & Co	88,015	13426	17.00%	14,963	1537
KQ1961	1900697294	Others	Noor Enterprises	9,989	1524	17.00%	1,698	174
KQ1961	1900697389	Others	Noor Enterprises	45,648	6963	17.00%	7,760	797
KQ1961	1900697499	Printing and publication	Noor Enterprises	24,750	3775	17.00%	4,208	433
KQ1961	1900743433	Others	Karam Enterprises	47,820	7295	17.00%	8,129	834
KQ1961	1900836880	Others	M. Siddique & Co	6,000	915	17.00%	1,020	105
KQ1961	1900836940	Stationery	M. Siddique & Co	149,500	22805	17.00%	25,415	2610
KQ1961	1900836949	Stationery	M. Siddique & Co	3,600	549	17.00%	612	63
KQ1961	1900842098	Stationery	Noor Enterprises	29,986	4574	17.00%	5,098	524
KQ1961	1900847005	Stationery	M. Siddique & Co	17,500	2669	17.00%	2,975	306
KQ1961	1900847018	Others	Noor Enterprises	84,500	12890	17.00%	14,365	1475

KQ1961	1900847023	Others	M/S Salman Traders	15,940	2432	17.00%	2,710	278
KQ1961	1900847027	Others	M. Siddique & Co	38,410	5859	17.00%	6,530	671
KQ1961	1900847096	Stationery	Noor Enterprises	21,603	3295	17.00%	3,673	378
KQ1961	1900847099	Stationery	M. Siddique & Co	4,000	610	17.00%	680	70
KQ1961	1900854092	Uniforms and protective clothing	Karam Enterprises	499,674	76221	17.00%	84,945	8724
KQ1961	1900881464	Others	M. Siddique & Co	215,340	32848	17.00%	36,608	3760
KQ1961	1900881468	Stationery		1,200	183	17.00%	204	21
KQ1961	1900920968	Stationery	M/S Salman Traders	28,194	4301	17.00%	4,793	492
KQ1961	1900920976	Others	Noor Enterprises	39,190	5978	17.00%	6,662	684
KQ1961	1900924721	Hardware	Shahtex Enterprises	975,100	29749	3.40%	33,153	3404
KQ1961	1900924810	Furniture and fixtures	Shahtex Enterprises	999,000	30478	3.40%	33,966	3488
KQ1961	1900940801	Others	Sk Fire And Safety	21,240	3240	17.00%	3,611	371
KQ1961	1900955716	Stationery	M. Siddique & Co	15,000	2288	17.00%	2,550	262
KQ1961	1900955725	Stationery	M. Siddique & Co	5,400	824	17.00%	918	94
KQ1961	1900957426	Others	Karam Enterprises	299,156	45634	17.00%	50,857	5223
KQ1961	1900957453	Stationery	M/S Salman Traders	63,380	9668	17.00%	10,775	1107
KQ1961	1900974765	Others	Karam Enterprises	16,800	2563	17.00%	2,856	293
KQ1961	1900974787	Others	Karam Enterprises	38,910	5935	17.00%	6,615	680
KQ1961	1900974812	Others	Noor Enterprises	38,770	5914	17.00%	6,591	677
KQ1961	1900974834	Stationery	M/S Salman Traders	122,140	18632	17.00%	20,764	2132
KQ1961	1900974843	Stationery	Noor Enterprises	3,600	549	17.00%	612	63
KQ1961	1901002461	Others	New S.A. Motors	13,230	0	3.40%	450	450
KQ1961	1901002466	Others	New S.A. Motors	13,230	0	3.40%	450	450
KQ1961	1901002470	Others	New S.A. Motors	13,230	0	3.40%	450	450
KQ1961	1901002497	Others	New S.A. Motors	43,027	0	3.40%	1,463	1463
KQ1961	1901004029	Stationery	Samad Newspaper Agency	18,960	2892	17.00%	3,223	331
KQ1961	5100251943	Transport	Toyota Society Motors	2,832,000	0	3.40%	96,288	96288

			(Private) Lim					
KQ1961	5100251945	Transport	Indus Motor Company Limited	13,988,000	0	3.40%	475,592	475592
KQ1961	5100254961	Plant and Machinery	Shahtex Enterprises	5,829,500	0	3.40%	198,203	198203
KQ0003	1900063426	Others	Owais Enterprise	11,400	1739	17.00%	1,938	199
KQ0003	1900130318	Stationery	Reliance Traders	4,800	146	3.40%	163	17
KQ0003	1900132930	Electronic Communication	Reliance Traders	15,200	464	3.40%	517	53
KQ0003	1900146747	Stationery	M/S Salman Traders	11,835	1805	17.00%	2,012	207
KQ0003	1900182767	Others	Owais Enterprise	23,900	3646	17.00%	4,063	417
KQ0003	1900182773	Stationery	Reliance Traders	10,200	311	3.40%	347	36
KQ0003	1900219695	Electronic Communication	Owais Enterprise	15,050	452	3.40%	512	60
KQ0003	1900294851	Stationery	Reliance Traders	3,600	110	3.40%	122	12
KQ0003	1900309467	Others	Reliance Traders	17,100	522	3.40%	581	59
KQ0003	1900460422	Stationery	Reliance Traders	34,400	1049	3.40%	1,170	121
KQ0003	1900462336	Stationery	M/S Salman Traders	28,194	4301	17.00%	4,793	492
KQ0003	1900527110	Electronic Communication	Reliance Traders	2,150	66	3.40%	73	7
KQ0003	1900527134	Others	M. Siddique & Co	15,870	2421	17.00%	2,698	277
KQ0003	1900651236	Stationery	M/S Salman Traders	28,194	4301	17.00%	4,793	492
KQ0003	1900836825	Stationery	M. Siddique & Co	3,600	549	17.00%	612	63
KQ0003	1900924827	Hardware	Shahtex Enterprises	375,900	11468	3.40%	12,781	1313
KQ0003	1900924845	Furniture and fixtures	Shahtex Enterprises	500,000	15254	3.40%	17,000	1746
KQ0003	1900955705	Stationery	M. Siddique & Co	3,600	549	17.00%	612	63
KQ0003	1900975060	Electronic Communication	Noor Enterprises	29,350	1119	3.40%	998	0
Total				28,584,144	493647		1,322,800	829,274
SST Short Deduction								
Cost Center	Document No	G/L Description	Vendor Name	Amount	SST Deducted	SST Rate	SST Due	SST Short
KQ1961	1900006979	Transport	A.A Tyre Corporation	82,400	9,480	13.00%	10,712	1,232.00
KQ1961	1900048441	Transport	New S.A. Motors	29,750	3,423	13.00%	3,868	444.5
KQ1961	1900048496	Transport	Owais Enterprise	18,500	2,128	13.00%	2,405	277

KQ1961	1900048505	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900048510	Transport	New S.A. Motors	7,458	858	13.00%	970	111.54
KQ1961	1900048514	Transport	New S.A. Motors	35,773	4,115	13.00%	4,650	535.49
KQ1961	1900048520	Transport	New S.A. Motors	2,260	260	13.00%	294	33.8
KQ1961	1900048522	Transport	New S.A. Motors	31,050	3,572	13.00%	4,037	464.5
KQ1961	1900063448	Machinery and Equipment	Reliance Traders	28,000	3,221	13.00%	3,640	419
KQ1961	1900064745	Hardware	M/S Salman Traders	36,138	4,157	13.00%	4,698	540.94
KQ1961	1900064747	Furniture and Fixture	M/S Salman Traders	29,627	3,408	13.00%	3,852	443.51
KQ1961	1900073652	Machinery and Equipment	Agha Engineering	99,399	2,287	2.60%	2,584	297.37
KQ1961	1900073656	Machinery and Equipment	M/S Salman Traders	48,632	5,595	13.00%	6,322	727.16
KQ1961	1900088902	Transport	Owais Enterprise	25,100	2,888	13.00%	3,263	375
KQ1961	1900123991	Transport	A.A Tyre Corporation	82,400	9,480	13.00%	10,712	1,232.00
KQ1961	1900130208	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900130220	Transport	New S.A. Motors	14,010	1,612	13.00%	1,821	209.3
KQ1961	1900130224	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900130230	Transport	New S.A. Motors	104,900	12,068	13.00%	13,637	1,569.00
KQ1961	1900130263	Transport	New S.A. Motors	17,509	2,014	13.00%	2,276	262.17
KQ1961	1900130283	Hardware	Reliance Traders	10,700	1,231	13.00%	1,391	160
KQ1961	1900130291	Software	Reliance Traders	48,600	5,591	13.00%	6,318	727
KQ1961	1900133034	Transport	New S.A. Motors	17,950	2,065	13.00%	2,334	268.5
KQ1961	1900145190	Transport	New S.A. Motors	12,995	1,495	13.00%	1,689	194.35
KQ1961	1900195970	Furniture and Fixture	Noor Enterprises	63,400	7,294	13.00%	8,242	948
KQ1961	1900196023	Machinery and Equipment	M/S Salman Traders	18,739	2,156	13.00%	2,436	280.07
KQ1961	1900200512	Furniture and Fixture	Owais Enterprise	45,000	5,177	13.00%	5,850	673
KQ1961	1900207230	Machinery and Equipment	Noor Enterprises	11,962	1,376	13.00%	1,555	179.06
KQ1961	1900207268	Hardware	Reliance Traders	32,700	3,762	13.00%	4,251	489
KQ1961	1900207276	Software	Reliance Traders	51,600	5,936	13.00%	6,708	772
KQ1961	1900214894	Machinery and Equipment	Agha Engineering	99,993	9,203	13.00%	12,999	3,796.09

KQ1961	1900223205	Office Buildings	M/S Salman Traders	99,981	11,502	13.00%	12,998	1,495.53
KQ1961	1900246980	Hardware	Reliance Traders	15,500	1,783	13.00%	2,015	232
KQ1961	1900289600	Machinery and Equipment	M/S Salman Traders	21,754	2,503	13.00%	2,828	325.02
KQ1961	1900305186	Hardware	M. Siddique & Co	5,700	656	13.00%	741	85
KQ1961	1900311735	Furniture and Fixture	M. Siddique & Co	15,800	1,818	13.00%	2,054	236
KQ1961	1900311743	Furniture and Fixture	Owais Enterprise	47,100	5,419	13.00%	6,123	704
KQ1961	1900358391	Machinery and Equipment	Noor Enterprises	29,837	3,433	13.00%	3,879	445.81
KQ1961	1900390754	Office Buildings	M/S Salman Traders	138,923	15,982	13.00%	18,060	2,077.99
KQ1961	1900422240	Transport	A.A Tyre Corporation	84,000	9,664	13.00%	10,920	1,256.00
KQ1961	1900422242	Transport	M. Siddique & Co	56,930	6,549	13.00%	7,401	851.9
KQ1961	1900422244	Transport	M. Siddique & Co	19,200	2,209	13.00%	2,496	287
KQ1961	1900422245	Transport	New S.A. Motors	62,450	7,185	13.00%	8,119	933.5
KQ1961	1900422246	Transport	New S.A. Motors	27,890	3,209	13.00%	3,626	416.7
KQ1961	1900422248	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900422260	Transport	New S.A. Motors	65,990	7,592	13.00%	8,579	986.7
KQ1961	1900422263	Transport	New S.A. Motors	71,660	8,244	13.00%	9,316	1,071.80
KQ1961	1900422269	Transport	New S.A. Motors	96,848	11,142	13.00%	12,590	1,448.24
KQ1961	1900422288	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900422293	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900459860	Machinery and Equipment	Noor Enterprises	25,928	2,983	13.00%	3,371	387.64
KQ1961	1900459862	Software	M/S Salman Traders	49,948	5,746	13.00%	6,493	747.24
KQ1961	1900472574	Machinery and Equipment	M/S Salman Traders	47,820	5,501	13.00%	6,217	715.6
KQ1961	1900527047	Hardware	M. Siddique & Co	12,100	1,392	13.00%	1,573	181
KQ1961	1900528773	Machinery and Equipment	Noor Enterprises	49,852	5,735	13.00%	6,481	745.76
KQ1961	1900528847	Machinery and Equipment	Noor Enterprises	27,628	3,178	13.00%	3,592	413.64
KQ1961	1900559253	Hardware	M/S Salman Traders	36,983	4,255	13.00%	4,808	552.79
KQ1961	1900559270	Machinery and Equipment	Karam Enterprises	43,123	4,961	13.00%	5,606	644.99
KQ1961	1900651154	Machinery and Equipment	Noor Enterprises	56,495	6,499	13.00%	7,344	845.35

KQ1961	1900651196	Machinery and Equipment	Karam Enterprises	68,128	7,838	13.00%	8,857	1,018.64
KQ1961	1900697191	Machinery and Equipment	Noor Enterprises	24,850	2,859	13.00%	3,231	371.5
KQ1961	1900719208	Furniture and Fixture	M/S Salman Traders	163,135	18,768	13.00%	21,208	2,439.55
KQ1961	1900740630	Transport	New S.A. Motors	61,450	7,069	13.00%	7,989	919.5
KQ1961	1900740632	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740637	Transport	New S.A. Motors	60,991	7,017	13.00%	7,929	911.83
KQ1961	1900740644	Transport	New S.A. Motors	25,186	2,898	13.00%	3,274	376.18
KQ1961	1900740647	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740651	Transport	New S.A. Motors	25,554	2,940	13.00%	3,322	382.02
KQ1961	1900740652	Transport	New S.A. Motors	22,330	2,569	13.00%	2,903	333.9
KQ1961	1900740655	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740657	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740658	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740661	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740663	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740666	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900740669	Transport	New S.A. Motors	30,470	3,505	13.00%	3,961	456.1
KQ1961	1900740672	Transport	New S.A. Motors	79,650	9,163	13.00%	10,355	1,191.50
KQ1961	1900740676	Transport	New S.A. Motors	22,980	2,644	13.00%	2,987	343.4
KQ1961	1900740681	Transport	New S.A. Motors	20,709	2,382	13.00%	2,692	310.17
KQ1961	1900740687	Transport	M. Siddique & Co	26,420	3,039	13.00%	3,435	395.6
KQ1961	1900740692	Transport	M. Siddique & Co	19,200	2,209	13.00%	2,496	287
KQ1961	1900740695	Transport	M. Siddique & Co	19,200	2,209	13.00%	2,496	287
KQ1961	1900740697	Transport	M. Siddique & Co	98,430	11,324	13.00%	12,796	1,471.90
KQ1961	1900740704	Transport	A.A Tyre Corporation	88,000	10,124	13.00%	11,440	1,316.00
KQ1961	1900740712	Transport	Karam Enterprises	19,550	2,249	13.00%	2,542	292.5
KQ1961	1900743442	Machinery and Equipment	Karam Enterprises	69,409	7,985	13.00%	9,023	1,038.17
KQ1961	1900747757	Office Buildings	M/S Salman Traders	49,925	5,744	13.00%	6,490	746.25

KQ1961	1900762877	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900762882	Transport	New S.A. Motors	9,500	1,093	13.00%	1,235	142
KQ1961	1900762888	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900762901	Machinery and Equipment	Agha Engineering	28,905	2,660	13.00%	3,758	1,097.65
KQ1961	1900836866	Transport	Toyota Society Motors (Private) Lim	19,384	1,784	13.00%	2,520	735.92
KQ1961	1900836871	Transport	M. Siddique & Co	7,000	805	13.00%	910	105
KQ1961	1900842090	Machinery and Equipment	Noor Enterprises	37,633	4,329	13.00%	4,892	563.29
KQ1961	1900847032	Hardware	M. Siddique & Co	19,800	2,278	13.00%	2,574	296
KQ1961	1900847039	Machinery and Equipment	Noor Enterprises	21,754	2,503	13.00%	2,828	325.02
KQ1961	1900847064	Machinery and Equipment	Agha Engineering	81,879	7,536	13.00%	10,644	3,108.27
KQ1961	1900847087	Transport	Al-Habib Associates	69,600	8,007	13.00%	9,048	1,041.00
KQ1961	1900855921	Office Buildings	M/S Salman Traders	139,623	16,063	13.00%	18,151	2,087.99
KQ1961	1900872843	Transport	Al-Habib Associates	2,500	288	13.00%	325	37
KQ1961	1900920988	Transport	Al-Habib Associates	2,660	306	13.00%	346	39.8
KQ1961	1900921002	Transport	Al-Habib Associates	2,200	253	13.00%	286	33
KQ1961	1900921021	Transport	Toyota Society Motors (Private) Lim	19,384	1,784	13.00%	2,520	735.92
KQ1961	1900934297	Furniture and Fixture	Karam Enterprises	237,899	27,369	13.00%	30,927	3,557.87
KQ1961	1900949442	Office Buildings	H.S Traders	480,739	55,306	13.00%	62,496	7,190.07
KQ1961	1900955742	Machinery and Equipment	Karam Enterprises	95,272	10,960	13.00%	12,385	1,425.36
KQ1961	1900974625	Transport	Al-Habib Associates	2,460	283	13.00%	320	36.8
KQ1961	1900974655	Software	M/S Salman Traders	51,800	5,959	13.00%	6,734	775
KQ1961	1900974706	Hardware	Karam Enterprises	29,150	3,354	13.00%	3,790	435.5
KQ1961	1900982743	Transport	New S.A. Motors	54,732	6,297	13.00%	7,115	818.16
KQ1961	1900982753	Transport	New S.A. Motors	27,890	3,209	13.00%	3,626	416.7
KQ1961	1900982808	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1900982816	Transport	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9

KQ1961	1901002461	Others	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1901002466	Others	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1901002470	Others	New S.A. Motors	13,230	1,522	13.00%	1,720	197.9
KQ1961	1901002497	Others	New S.A. Motors	43,027	5,350	13.00%	5,594	243.51
KQ1961	1901013009	Transport	M. Siddique & Co	5,700	656	13.00%	741	85
KQ1961	1901013014	Transport	Al-Habib Associates	4,400	506	13.00%	572	66
KQ1961	1901013027	Hardware	M. Siddique & Co	3,200	368	13.00%	416	48
KQ1961	1901020099	Office Buildings	H.S Traders	48,775	5,611	13.00%	6,341	729.75
KQ0003	1900132939	Machinery and Equipment	Reliance Traders	13,000	1,496	13.00%	1,690	194
KQ0003	1900200548	Furniture and Fixture	Owais Enterprise	6,500	748	13.00%	845	97
KQ0003	1900207212	Machinery and Equipment	Reliance Traders	12,900	1,484	13.00%	1,677	193
KQ0003	1900426881	Office Buildings	Noor Enterprises	92,337	10,623	13.00%	12,004	1,380.81
KQ0003	1900940793	Office Buildings	M/S Salman Traders	277,571	31,933	13.00%	36,084	4,151.23
KQ0003	1900974550	Furniture and Fixture	Noor Enterprises	19,400	2,232	13.00%	2,522	290
KQ0003	1900974593	Machinery and Equipment	M/S Salman Traders	27,089	3,116	13.00%	3,522	405.57
Total				5,585,045	628,038		715,718	87,680
Total amount of Short deduction of taxes								2,073,028

Chapter-29 Population Welfare Department

Annex-1

29.5.4 Non-deduction of government taxes – Rs 15.775 million

(Rs. in Million)

Sr. #	Name of Office	Observations	Financial Year	AIR Para#	Amount
1	Director General Population Welfare Sindh Karachi	Income tax on rent of building was less deducted as per applicable rates	2022-23	13	1.065
2	District Population Welfare Officer, Sanghar	GST on was less/non deducted as per applicable rates	2022-23	04	0.697
3	District Population Welfare Officer, Sukkur	SST was less deducted as per applicable rates	2022-23	16	0.595
		Income tax was less deducted as per applicable rates		15	0.139
4	District Population Welfare Officer, Dadu	GST on was less deducted as per applicable rates	2022-23	10	0.522
		SST was less deducted as per applicable rates		09	0.222
		Income tax was less deducted as per applicable rates		08	0.125
5	District Population Welfare Officer, Shaheed Benazirabad	Income tax was less/non deducted as per applicable rates	2022-23	01	0.355
		SST was less/non deducted as per applicable rates		02	0.284
		Income tax was less deducted as per applicable rates		14	0.086
6	Regional Director Population Welfare, Sukkur	Income tax and GST was non deducted as per applicable rates	2021-22 & 2022-23	13	0.258
		SST was less/non deducted as per applicable rates		14	0.043
7	District Population Welfare Officer, Tando M Khan	Income tax was less deducted as per applicable rates	2022-23	08	0.221

(Rs. in Million)

Sr. #	Name of Office	Observations	Financial Year	AIR Para#	Amount
8	District Population Welfare Officer, Kashmore@ Kandh kot	Withholding tax and SST was less deducted as per applicable rates	2022-23	08	0.149
9	Principal regional Training Institute Population welfare, Hyderabad	Income tax was less deducted as per applicable rates	2022-23	10	0.097
10	District Population Welfare Officer, Naushero Feroz	Income tax was less deducted as per applicable rates	2022-23	19	0.089
11	District Population Welfare Officer, MirpurKhas	Income tax was less deducted as per applicable rates	2022-23	17	0.087
12	District Population Welfare Officer, Jamshoro	SST was less deducted as per applicable rates	2022-23	11	0.063
13	District Population Welfare Officer, Naushahroferoze	Non-deduction of SST on rent of buildings	2023-24	02	0.317
14	District Population Welfare Officer, Central Karachi	Less-deduction of Sindh Sales Tax	2023-24	01	0.060
		Non/Less-deduction of GST		02	0.009
		Non/Less-deduction of GST, SST & Income tax		17	0.030
15	District Population Welfare Officer, South Karachi	Non-deduction of SST	2023-24	15	0.086
16	District Population Welfare Office, Matiari	Less-deduction of Sindh Sales Tax	2023-24	21	1.594
17	District Population welfare Officer, Dadu	Less deduction of GST	2023-24	20	0.453
		Less-deduction of Sindh Sales Tax		23	0.146
		Less deduction of income tax		24	0.103
18	District Population welfare Officer, Tando Allahyar	Non-deduction of SST	2023-24	17	0.105
19	Secretary Population Welfare Department, Karachi	Non/Less deduction of income tax	2023-24	12	4.146
		Less deduction of Sindh sales tax		21	0.380

(Rs. in Million)

Sr. #	Name of Office	Observations	Financial Year	AIR Para#	Amount
		Non-deduction of stamp duty		23	2.695
20	District Population welfare Officer, Sanghar	Non/Less deduction of income tax	2023-24	15	0.053
		Non/Less deduction of income tax		28	0.066
21	District Population welfare Officer, Badin	Non/Less deduction of income tax	2022-23	10	0.435
Total					15.775

Annex-2

29.5.8 Unjustified acceptance of single bid of medicine – Rs 148.111 million

(Rs. in million)

Cheque No	Payment Date	G/L Descp	Vendor Name	Particulars	Qty	Rate	Amount
5105227	05.10.2023	Medicine	M/s N.Z Enterprises	Cap. Fluconazole 100mg	16362	110	1.799
5413335	11.06.2024	Medicine	M/s N.Z Enterprises	Cap. Fluconazole 100mg	10925	81.25	0.887
5057593	25.08.2023	Medicine	M/s N.Z Enterprises	Syp. Albendazole 10ml	12792	42	0.537
5105171	04.10.2023	Medicine	M/S Mir Corporation	Syp. Ammonium Chloride	18275	42	0.767
5413336	11.06.2024	Medicine	M/S Mir Corporation	Syp. Ammonium Chloride	18170	42	0.763
5204103	15.02.2024	Medicine	M/S Mir Corporation	Tab. Metronidazole 400 mg	17000	265	4.505
5057593	25.08.2023	Medicine	M/s N.Z Enterprises	Tab. Ascorbic Acit Vit C 10mg	25500	580	14.790
5413335	11.06.2024	Medicine	M/s N.Z Enterprises	Tab. Ascorbic Acit Vit C 10mg	15101	580	8.758
5463772	26.06.2024	Others	M/s Pfizer Pakistan Ltd	DMPA-SC Syana Press 104mg	425000	271.30	115.302
Total							148.108

Chapter-30 School Education and Literacy Department

Annex-1

30.5.1 Non-production of auditable record – Rs 10,306.175 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Managing Director of the Sindh Education Foundation in Karachi	2022-23	01	Utilization report, Bank statement, Personal files, Audited financial statement	9,743.000
2	Director Secondary & Higher Secondary Education Karachi	2019-20 to 2022-23	01	Relevant record from 2019-20 to 2022-23	471.468
3	Government Teachers Training Center, Hyderabad	2016-17 to 2022-23	01	Expenditure from receipts (non-government funds)	0.591
4	Additional Director Teachers training Institutions Hyderabad	2018-19 to 2023-24	01	Without supporting vouchers	80.403
5	Additional Director Teachers training Institutions Hyderabad	2018-19 to 2023-24	02	Auditable record	0
6	Additional Director Teachers training Institutions Hyderabad	2018-19 to 2023-24	03	Appointment record	7.397
7	Additional Director Teachers training Institutions Hyderabad	2018-19 to 2023-24	04	Pay & allowance	2.529
8	Additional Director Teachers Training Institutions Hyderabad Sindh	2018-19 to 2023-24	14	Dead stock register	0.787
Total					10,306.175

Annex-2**30.5.2 Non-invitation of open tender – Rs 12,627.247 million**

(Rs. in Million)

Sr. #	Name office	Financial Year	AIR Para #	Particulars	Total
1	Principal, Public School, Hyderabad	2018-19 to 2022-23	01	Procurement of Tractor trolley and networking cameras	3.195
2	District Education Officer (DEO), Ghotki	2012-13 to 2022-23	01	Undue favour to Computer world	1.745
3	Project Director Sindh Secondary Education Improvement Project (SSEIP) Karachi	2023-2024	09	Various repair work	23.239
4	Project Director Sindh Secondary Education Improvement Project (SSEIP) Karachi	2023-2024	11	Award of contract without international tender	12,599.068
Total					12,627.247

Annex-3

30.5.4 Non deduction of Government Taxes – Rs 187.323 million

(Rs. in Million)

Sr. #	Name office	Financial Year	AIR Para#	Particulars	Total Exp:	Due tax /stamps	Deduct ed	Less Deducti on
1	Principal, Public School, Hyderabad	2018-19 to 2022-23	03	SST on Misc: Immediate Works	45.079	3.756	0	3.756
			04	Consultancy services	6.817	0.886	0	0.886
		2018-19 to 2022-23	5	GST on purchasing of library chairs	1.402	0.238	0	0.238
2	District Education Officer (DEO) Elementary, Secondary and Higher Secondary Korangi, Karachi	2020-21 to 2022-23	13	GST on various head of accounts	3.114	0.529	0	0.529
			4	Short deduction of GST	0.543	0.055	0	0.055
		2020-21	14	SST on services	1.271	0.127	0	0.127
3	Managing Director, Sindh Education Foundation Karachi	2022-23	40	Stamp duty	54.00	0.121	0.068	0.054
4	Secretary, School Education & Literacy Department, Karachi	2023-24	08	Income tax, SST etc.	13.420	3.020	0	3.020
5	Project Director, Sindh Secondary Education Improvement Project (SSEIP), Karachi	2023-24	05	Income tax	1889.860	178.591	0	178.591
Total					2015.506	187.323	0.068	187.323

Annex-4

30.5.11 Irregular payments made to different schools in single bank account – Rs 4,535.813 million

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
1	Abdul Aziz	45201-0412750-5	01394335021000	Sindh Bank Limited	3	9.748
2	Abdul Hakeem Mahar	45101-0621177-9	01154535981000	Sindh Bank Limited	2	35.803
3	Abdul Haleem	43207-6439697-7	01074225992000	Sindh Bank Limited	2	5.592
4	Abdul Khaliq	45202-0680252-3	03644302651000	Sindh Bank Limited	3	15.370
5	Abdul Rahman Samoon	44107-2040884-3	04194566471000	Sindh Bank Limited	2	13.102
6	Abdul Salam Jamali	45206-3634846-5	01390143971000	Sindh Bank Limited	3	18.291
7	Abdul Waheed Jamali	41201-3565511-5	01064220701000	Sindh Bank Limited	3	5.779
8	Abdul Wahid Baloch	45203-3410339-9	01406648451001	Sindh Bank Limited	3	9.532
9	Abdul Wahid Khoso	41306-2472656-7	04084567081000	Sindh Bank Limited	5	19.464
10	Abdullah Langah	45203-6219283-5	04054593771000	Sindh Bank Limited	5	16.219
11	Abida	41101-5907920-1	04095318241000	Sindh Bank Limited	5	6.775
12	Abida Ghous	45206-0323006-8	01214318981000	Sindh Bank Limited	2	13.389
13	Abida Parveen	44203-0581901-0	04134567631000	Sindh Bank Limited	6	15.862
14	Achar	44301-1594940-5	04104570291000	Sindh Bank Limited	5	14.007
15	Afsar Ali Khaskheli	45201-5644012-5	01324063961000	Sindh Bank Limited	3	16.790
16	Ahmed Ali	43203-6175999-3	01074181581000	Sindh Bank Limited	2	9.468
17	Ahsan Ali	45204-8266309-7	01024557051000	Sindh Bank Limited	3	23.595
18	Aijaz Ali Soomro	45205-1598863-1	01214573441000	Sindh Bank Limited	3	30.818

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
19	Aizaz Danish	43303- 1361198-3	01145016671000	Sindh Bank Limited	3	3.864
20	Akbar Ali Soomro	45301- 1358253-3	01064015634300	Sindh Bank Limited	7	36.800
21	Akhlaque Ahmed Chandio	43404- 0404522-7	01234229761000	Sindh Bank Limited	3	7.598
22	Akhter Ali	45301- 1369677-1	01395336076100	Sindh Bank Limited	2	13.209
23	Ali Anwar	44107- 0107485-7	04135423411000	Sindh Bank Limited	2	6.557
24	Ali Anwer Mallah	41201- 5189885-9	01064538774300	Sindh Bank Limited	3	9.232
25	Ali Asghar Jesar	42201- 5563025-7	01264126924300	Sindh Bank Limited	3	10.605
26	Ali Gohar Mugheri	43207- 0850781-7	03584072251000	Sindh Bank Limited	5	31.189
27	Ali Gul Chandio	43207- 9711537-5	01224211651000	Sindh Bank Limited	4	20.142
28	Ali Hyder Joyo	43207- 0853518-1	01344068551000	Sindh Bank Limited	6	17.398
29	Ali Murtaza	41201- 5192876-9	01064424011000	Sindh Bank Limited	2	5.259
30	Ali Sher	43204- 8524514-9	01234598481000	Sindh Bank Limited	3	12.528
31	Allah Warayo	45101- 3524779-5	01154316451000	Sindh Bank Limited	3	12.681
32	Al-Mehran Research & Development Foundation (AMRDF)	6272	04344674121000	Sindh Bank Limited	9	35.793
33	Altaf Ali Lashari	41506- 0402774-5	01094430021000	Sindh Bank Limited	2	5.962
34	Amar Lal	44303- 8050497-5	04104442691000	Sindh Bank Limited	3	5.553
35	Amber Naz Shaikh	41204- 7480505-2	04134794431000	Sindh Bank Limited	2	6.634
36	Ameer Bux	45403- 7145288-5	01304560791000	Sindh Bank Limited	2	14.366
37	Aneesa	45102- 8406542-8	01104867641000	Sindh Bank Limited	3	20.351

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
38	Arbab Ali	45202- 5368726-3	01214572121000	Sindh Bank Limited	2	4.807
39	Arshad Ali Rahu	45401- 7417516-5	01304616171000	Sindh Bank Limited	2	11.889
40	ASAD (Association For Social Awareness And Development)	ASD-7295	04015748101000	Sindh Bank Limited	2	5.962
41	Asadullah Larik	45202- 5526916-5	01021911242000	Sindh Bank Limited	2	8.359
42	Asadullah Shah	45208- 1211781-9	01214574921000	Sindh Bank Limited	3	9.206
43	Asghar Ali	45501- 0343670-5	01035034241000	Sindh Bank Limited	3	8.796
44	Asher Jibran Abbasi	41303- 8596356-7	04054122691000	Sindh Bank Limited	3	8.787
45	Ashfaque Ahmed Kalohoro	45302- 6751571-3	01294218861000	Sindh Bank Limited	4	10.594
46	Ashfaque Ahsan Soomro	43205- 6530300-7	01014187171000	Sindh Bank Limited	2	6.312
47	Asia Bano	43102- 7249468-8	03564434322000	Sindh Bank Limited	3	14.218
48	Nida Khuhhro /Asif Ali	43203- 8586042-4	01355303801000	Sindh Bank Limited	3	15.595
49	Asif Ali Abbasi	43203- 2037371-3	01074127601000	Sindh Bank Limited	3	1.080
50	Asif Ali Mungio	45201- 1587339-3	04111763711000	Sindh Bank Limited	4	11.310
51	Asif Ali Wassan	45205- 2558946-7	01394187456100	Sindh Bank Limited	5	22.193
52	Asif Deedar Alias Ali	43301- 0306828-9	01145335371000	Sindh Bank Limited	2	8.155
53	Athar Ali Abbasi	43203- 1340591-3	01074204721000	Sindh Bank Limited	3	8.526
54	Atif Hussain	44205- 1628488-7	04164408831000	Sindh Bank Limited	2	10.509
55	Atta Hussain Leghari	43203- 7773552-9	01074161102000	Sindh Bank Limited	2	3.057

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
56	Awasi Ali Rajper	45201-0486264-3	01394603341000	Sindh Bank Limited	2	5.793
57	Ayaz Ahmed Rajper	45201-2524902-5	04114241181000	Sindh Bank Limited	2	6.134
58	Ayaz Ali Mahar	45103-6701281-9	01364231291000	Sindh Bank Limited	3	14.187
59	Azhar Ali Hyderi	42201-3942722-0	04094622501000	Sindh Bank Limited	2	5.933
60	Aziza Mohsan	44101-7238615-0	01264126671000	Sindh Bank Limited	2	4.932
61	Azzizullah Lashari	45201-3276940-9	01325998871000	Sindh Bank Limited	2	8.328
62	Babar Ali	43203-4622367-5	01074652411000	Sindh Bank Limited	2	7.050
63	Baby Benazir	41204-3279838-6	04014420171000	Sindh Bank Limited	4	14.347
64	Bachul Khatoun Umrani	43201-4077157-2	01074129921000	Sindh Bank Limited	2	3.158
65	Barkat Ali	44301-0234512-5	04194446011000	Sindh Bank Limited	2	9.577
66	Bashir Ahmed Soomro	41101-0853608-7	04094618041000	Sindh Bank Limited	5	8.238
67	Basic Urban Services For Kachi Abadies -Busti	42201-1125217-2/667	03264182751000	Sindh Bank Limited	8	21,787
68	Benazir	45205-1540495-6	01214017041000	Sindh Bank Limited	3	16.752
69	Bushra Shah	43102-3038523-6	01024600811000	Sindh Bank Limited	2	9.824
70	Charter for Compassion CfC	KAR.No.0138	03034525911006	Sindh Bank Limited	10	19.631
71	Child Development Organization (CDO)	66	PK37UNIL0112115001007422	United Bank Limited	6	14.704
72	Citizen Welfare Association	DO/SW/VA/N F/2009-50	01395352981000	Sindh Bank Limited	3	30.284

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
73	Community Development & Heritage Organization (CDHE)	DO-SW-THT-2008	PK05NBPA0081004112572446	National Bank of Pakistan	5	7.861
74	Community Development Council	F.DO(SW)(CD D)VA 28/CDC-1	04234563981000	Sindh Bank Limited	15	35.929
75	Community Development Network (CDN) Warah	DO-SW(KAM.S.K OT)VA/21/2008	PK29NBPA0149003087747512	National Bank of Pakistan	7	22.785
76	Decent Health and Education Foundation	DO-SWCDD-THATTA/40	03673833311000	Sindh Bank Limited	3	29.001
77	Deedar Hussain	44202-1870039-9	04044605461000	Sindh Bank Limited	4	12.084
78	DEVCON	3800	04130870806100	Sindh Bank Limited	15	22.110
79	Developments In Literacy (DIL)	61101-6983980-8	PK72MPBL9902477140134311	Habib Metropolitan Bank Ltd.	17	61.129
80	Dhani Bux Buledi	43207-5972790-3	01344216031000	Sindh Bank Limited	2	4.709
81	Dharti Development Foundation	SK/1041	01323833721001	Sindh Bank Limited	2	2.923
82	Dure Nayab	41203-4465516-4	01264125601000	Sindh Bank Limited	2	10.572
83	Education Research Foundation	41203-0724814-9	04314217221000	Sindh Bank Limited	4	16.987
84	Faheem Shahzad	41104-0309524-3	04095653541001	Sindh Bank Limited	2	13.292
85	Fahmida Sadique	45302-0286050-2	01064177941000	Sindh Bank Limited	2	12.133
86	Faiqa Memon	43402-0576091-4	01074228121000	Sindh Bank Limited	4	16.114
87	Family Educational Services Foundation	42101-3165980-5	03715565802000	Sindh Bank Limited	5	27.055

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
88	Fareeda Mumtaz Abbasi	43203-3625972-8	01074164931000	Sindh Bank Limited	3	7.901
89	Farooque Ali Panhwar	43203-7743424-1	01244168541000	Sindh Bank Limited	2	14.197
90	Farzand Ali	45206-2482160-3	01395008051000	Sindh Bank Limited	2	16.014
91	Fayaz Ali	43206-9311672-3	01074179261000	Sindh Bank Limited	3	11.580
92	Fayaz Hussain	45205-3720699-9	01024608291000	Sindh Bank Limited	2	7.720
93	Free Journalist Foundation – FJf	7318	04054877851000	Sindh Bank Limited	3	22.936
94	Ganj Bakhsh	44201-5541199-1	04064565781000	Sindh Bank Limited	5	18.351
95	Ghazali Education Trust	35201-2767403-7	PK40KIP'0201115743290201	Bank Islami Pakistan Limited	9	34.776
96	Ghazali Educational Society	44102-2198469-5/3904	PK79BAHL1180008100043201	BANK AL HABIB Limited	11	26.355
97	Ghulam Bashir Dahani	43301-6084904-5	01074232081000	Sindh Bank Limited	3	12.008
98	Ghulam Fatima Panhwar	41201-0269065-6	01065926691000	Sindh Bank Limited	2	5.890
99	Ghulam Muhammad Memon	41304-2309765-7	04184429081000	Sindh Bank Limited	3	11.047
100	Ghulam Mustafa Chandio	43404-0395989-5	01074264611000	Sindh Bank Limited	2	6.290
101	Ghulam Nabi	41101-2629434-5	04094417641000	Sindh Bank Limited	3	12.266
102	Ghulam Rasool	61101-7175429-3	01296009254300	Sindh Bank Limited	4	5.382
103	Ghulam Rasool Abro	45402-5475315-5	04114580191000	Sindh Bank Limited	3	14.973
104	Ghulam Sarwar	41202-5803444-5	01264555156100	Sindh Bank Limited	4	17.458

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
105	Ghulam Shabir	43402-0425419-3	01414181284300	Sindh Bank Limited	4	17.725
106	Ghulam Yaseen	42501-4144805-1	03564434582000	Sindh Bank Limited	4	18.254
107	Ghulam Yaseen Bhutto	45204-7115982-5	01254559261000	Sindh Bank Limited	2	7.841
108	Ghulam Zuhra Seelro	43406-0565273-6	01074433431000	Sindh Bank Limited	2	2.222
109	Gorakh Foundation	42000-1732401-2/6117	PK97MUCB0585736591005430	MCB Bank Limited	6	29.471
110	Green Crescent Trust (GCT)	1663 & 1398/42201-4791181-1	PK89BAHL1169098100066701	BANK AL HABIB LTD.	64	32.675
111	Gulsher Machi	45401-9501894-1	01304442561000	Sindh Bank Limited	2	6.597
112	Gulzar Ali	44204-2809613-3	04114634381000	Sindh Bank Limited	3	16.644
113	Habibullah Chandio	43207-0648445-5	01224163771000	Sindh Bank Limited	4	13.105
114	Hafizan Ghanbeer	41206-1462821-4	01094354391000	Sindh Bank Limited	3	15.657
115	HANDS	KAR NO.2462	03133424021006	Sindh Bank Limited	12	14.468
116	Hape Development And Welfare Assocaition (HAPE)	SW-CDD-BDN-VA/29	04374488471000	Sindh Bank Limited	5	23.097
117	Harchand Mal	44107-6700199-5	04194299221000	Sindh Bank Limited	4	6.118
118	Hari Welfare Association	EDO/CDD(NWS)/VA/051	04115030931000	Sindh Bank Limited	7	22.113
119	Help Development Society	6630	PK15NBPA0188004095834901	National Bank of Pakistan	10	22.271
120	Hijrat Colony Welfare Organization	DSW (1535)-K	03235851071000	Sindh Bank Limited	2	6.005
121	Himat Ali Lashari	41307-3903586-3	04074602041000	Sindh Bank Limited	3	9.395

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
122	Hina Rukh	44203- 4581282-6	04134331131001	Sindh Bank Limited	3	6.211
123	Hosh Mohammad Mirani	43203- 1815059-5	01074226101000	Sindh Bank Limited	4	23.035
124	Hosh Muhammad Hulio	43201- 1862970-5	01354327951000	Sindh Bank Limited	4	6.122
125	Humaira Parveen	43203- 2432003-0	01074148101000	Sindh Bank Limited	2	6.751
126	HUMAN DEVELOPME NT & PEACE COMMISSION (HDPC)	5623	04054671551000	Sindh Bank Limited	2	5.000
127	HUMAN RIGHTS FORUM (PAKISTAN)	DSW (1719)-K	03474739871000	Sindh Bank Limited	3	5.332
128	Hussain Bux Memon	43204- 3202449-9	01414167421000	Sindh Bank Limited	4	12.548
129	Ibrar Hussain Kalhoro	43304- 6868369-7	01144253421000	Sindh Bank Limited	3	6.983
130	Idara-E- Taleem-O- Aagahi (Ita)	384011862878 9/ RP/711-2005- 2006	03694829871000	Sindh Bank Limited	12	14.098
131	Imamzadi	45202- 3649652-8	01214275641000	Sindh Bank Limited	4	29.321
132	Imran Ali	44102- 4348808-1	04174737942000	Sindh Bank Limited	4	10.253
133	Imran Ali Shah	41205- 1751985-9	01224211941000	Sindh Bank Limited	2	6.021
134	Imtiaz Ali Chandio	41201- 1514556-9	01063285862000	Sindh Bank Limited	3	13.113
135	Imtiaz Ali Junejo	43204- 5647963-9	01134170871000	Sindh Bank Limited	3	12.472
136	Imtiaz Ali Samo	41409- 6718037-5	PK77BAHL1106 008100242101	BANK AL HABIB Limited	15	49.691
137	Inamullah Maznani	41201- 1030319-3	01064153761000	Sindh Bank Limited	3	8.073

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
138	Indus Development Association	EDO/CDD/LR K/VA/07	01244481011000	Sindh Bank Limited	2	4.600
139	Indus Education Foundation (IEF)	DSW (2721)-K	PK04UNIL01120 04501002521	United Bank Limited	9	11.165
140	Insaf Ali Rajpar	45201-5522110-7	01394606651000	Sindh Bank Limited	2	11.624
141	Insan Dost Social Organization	347	01395007861000	Sindh Bank Limited	9	35.917
142	Irfan Ali Umrani	41401-7744857-7	04124543211000	Sindh Bank Limited	8	16.605
143	Irshad Ahmed	41203-8820003-9	01264432541000	Sindh Bank Limited	2	6.852
144	Jaan Muhammad Brohi	43207-3927627-5	01074160721000	Sindh Bank Limited	3	6.893
145	Jamal	44202-9741745-1	04194435971000	Sindh Bank Limited	3	13.125
146	Jaswant Singh	44401-0398656-1	04104459601000	Sindh Bank Limited	2	4.316
147	Javed Ur Rehman	44201-5546507-7	04064560851000	Sindh Bank Limited	5	26.376
148	Johi Organization for Rural Development and Natural Disasters (JORDAN)	4073	PK61NBPA0102 003083147703	National Bank of Pakistan	12	38.283
149	Kainat Development Association	F/DO/SW/CD D/K.KOT/VA-03/2002	01040824911000	Sindh Bank Limited	2	5.585
150	Kainat Social Development Association	DO/SW/KAMS .KOT/VA/18/2 007	01415982241000	Sindh Bank Limited	3	18.173
151	Kaleemullah	45003-5276914-9	01024601321000	Sindh Bank Limited	2	4.531
152	Kamal Din	42501-6123623-7	01324575961000	Sindh Bank Limited	4	10.268

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
153	Kanji Mal	44303-0735507-9	04104436291000	Sindh Bank Limited	2	1.968
154	Karim Bux	44203-6209289-4	04139097551001	Sindh Bank Limited	4	10.618
155	Kewal Ram	44107-2043766-3	04194432581000	Sindh Bank Limited	2	19.761
156	Khadim Hussain Hingoro	44202-7370403-9	04344580146100	Sindh Bank Limited	4	16.758
157	Khair Muhammad	44301-1419693-1	04194417161000	Sindh Bank Limited	6	16.211
158	KHALID AKHTAR (KHALID KUMBHAR)	44303-1490432-7	04104568431000	Sindh Bank Limited	4	14.595
159	Khalilullah Gilal	45205-1415753-5	01024219251000	Sindh Bank Limited	2	6.727
160	Khush Muhammad Rahojo	45204-9388113-9	01254548161000	Sindh Bank Limited	4	19.120
161	Khuwaja Nizar Ul Haq	45202-3541562-1	01214575121000	Sindh Bank Limited	3	14.026
162	Lanjari Development Foundation	45103-1598941-5/SK-1587	01364992271000	Sindh Bank Limited	6	27.876
163	Mansoor Ahmed Manjhand	41409-2503681-7	04125720101000	Sindh Bank Limited	3	9.738
164	Mansoor Ahmed Mastoi	43206-9614579-9	01134242801000	Sindh Bank Limited	2	3.590
165	Mansoor Ali	41101-5248255-5	04094557121000	Sindh Bank Limited	3	9.189
166	Manzoor Ahmed	41101-6391840-5	04095063311000	Sindh Bank Limited	2	6.146
167	Manzoor Ali Laghari	41202-6893990-7	01064666571000	Sindh Bank Limited	2	7.949
168	Manzoor Hussain Shah	45401-2470792-3	04116150991000	Sindh Bank Limited	2	5.240
169	Mashoque Ali	45205-7674249-7	01394215376100	Sindh Bank Limited	3	24.194
170	Mathra Das	44304-7871109-1	04104447191000	Sindh Bank Limited	3	6.522

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
171	Meer Hassan	45502- 1814195-7	01274411701000	Sindh Bank Limited	2	10.221
172	Mir Faisal Talpur	41105- 2702618-3	04094501841000	Sindh Bank Limited	4	14.045
173	Mir Khan Dahri	45201- 0416101-5	01324326521000	Sindh Bank Limited	5	26.115
174	Moazzam Shahbir Magsi	45304- 9027657-9	04114597521000	Sindh Bank Limited	2	9.770
175	Mohammad Alam	42201- 9580495-5	03584067531000	Sindh Bank Limited	2	10.161
176	MOHAMMA D ALI BANBHAN	42201- 5768650-3	01324204221000	Sindh Bank Limited	3	8.263
177	Mohammad Aslam Bhatti	45203- 6095296-9	01024601751000	Sindh Bank Limited	3	4.157
178	Mohammad Bux.	43503- 0343803-3	01044221461000	Sindh Bank Limited	2	7.284
179	Mohammad Imran Memon	41407- 1163191-5	04124549771000	Sindh Bank Limited	2	2.240
180	Mohsin Ali Jalbani	45402- 9119342-3	04114598621000	Sindh Bank Limited	4	11.865
181	Mool Chand	44301- 6847116-3	04396080291000	Sindh Bank Limited	2	7.728
182	Muhammad Ali Chandio	41205- 8711865-5	01224136501000	Sindh Bank Limited	2	5.187
183	Muhammad Ali Raza	43104- 5918064-7	01274571241000	Sindh Bank Limited	3	14.887
184	Muhammad Arif Bhurgari	44102- 1462738-7	04045336261000	Sindh Bank Limited	2	10.489
185	Muhammad Ashraf Thahim	41402- 2360342-5	04404940271000	Sindh Bank Limited	4	9.770
186	Muhammad Asif Rajper	45201- 9136151-3	04114369981000	Sindh Bank Limited	4	14.114
187	Muhammad Aslam Soomro	43203- 0102325-1	01074128701000	Sindh Bank Limited	4	13.478
188	Muhammad Hanif Abbasi	41101- 9286160-3	04096091141000	Sindh Bank Limited	5	22.154
189	Muhammad Hassan	45501- 1830305-3	01205028931000	Sindh Bank Limited	3	19.886
190	Muhammad Humayoon	45502- 8713150-3	01204240811000	Sindh Bank Limited	6	16.199

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
191	Muhammad Hussain	41202-8739176-7	01064578781000	Sindh Bank Limited	2	6.502
192	Muhammad Hussain Mattee	45402-2729606-7	04113925451000	Sindh Bank Limited	3	7.388
193	Muhammad Ishaque Chandio	41205-4642367-1	01224242571000	Sindh Bank Limited	3	10.645
194	Muhammad Ishaque Lashari	45201-5827625-3	01324381586100	Sindh Bank Limited	3	15.622
195	Muhammad Jaffar Kalro	44102-5895192-7	03604068991000	Sindh Bank Limited	3	11.519
196	Muhammad Javed	44203-5600595-9	04134448461000	Sindh Bank Limited	2	1.790
197	Muhammad Khan Buller	45301-8778714-1	04114381251000	Sindh Bank Limited	3	8.734
198	MUHAMMA D MATEEN	45301-2931035-7	01055214211000	Sindh Bank Limited	2	6.372
199	Muhammad Murad Joyo	43207-9468800-5	01074161161000	Sindh Bank Limited	5	9.618
200	Muhammad Rafique Tunio	43203-7473482-7	01074124354300	Sindh Bank Limited	2	8.349
201	Muhammad Saleh Khuhro	43203-4044221-1	01074035444300	Sindh Bank Limited	2	34.859
202	MUHAMMA D SALEH MANGI	41205-6578152-1	01224165841000	Sindh Bank Limited	6	10.502
203	Muhammad Talib	41105-5527103-3	04096166821001	Sindh Bank Limited	3	6.410
204	MUHAMMA D USMAN	44203-8544049-9	04064401541000	Sindh Bank Limited	2	14.571
205	Muharam Ali Manganhar	45206-1190171-1	01324175621000	Sindh Bank Limited	3	9,101
206	Mujahid Ali	43407-0380058-3	01074129631000	Sindh Bank Limited	3	5.793
207	Mujeeb Rehman	41203-2227164-1	01264156521000	Sindh Bank Limited	3	11.013
208	Mukhtiar Ahmed Brohi	43204-8343082-1	01235730021000	Sindh Bank Limited	2	4.824
209	Mukhtiar Ali Junejo	43206-1181544-9	01074170551000	Sindh Bank Limited	4	20.510

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
210	Munawar Ali Lashari	43206-2090689-3	01074177991000	Sindh Bank Limited	2	3.084
211	Mushtaque Ahmed	44203-7850679-9	04134591981000	Sindh Bank Limited	2	2.712
212	Mushtaque Ahmed Mangi	41205-3335419-7	01224188751000	Sindh Bank Limited	2	3.476
213	Muslim Hands	4/113/2016-PE-(III)	PK55ALFH00820 01003469250	Bank Al Falah	12	23.799
214	Musrat Shaheen	43203-8463481-8	01074161041000	Sindh Bank Limited	2	13.325
215	Muzafar Ali	43205-6041885-9	01074123794300	Sindh Bank Limited	2	5.949
216	Muzaffar Ali	41201-2378804-7	01066118411000	Sindh Bank Limited	3	11.843
217	Nabi Bux Soomro	44107-5075524-1	04194422561000	Sindh Bank Limited	3	14.168
218	Nadeem Ali Siyal	45202-0688574-1	01214243781000	Sindh Bank Limited	3	7.694
219	Naimatullah Jokhio	43203-5592809-1	01074160851000	Sindh Bank Limited	3	10.850
220	Nand Lal	44107-5551241-5	04194415591000	Sindh Bank Limited	4	16.783
221	Nazir Ahmad Abro	43205-6481459-9	01014082141000	Sindh Bank Limited	2	8.595
222	Nazir Hussain Bhatti	43204-1149763-9	01074102852000	Sindh Bank Limited	2	10.954
223	Niaz Hussain	45204-2512603-1	01024035902000	Sindh Bank Limited	5	27.487
224	Nisar Ahmed Jatoi	41204-9392475-3	04054012591000	Sindh Bank Limited	3	10.016
225	Nizamuddin Jeser	41203-3504538-5	01264182534300	Sindh Bank Limited	5	18.556
226	Noor Ahmed	45206-4070625-3	01324264531000	Sindh Bank Limited	5	18.680
227	Noureen Sindhu/Jahnzeb	45203-2291635-1/ 45203-4044198-0	01025579176100	Sindh Bank Limited	3	9.534
228	NOWA-Naz Old Boys Welfare Association	DSW(s) 395/45203-0817021-0	01024574021000	Sindh Bank Limited	17	38.846

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
229	Om Parkash	44301- 6220201-1	04104445931000	Sindh Bank Limited	2	5.581
230	Participatory Research & Development Organization	DO/(SW)/CDD /M/VA-30- 2010	04275524071000	Sindh Bank Limited	6	24.043
231	Parvaiz Ahmed Bhanban	45206- 0387628-9	01394308691000	Sindh Bank Limited	2	12.526
232	Pehal Pakistan	462	01274728321000	Sindh Bank Limited	6	16.925
233	Premoon	44102- 2420365-3	04104567461000	Sindh Bank Limited	2	4.569
234	Qasim Raza	44104- 1435349-5	04174401411000	Sindh Bank Limited	3	5.596
235	Qurban Ali	41205- 5346463-3	01224339601000	Sindh Bank Limited	4	19.873
236	Rab Nawaz Palari	41304- 7945922-1	04124408811000	Sindh Bank Limited	3	10.657
237	Rafique Ahmed	45103- 4399061-5	01365273781001	Sindh Bank Limited	3	14.710
238	Raja Hamayoon Abro	41101- 7394294-3	04104243991000	Sindh Bank Limited	5	7.676
239	Ramo Kolhi	41104- 7755293-3	04094555211000	Sindh Bank Limited	5	16.045
240	Rasheed Education And Health Welfare Organization	45206- 5246795- 5/DO/SW/KHP /2015 Reg# 500	01395344541000	Sindh Bank Limited	3	16.422
241	Raza Muhammad	44102- 3511198-5	04174597901000	Sindh Bank Limited	3	8.124
242	Rehana Kousar	44203- 7261589-8	04134408721000	Sindh Bank Limited	3	4.675
243	Rehmatullah Soomro	43203- 1367478-3	01074161081000	Sindh Bank Limited	3	2.931
244	Riaz Hussain Chandio	43202- 1717060-7	01234157491000	Sindh Bank Limited	2	6.093
245	Riaz Hussain Jathial	41205- 8519240-5	01224127881000	Sindh Bank Limited	2	7.238

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
246	Riaz Hussain Manglo	45203-3253955-3	01024600801000	Sindh Bank Limited	5	19.821
247	Rukhsana Dua Memon	41409-2859736-8	04124484811000	Sindh Bank Limited	4	7.454
248	Rustam Ali Sargani	43203-9659837-5	01353473331000	Sindh Bank Limited	5	16.772
249	Sabit Ali Rajper	45201-3385150-1	01394602961000	Sindh Bank Limited	3	8.132
250	Sachal Sarmast Development Organization (SSDO)	Sk/1889/ of 2017-18	01405423341000	Sindh Bank Limited	3	7.986
251	Sadam Hussain Soomro	43406-0397026-7	01074178451000	Sindh Bank Limited	3	8.757
252	Saddam Hussain	43407-0429026-7	01344080531000	Sindh Bank Limited	7	36.596
253	Saddam Hussain Rajper	45201-9118669-5	01395300736100	Sindh Bank Limited	3	13.009
254	Safia Khatoon	44201-0399604-0	01324296881000	Sindh Bank Limited	2	3.653
255	Sahara Educational Development Organization	432068406994 7/401	01136046261000	Sindh Bank Limited	3	7.767
256	Sahib Khan Mangrio	44205-4130662-5	04135101301000	Sindh Bank Limited	3	6.924
257	Saima Jameel	44102-6207372-0	04285206761000	Sindh Bank Limited	5	19.362
258	Sajjad Hussain	43207-4054169-7	01074335101000	Sindh Bank Limited	3	12.007
259	Saleem Raza Chandio	43206-8401095-7	01074266151000	Sindh Bank Limited	2	4.162
260	Saleh Muhammad Mangi	45504-8922139-1	04054274381000	Sindh Bank Limited	11	24.680
261	Sana Memon	41802-0578018-0	04025092201001	Sindh Bank Limited	2	5.268
262	Sanaullah Abro	45302-2595904-2	03563371552000	Sindh Bank Limited	5	15.464

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
263	Sanaullah Mirbahar	45202-1257334-7	01024601761000	Sindh Bank Limited	3	3.739
264	Sarfraz Ali Sindhu	45206-9643397-5	01394554331000	Sindh Bank Limited	2	17.897
265	Sarwan Kumar	44304-3045670-1	04104471121000	Sindh Bank Limited	3	5.291
266	SEF Stop Gap Arrangement	NA	04095102851000	Sindh Bank Limited	3	12.462
267	Shah Mohammad Babar	43402-0421220-3	01234156731000	Sindh Bank Limited	3	9.000
268	Shah Muhammad	45105-3136114-9	01314223071000	Sindh Bank Limited	8	50.106
269	Shah Nawaz Solangi	41401-4542109-5	04124548981000	Sindh Bank Limited	4	11.477
270	Shaheryar Abro	43102-2481297-5	01194388291001	Sindh Bank Limited	2	5.659
271	Shahnawaz	45202-8095701-1	01214496591000	Sindh Bank Limited	3	21.533
272	Shahoo	44202-3341791-3	PK95BAHL5514 011500035501	BANK AL HABIB Limited	4	10.226
273	Shaista Rehan	42201-7858349-4	03355943591000	Sindh Bank Limited	2	10.268
274	Shakeel Abbas Qazi	42301-4152344-1	01024699511000	Sindh Bank Limited	5	18.933
275	Shakeel Ahmed Chandio	45203-2114568-7	01211038941000	Sindh Bank Limited	2	14.391
276	Shakir Hussain	44401-4731725-9	04194423641000	Sindh Bank Limited	3	8.248
277	Shamim Nazia	45201-8115626-6	04114475311000	Sindh Bank Limited	2	13.471
278	Sharmeen Junejo	42501-5692842-2	03644132041000	Sindh Bank Limited	2	10.765
279	Sheeraz Gul	42201-0714434-5	04054374071000	Sindh Bank Limited	4	12.125
280	Sheeraz Hussain Channa	45201-7820273-1	01394983541000	Sindh Bank Limited	2	8.300
281	Shiv Lal	44304-2689313-7	04304538111000	Sindh Bank Limited	4	10.301

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
282	Shoaib Muhammad	43303-4468251-7	01274180141000	Sindh Bank Limited	3	2.682
283	Shoaukat Ali Rahmoon	44202-1772523-7	04044605356100	Sindh Bank Limited	4	10.090
284	Sibtain Ali Shah	44205-9006199-9	04134581041000	Sindh Bank Limited	3	11.676
285	Sikandar Ali	44107-7923691-7	04174447591000	Sindh Bank Limited	3	2.514
286	Sindh Madressah Board	42101-7391153-7/K5-78	03010131786100	Sindh Bank Limited	39	164.881
287	Sindh Rural Marora Development Organization	SW/CDD/KHP-2010-310	01395347701000	Sindh Bank Limited	2	4.003
288	Sindh Rural Support Organization	36302-4450831-1	01273398876100	Sindh Bank Limited	19	62.487
289	Sindh Student & Youth Development Orgainzation	6069	PK36JSBL959200000394577	JS Bank Limited	12	23.778
290	Siraj Ahmed	45204-5932254-1	01254135911000	Sindh Bank Limited	3	12.064
291	Sohail Ahmed Awan	43103-4535482-3	01041151806100	Sindh Bank Limited	2	4.448
292	Sorath Samaji Taraqyati Tanzeem	DSW-HYD-VA 616	04014868291000	Sindh Bank Limited	2	3.244
293	Strengthening Participatory Organization (SPO)	32303-0716395-3/1-01361	01274481021000	Sindh Bank Limited	19	36.583
294	Suhail Ahmed Umrani	41401-3422872-3	04124548751000	Sindh Bank Limited	4	7.185
295	Suhrab Samo	44202-1724729-9	04134673531000	Sindh Bank Limited	3	8.330
296	Sumbal	44103-1511302-4	04044926741000	Sindh Bank Limited	5	19.075
297	Sustainable Development	5530	04135487171000	Sindh Bank Limited	8	12.371

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
	Foundation (SDF)					
298	Syed Aijaz Ali	42201- 6962151-7	03294403154300	Sindh Bank Limited	2	14.319
299	Syed Bachal Shah	41409- 5928711-7	04124457851000	Sindh Bank Limited	3	6.769
300	Syed Imran Ali Shah	43303- 1295678-3	01274455411000	Sindh Bank Limited	8	26.255
301	Syed Mehdi Hassan Shah	44203- 4136355-9	04135305891000	Sindh Bank Limited	2	4.775
302	Syed Rashid Ali Shah	41205- 7636012-7	01226154091600	Sindh Bank Limited	2	5.365
303	Talib Hussain	45301- 1287945-3	01024239241000	Sindh Bank Limited	4	11.653
304	Talib Hussain Chandio	45402- 1979834-1	04116112471000	Sindh Bank Limited	2	7.728
305	Tanwar Development Organization (Tdo)	SWD(SGR)VA /222 XLVI of 1961	04131073731000	Sindh Bank Limited	3	10.326
306	Tarique Mehmood	43205- 2717325-9	01110590421000	Sindh Bank Limited	3	9.771
307	The Citizen Foundation(T CF)	K-06597	53015188792011	Sindh Bank Limited	23	48.063
308	Umair Ali Junejo	43201- 6249432-1	01354275291000	Sindh Bank Limited	3	9.186
309	Vaman Kumar	44303- 6893709-9	04106036521000	Sindh Bank Limited	2	7.728
310	Village Shadabad Organization	4194	PK18NBPA0102 004083187437	National Bank of Pakistan	10	17.678
311	Waheed Ali Sargani	45302- 0383261-7	01294441561000	Sindh Bank Limited	2	4.940
312	Wahid Bux Laghari	44204- 9252616-9	04165014801000	Sindh Bank Limited	2	20.906
313	Wajid Ali	44401- 3082139-1	04194421241000	Sindh Bank Limited	2	5.223
314	Wajid Ali Bahoto	41202- 6524514-1	01264931426100	Sindh Bank Limited	4	14.872
315	Waqar Ahmed	45204- 4500009-5	01024599501000	Sindh Bank Limited	3	19.104

(Rs. in Million)

Sr. #	Name of Pay	CNIC/ Registration#	Account No.	Bank Name	No. of schools paid	Total payment
316	Waseem Akhtar Chandio	43402-0457517-1	01234235921000	Sindh Bank Limited	2	2.123
317	Wazir Ali	45501-1978417-7	01365122621000	Sindh Bank Limited	2	6.038
318	Yasmeen	41101-9665431-6	04094561691000	Sindh Bank Limited	3	8.040
319	Zaheer Abbas	45206-0375521-9	01324155216100	Sindh Bank Limited	2	10.995
320	Zaheer Ahmed	44205-8349598-7	04376225731000	Sindh Bank Limited	2	10.028
321	Zahid Ali Sargani	45302-6877779-1	01294099886100	Sindh Bank Limited	2	7.768
322	Zain Ul Abidin	45102-5312287-5	01100964492000	Sindh Bank Limited	4	21.624
323	Zainab Ghunio	45105-2633069-0	01314530531000	Sindh Bank Limited	3	16.238
324	Zakaria Ali	45402-8280571-3	04114602991000	Sindh Bank Limited	6	20.503
325	Zawar Ali	44203-6698683-3	04134408141000	Sindh Bank Limited	3	7.060
326	Zubair Ahmed	43503-0440876-9	01044233451000	Sindh Bank Limited	3	11.996
327	Zubair Ahmed Soomro	41101-5343716-5	04094241251000	Sindh Bank Limited	5	12.264
328	Zulfaqar Ali Rajper	42501-8568269-5	04114263861000	Sindh Bank Limited	4	6.941
329	Zulfiqar Ali Dahri	44204-9623390-7	04114605961000	Sindh Bank Limited	3	20.402
330	Zulqarnain Siyal	43201-3513600-9	01070105721000	Sindh Bank Limited	3	11.094
Total						4,535.813
Total amount in million						4,535.813

Annex-5

30.5.12 Loss incurred from withholding tax on profit and bank transactions – Rs 13.912 million

(Rs. in million)

Sr. #	Number	Date	Date	A/c Code	Debit
1	SEF-BP23-019-00001	30-07-22	30-07-22	Record withholding tax for the m/o July, 2022	0.098
2	SEF-BP23-022-00001	30-07-22	30-07-22	Record withholding tax for the m/o July, 2022	0.782
3	SEF-BP23-019-00002	31-08-22	31-08-22	Record withholding tax for the m/o August, 2022	0.011
4	SEF-BP23-022-00002	31-08-22	31-08-22	Record withholding tax for the m/o August, 2022	0.869
5	SEF-BP23-019-00003	30-09-22	30-09-22	Record withholding tax for the m/o September, 2022	0.011
6	SEF-BP23-019-00004	31-10-22	31-10-22	Record withholding tax for the m/o October, 2022	0.011
7	SEF-BP23-022-00006	31-10-22	31-10-22	Record withholding tax for the m/o October, 2022	0.886
8	SEF-BP23-019-00005	30-11-22	30-11-22	Record withholding tax for the m/o November, 2022	0.023
9	SEF-BP23-022-00007	30-11-22	30-11-22	Record withholding tax for the m/o November, 2022	0.866
10	SEF-BP23-019-00006	31-12-22	31-12-22	Record withholding tax for the m/o December, 2022	0.024
11	SEF-BP23-022-00008	31-12-22	31-12-22	Record withholding tax for the m/o December, 2022	1.104
12	SEF-BP23-019-00007	31-01-23	31-01-23	Record withholding tax for the m/o January, 2023	0.024
13	SEF-BP23-022-00010	31-01-23	31-01-23	Record withholding tax for the m/o January, 2023	1.368
14	SEF-BP23-019-00008	28-02-23	28-02-23	Record withholding tax for the m/o February, 2023	0.024
15	SEF-BP23-022-00011	28-02-23	28-02-23	Record withholding tax for the m/o February, 2023	0.956
16	SEF-BP23-019-00009	31-03-23	31-03-23	Record withholding tax for the m/o March, 2023	0.026
17	SEF-BP23-022-00012	31-03-23	31-03-23	Record withholding tax for the m/o March, 2023	1.645
18	SEF-BP23-025-00001	31-03-23	31-03-23	Record withholding tax for the m/o March, 2023	0.052
19	SEF-BP23-019-00010	29-04-23	29-04-23	Record withholding tax for the m/o April, 2023	0.031

(Rs. in million)

Sr. #	Number	Date	Date	A/c Code	Debit
20	SEF-BP23-022-00016	29-04-23	29-04-23	Record withholding tax for the m/o April, 2023	1.959
21	SEF-BP23-025-00002	30-04-23	30-04-23	Record withholding tax for the m/o April, 2023	0.079
22	SEF-BP23-019-00011	31-05-23	31-05-23	Record withholding tax for the m/o May, 2023	0.034
23	SEF-BP23-022-00018	31-05-23	31-05-23	Record withholding tax for the m/o May, 2023	1.609
24	SEF-BP23-025-00003	31-05-23	31-05-23	Record withholding tax for the m/o May, 2023	0.087
25	SEF-BP23-025-00004	28-06-23	28-06-23	Record withholding tax for the m/o June, 2023	0.042
26	SEF-BP23-019-00012	30-06-23	30-06-23	Record withholding tax for the m/o June, 2023	0.016
27	SEF-BP23-022-00019	30-06-23	30-06-23	Record withholding tax for the m/o June, 2023	1.354
Total					13,912,395.70
Total amount in million					13.912

Annex-6

30.5.18 Failure to Enforce Contractual Deductions for Poor Performance – Rs 9.446 million

Assessment 2023 OUP IV Schools Result									
Sr. #	School Code	School Name	Grade	Over all Score %	Partner Name as Subsidy Details	Jan'23-Mar'23	April'23-Jun'23	Total	5% deduction
1	160101021	Foundation Assisted Haji Mehmood Goth School	OUP IV	34.83	Saima Abbasi	817,200	546,600	1,363,800	68,190
2	160101025	Foundation Assisted Qasim Town School	OUP IV	27.35	Saima Abbasi	697,200	1,018,200	1,715,400	85,770
Total						1,514,400	1,564,800	3,079,200	153,960
Assessment 2023 STBB IV Schools Results									
Sr. #	School Code	School Name	Grade	Over all Score %	Partner Name as Subsidy Details	Jan'23-Mar'23	April'23-Jun'23	Total	5% deduction
1	110102001	Foundation Assisted Eidgah 5G New Karachi School	STBB IV	36.09	Green Crescent Trust (GCT)	528,000	348,600	876,600	43,830
2	140102010	Foundation Assisted School Siddiq Goth Gulshan School	STBB IV	37.63	Human Rights Forum (Pakistan)	419,400	481,200	900,600	45,030
3	140102011	Foundation Assisted Rozi Goth School	STBB IV	25.32	Human Rights Forum (Pakistan)	534,600	673,200	1,207,800	60,390
4	150102004	Foundation Assisted Bengali Camp School	STBB IV	36.81	Green Field Welfare Organization	573,600	1,102,800	1,676,400	83,820
5	150102013	FAS - Shirin Sultan Dossa Campus - XXXIV Primary Morning	STBB IV	37.44	The Citizen Foundation (TCF)	618,000	664,800	1,282,800	64,140
6	150102015	Foundation Assisted Bilal Colony School	STBB IV	32.67	Green Crescent Trust (GCT)	480,300	409,800	890,100	44,505
7	160102001	Foundation Assisted Guhram Bugti School	STBB IV	30.04	Asif Akbar	707,400	734,400	1,441,800	72,090
8	160102016	Foundation Assisted Raza	STBB IV	30.72	Raza Muhammad	390,600	343,200	733,800	36,690

		Muhammad School			Fellowship School				
9	160102017	Foundation Assisted Khair Muhammad Khaskheli School	STBB IV	24.85	Al Rahim Parents Education Committee	630,000	387,000	1,017,000	50,850
10	160102035	Foundation Assisted School Darsano Channo	STBB IV	20.03	Green Crescent Trust (GCT)	263,700	300,300	564,000	28,200
11	160102036	Foundation Assisted School Memon Goth	STBB IV	34.55	Green Crescent Trust (GCT)	563,400	459,900	1,023,300	51,165
12	160102037	Foundation Assisted Kote Rero/Dero School	STBB IV	18.86	Green Crescent Trust (GCT)	393,600	412,200	805,800	40,290
13	160102040	Foundation Assisted Gul hasan kotearo School	STBB IV	16.46	Sindh Madressah Board	222,600	222,000	444,600	22,230
14	160102041	Foundation Assisted Haji Naik Muhammad Jokhio School	STBB IV	24.93	Sindh Madressah Board	681,600	527,400	1,209,000	60,450
15	160102049	Foundation Assisted Haji Mehaar School	STBB IV	22.66	Sindh Madressah Board	457,200	433,200	890,400	44,520
16	160102050	Foundation Assisted Ibrahim Kathore School	STBB IV	23.65	Sindh Madressah Board	286,200	330,000	616,200	30,810
17	160102055	Foundation Assisted Muhammad Hassan Gabol School	STBB IV	20.91	HANDS	226,200	153,000	379,200	18,960
18	160102056	Foundation Assisted Haji Dost Muhammad Bhanbhro School	STBB IV	31.89	HANDS	242,400	333,600	576,000	28,800
19	160102061	Foundation Assisted Imam Ali Ghanchio School	STBB IV	28.86	HANDS	201,600	236,400	438,000	21,900
20	160102064	Foundation Assisted Jeevan Khaskheli School	STBB IV	18.50	HANDS	240,600	302,400	543,000	27,150
21	170102005	Foundation Assisted School Burma Colony	STBB IV	30.28	Green Crescent Trust (GCT)	1,016,400	1,162,500	2,178,900	108,945
22	170102006	Foundation Assisted Noor	STBB IV	29.78	HANDS	222,000	198,000	420,000	21,000

		Muhammad Goth School							
23	ESSPSV284	Foundation Assisted School Sohrab Khan Goth	STBB IV	32.78	Green Crescent Trust (GCT)	264,000	316,800	580,800	29,040
24	ESSPSV286	Foundation Assisted School Mureed Jokhio Goth	STBB IV	18.47	Green Crescent Trust (GCT)	267,600	471,000	738,600	36,930
25	ESSPSV294	Foundation Assisted Noorani Basti School	STBB IV	38.56	All Pakistan Women's Association (APWA)	554,400	402,600	957,000	47,850
26	ESSPSV573-16	Foundation Assisted Ali Akber Shah Goth school	STBB IV	38.14	Developments In Literacy (DIL)	224,400	239,400	463,800	23,190
27	ESSPSV573-4	Foundation Assisted Orangi Town school	STBB IV	36.82	Developments In Literacy (DIL)	327,600	341,400	669,000	33,450
28	ESSPSV573-5	Foundation Assisted Qaim Khani school	STBB IV	37.94	Developments In Literacy (DIL)	322,800	297,600	620,400	31,020
29	ESSPSV606-1	Dur Muhammad Feeder Section	STBB IV	35.55	Sindh Madressah Board	645,600	655,800	1,301,400	65,070
30	ESSPSV606-2	Smb Sef Achar Jokhio School	STBB IV	27.99	Sindh Madressah Board	569,400	340,200	909,600	45,480
Total						13,075,200	13,280,700	26,355,900	1,317,795

Assessment 2023 STBB VII Schools Result

Sr. #	School Code	School Name	Grade	Over all Score %	Partner Name as Subsidy Details	Jan'23-Mar'23	April'23-Jun'23	Total	5% deduction
1	110103001	Foundation Assisted Bilal Colony School	STBB VII	37.82	Syed Aijaz Ali	1,593,000	1,917,000	3,510,000	175,500
2	120102001	Foundation Assisted Essa Nagri School	STBB VII	18.93	Pak Care Parents Education Committee	779,100	560,100	1,339,200	66,960
3	120102002	Foundation Assisted Shanti Nagar Block 10 School	STBB VII	28.58	Al Majeed Parents Education Committee	1,130,700	1,207,200	2,337,900	116,895
4	130102002	Darul Banat Fellowship	STBB VII	29.18	Darul Binat Parents Education Committee	1,235,700	1,515,600	2,751,300	137,565
5	140102002	Foundation Assisted E 174 Gulshan-e-Zia	STBB VII	36.97	Tahaira	1,065,900	1,190,100	2,256,000	112,800

		Orangi Town School							
6	140102005	Foundation Assisted Muhammad Khan Colony School	STBB VII	29.50	Sadar Faiz Muhammad	1,257,300	1,377,600	2,634,900	131,745
7	140102023	Foundation Assisted Gulshan e Ghazi School	STBB VII	28.68	Sindh Madressah Board	1,745,700	1,766,100	3,511,800	175,590
8	140102024	Foundation Assisted Arqania School	STBB VII	32.29	Sindh Madressah Board	1,442,100	1,561,500	3,003,600	150,180
9	140102026	Foundation Assisted Gulshan e zia School	STBB VII	38.42	Sindh Madressah Board	1,032,000	1,250,400	2,282,400	114,120
10	140102029	Foundation Assisted Ittehad Town School	STBB VII	38.61	Sindh Madressah Board	2,508,900	2,282,700	4,791,600	239,580
11	140103002	Foundation Assisted Taiser Town sector 35/B School	STBB VII	21.35	Sindh Madressah Board	1,351,500	1,395,000	2,746,500	137,325
12	140103003	FAS 5A Surjani School	STBB VII	31.74	Syed Aijaz Ali	621,000	1,036,500	1,657,500	82,875
13	140104002	FAS Khuda Ki Basti School	STBB VII	20.58	Ali Gohar Mugheri	735,900	776,100	1,512,000	75,600
14	150102002	Foundation Assisted Sherabad School	STBB VII	30.51	Bushra Musharaf Baig	1,052,700	1,319,100	2,371,800	118,590
15	150102006	Foundation Assisted Ittehad Colony Sec 48 F,1 Korangi 2 1/2 School	STBB VII	30.00	Ittehad Parents Education Committee	626,400	1,804,500	2,430,900	121,545
16	150102009	Foundation Assisted Awami Colony School	STBB VII	38.64	Abdul Majeed	1,820,400	2,076,300	3,896,700	194,835
17	150102011	Foundation Assisted House Gulzar Colony sector 8 School	STBB VII	29.71	Babul Islam Parents Education Committee	1,642,500	2,993,000	4,635,500	231,775
18	150102014	FAS - Shirin Sultan Dossa Campus - XXXIV Secondary Morning	STBB VII	32.73	The Citizen Foundation(TCF)	591,300	737,100	1,328,400	66,420
19	160101002	Foundation Assisted Murad Memon Goth School	STBB VII	27.78	Saddam Hussain	841,200	499,200	1,340,400	67,020

20	160101010	Foundation Assisted Data Nagar School	STBB VII	33.75	Sharmeen Junejo	1,761,300	1,617,300	3,378,600	168,930
21	160101014	Foundation Assisted Abdullah Goth II School	STBB VII	37.13	Abdul Khaliq	1,197,000	1,905,600	3,102,600	155,130
22	160101027	Foundation Assisted Khan Muhammad Goth School	STBB VII	34.00	Sanaullah Abro	872,700	1,202,400	2,075,100	103,755
23	160102006	Foundation Assisted F-Area Mansehra Colony/Sharafi Goth School	STBB VII	36.88	Muhammad Ayoub	1,380,000	1,349,700	2,729,700	136,485
24	160102007	FOUNDATION ASSISTED SHAH LATIF TOWN ,SECTOR 220 B SCHOOL	STBB VII	33.54	Peoples Welfare Association	2,815,200	2,986,200	5,801,400	290,070
25	160102008	Foundation Assisted Rahoo Gohram Jokhio School	STBB VII	27.70	Sindh Madressah Board	1,756,500	2,106,000	3,862,500	193,125
26	160102009	Foundation Assisted Mehmood Jamot School	STBB VII	21.29	Sindh Madressah Board	576,000	548,100	1,124,100	56,205
27	160102011	FOUNDATION ASSISTED TOUNHEEDAB AD SCHOOL	STBB VII	32.75	Al- Atta Parents Education Committee	1,317,000	1,488,900	2,805,900	140,295
28	160102013	Foundation Assisted Muslim league colony School	STBB VII	34.07	Star Parents Education Committee	1,046,100	1,035,300	2,081,400	104,070
29	160102023	Foundation Assisted Zafar Town - II School	STBB VII	33.52	Nishan-E-Hyder Parents Education Committee	883,200	1,218,600	2,101,800	105,090
30	160102029	Foundation Assisted Kohi School	STBB VII	23.07	Shahbaz Parents Education Committee	942,600	1,077,000	2,019,600	100,980
31	160102031	Foundation Assisted Jam Mehar Ali School	STBB VII	21.55	Shaheed Jam Parents Education Committee	908,400	445,500	1,353,900	67,695
32	160102032	Foundation Assisted School	STBB VII	36.55	Bibi Amna Parents Education Committee	1,269,000	1,414,500	2,683,500	134,175
33	160102038	Foundation Assisted Faqeer	STBB VII	18.44	Sindh Madressah Board	545,400	631,500	1,176,900	58,845

		Muhammad Baloch School							
34	160102039	Foundation Assisted Abdul Rehman Jokhio School	STBB VII	16.00	Sindh Madressah Board	352,200	467,100	819,300	40,965
35	160102042	Foundation Assisted Ali Nawaz Jokhio School	STBB VII	17.25	Sindh Madressah Board	1,304,100	1,485,600	2,789,700	139,485
36	160102043	Foundation Assisted Abdul Hakeem Gabol School	STBB VII	18.47	Sindh Madressah Board	556,200	440,100	996,300	49,815
37	160102045	Foundation Assisted Siraj Ahmed Kathore School	STBB VII	22.00	Sindh Madressah Board	428,400	502,500	930,900	46,545
38	160102046	Foundation Assisted Abdul Karim Gabol School	STBB VII	37.33	Sindh Madressah Board	716,100	653,100	1,369,200	68,460
39	160102047	Foundation Assisted Morand Khan Qaisrani School	STBB VII	25.61	Sindh Madressah Board	530,700	477,900	1,008,600	50,430
40	160102048	Foundation Assisted Esab Jokhio School	STBB VII	23.95	Sindh Madressah Board	766,200	858,600	1,624,800	81,240
41	160102051	Foundation Assisted Safar Khoso School	STBB VII	11.20	Sindh Madressah Board	364,200	406,200	770,400	38,520
42	160102052	Foundation Assisted Abdullah Gabol School	STBB VII	35.24	Sindh Madressah Board	2,858,100	1,797,900	4,656,000	232,800
43	160102053	Foundation Assisted Baggan Khan Pahore School	STBB VII	25.71	Sindh Madressah Board	2,775,600	3,413,100	6,188,700	309,435
44	160102054	Foundation Assisted Juma Goth School	STBB VII	27.40	HANDS	391,500	331,200	722,700	36,135
45	160102058	Foundation Assisted Let Basti School	STBB VII	20.63	HANDS	394,200	727,200	1,121,400	56,070
46	160102060	Foundation Assisted Muhammad Siddique khaskheli School	STBB VII	26.59	HANDS	406,200	669,600	1,075,800	53,790
47	160102062	Foundation Assisted Ibrahim Jokhio School	STBB VII	22.38	HANDS	355,500	463,200	818,700	40,935

48	160102063	Foundation Assisted Nodoo Jakhio School	STBB VII	20.57	HANDS	330,900	395,100	726,000	36,300
49	170102002	Foundation Assisted Ashfaq Colony Gulshan E Sikandar Abad School	STBB VII	26.88	Protection Welfare Association	1,801,200	1,622,100	3,423,300	171,165
50	170102003	Foundation Assisted Moach Goth School	STBB VII	28.00	Dream Foundation Trust	1,958,700	2,322,900	4,281,600	214,080
51	ESSPSV179	Tamir-e-Millat public secondary school	STBB VII	24.11	Munaza Bashir	1,378,500	1,789,200	3,167,700	158,385
52	ESSPSV289	Foundation Assisted School Haji Malik Goth	STBB VII	25.17	Green Crescent Trust (GCT)	615,900	701,400	1,317,300	65,865
53	ESSPSV290	Foundation Assisted School Yousaf Goth	STBB VII	23.00	Green Crescent Trust (GCT)	528,000	794,100	1,322,100	66,105
54	ESSPSV295	Foundation Assisted B1 School	STBB VII	27.00	All Pakistan Women's Association (APWA)	234,600	547,500	782,100	39,105
55	ESSPSV296	Foundation Assisted Liaquatabad School	STBB VII	31.91	All Pakistan Women's Association (APWA)	1,800,300	2,012,700	3,813,000	190,650
56	ESSPSV297	Foundation Assisted Orangi 10 School	STBB VII	36.55	All Pakistan Women's Association (APWA)	1,487,100	1,888,500	3,375,600	168,780
57	ESSPSV549	Foundation Assisted Haji Jangi Khan Goth School	STBB VII	37.22	Human Development Foundation (HDF)	844,500	741,000	1,585,500	79,275
58	ESSPSV573-12	Foundation Assisted Sadiqabad School	STBB VII	29.00	Developments In Literacy (DIL)	416,700	535,800	952,500	47,625
59	ESSPSV573-13	Foundation Assisted Lal Shahbaz Nagar School	STBB VII	37.45	Developments In Literacy (DIL)	975,900	1,055,400	2,031,300	101,565
60	ESSPSV573-14	Foundation Assisted Orangi Town School	STBB VII	34.67	Developments In Literacy (DIL)	1,002,000	982,500	1,984,500	99,225
61	ESSPSV573-15	Foundation Assisted Mansoor Nagar school	STBB VII	32.91	Developments In Literacy (DIL)	2,207,100	2,109,900	4,317,000	215,850
62	ESSPSV573-17	Foundation Assisted Gulshan-e-	STBB VII	26.33	Developments In Literacy (DIL)	731,100	722,700	1,453,800	72,690

		Madina Colony school							
63	ESSPSV573-18	Foundation Assisted Data Nagar School	STBB VII	34.52	Developmen ts In Literacy (DIL)	743,100	852,300	1,595,400	79,770
64	ESSPSV573-2	Foundation Assisted Gulshan e Bahar School	STBB VII	35.57	Developmen ts In Literacy (DIL)	732,600	695,400	1,428,000	71,400
65	ESSPSV573-3	Foundation Assisted Mansoor Nagar School	STBB VII	34.58	Developmen ts In Literacy (DIL)	1,161,900	1,132,500	2,294,400	114,720
66	ESSPSV573-7	Foundation Assisted Khairabad School	STBB VII	37.94	Developmen ts In Literacy (DIL)	890,400	936,300	1,826,700	91,335
67	ESSPSV573-8	Foundation Assisted Muhammad Khan Colony School	STBB VII	32.82	Developmen ts In Literacy (DIL)	518,100	510,600	1,028,700	51,435
68	ESSPSV573-9	Foundation Assisted Khairabad School	STBB VII	36.48	Developmen ts In Literacy (DIL)	1,051,800	923,700	1,975,500	98,775
69	ESSPSV620	Foundation Assisted Shah Latif Town School	STBB VII	28.14	Shazia Ali	1,223,400	2,059,500	3,282,900	164,145
Total						75,176,700	84,316,100	159,492,800	7,974,640
Grand Total						89,766,300	99,161,600	188,927,900	9,446,395

Chapter-31 Services, General Administration & Coordination Department

Annex-1

31.5.2 Non-deduction of taxes - Rs 36.754 million

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para #	Particulars	Tax Due	Tax Deducted	Non / Less Deduction
01	Secretary, SGA&CD	2023-24	12	Non-deduction of GST	18.274	0	18.274
			13	Less deduction of Income Tax	66.081	50.232	15.849
			14	Less deduction of SST	0.634	0.561	0.073
02	Deputy Commissioner, Dadu	2023-24	17	Non-deduction of Sindh Sales Tax	2.042	0	2.042
03	Deputy Commissioner, Sanghar	2023-24	11	Less-deduction of SST and Income Tax	0.928	0.536	0.392
04	Deputy Commissioner, Thatta	2023-24	11	Less deduction of Income Tax	0.171	0.077	0.094
05	Sindh Public Procurement Regulatory Authority	2023-24	02	Non-deposit of WHT/Income Tax	0.030	0	0.030
Total					88.16	51.406	36.754

Annex-2

31.5.4 Discrepancies in procurement and execution of services – Rs 538.518 million

(Rs. in million)

Sr. #	Audit Observation	AIR Para #	Amount
01	Contracts were awarded to M/s Sanco and M/s Z&Z Engineering for anti-encroachment drive on Gujjar & Orangi Nallahs without framing of the formal contract agreement. Due to non-framing of contract agreement, the management not only put the government at risk but on the other hand the government sustained a loss Rs106,750 on account of stamp duty.	01	30.500
02	The management in the financial year 2022-23, awarded the contract to same vendors stating therein that the heavy machinery was already installed for the anti-encroachment drives by the existing vendors of last year. In this connection the same vendors M/s Sanco Technology and M/s Z&Z Engineering Pvt Ltd were continued for smooth working of the drive and incurred expenditure amounting to Rs22.351 million without inviting fresh tender to achieve the competitive rates in violation of SPPRA Rules.	02	22.351
03	The management of the entity incurred up to date expenditure amounting to Rs466.018 million for Restoration of Storm Water Drains at Gujjar & Orangi Nallahs, however, the project could not be to restore and started to facilitate the LDPs (affectees) on April 2021. Hence, despite huge expenditure and engaging the machinery the work was not complete well in time which resulted into cost overrun besides the time overrun.	03	466.018
	Office of Commissioner and the KMC were the executing agencies of anti-encroachment drive were, however, ground survey, carried out by NED, was ineffective due to lack of survey reports. Moreover, the work plan was also inadequate as initial estimates and required machinery and manpower were not proposed. Further, daily progress report, duly signed by the respective officer posted at site for monitoring of the project, was not provided.	13	
04	Amount paid to contractors on account labour charges, however, the detail of laborers i.e., Name, CNICs etc., inspection report, details of work done was not provided. Furthermore, shift wise details and timing schedule, area wise demand and attendance sheet were also not found available on record.	14	6.069
	Amount was paid on account of labour charges, however, the same was paid in excess of government approved rates i.e., Rs2,400 per day instead of Rs1,100 per day (Rs32,000 per month).	15	
05	Expenditure was incurred on account of fuel charges for generator for performing the anti-encroachment drive, however, record of consumption of fuel/ log book was not maintained. Moreover, schedule of load shading and invoices of POL was also found missing. Furthermore, the details of	17	2.822

(Rs. in million)

Sr. #	Audit Observation	AIR Para #	Amount
	generators i.e., make, model and quantity of generators were also not provided.		
06	Expenditure was incurred on hiring of excavators for anti-encroachment drive, however, the detail of excavations i.e., record of measurements including size of excavation, utilized days/ working hours on specific format, specific areas of excavation, initial survey report, completion report, monitoring report and record of consumption of POL/ Log book were not found available on record.	18	6.880
07	Expenditure was incurred on Gas Cutter without providing the details of cutting done by the executing agencies by the gas cutter. Moreover, the details of laborers engaged in the cutting work were also not provided to the audit for authentication of the expenditure.	19	2.340
08	Expenditure was incurred on account of roof demolitions during anti-encroachment drive without providing the information/ details of of engaging the professionals/ labourers, total number of units demolished and details of machinery hired/ purchased along with working hours were not also not provided.	20	1.538
Total			538.518

Chapter-32 Sindh Higher Education Commission

Annex-1

32.5.1 Non-production of record – Rs 667.934 million

(Rs in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Quaid e Awam University of Engineering, Science & Technology, Shaheed Benazirabad	2022-23	84	Record of civil work Rs 164.670 million and income generated from own resources – Rs 501.264 million	665.934
			61	Bill/vouchers and cheques drawn on payment of fees to M/s National Technology Council were not attached with record	2.000
			13	Details of collection of “Marks Sheet Verification” fees and other relevant record was not shown to audit	0
2	Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 to 2022-23	20	Record of Handing & Taking over of physical assets from the Quaid-e-Awam University to Aror University pertaining to ADP scheme “Establishment of Aror University of Art, Architecture, Design & Heritage” was not shown to audit.	0
3	Shaheed Mohtarma Benazir Bhutto Medical University (GMMMC, Sukkur), Larkana	2022-23	01	Accounts record of nursing faculty and hostels was not produced to audit for verification.	0
4	Shah Abdul Latif University, Khairpur	2022-23	01	Compliance of previous audit reports, record of recruitment and promotion of employees, leave record of employees availing long leaves and status of any recovery made during this period, record pertaining to contractual/daily wages/ contingent paid staff, record of all bank accounts along with bank statements and other important auditable record not produced to audit for scrutiny.	0
5	University of Karachi	2021-22 to 2022-23	01	Cheque Issuance Register, General Ledger, Annual Accounts of University, Record of fees collection, Cash books, Sources of receipts, electricity and gas consumption by the university employees, Advances and recovery register and other auditable record was not produced to audit for scrutiny.	0
Total					667.934

Annex-2

32.5.4 Unjustified upgradation of employees – Rs 115.317 million

(Amount in Rupees)

Name	BPS	Salary	Annual Pay (Col 3 x 12)	Estimated Total Pay Drawn (Col 4 x 2) FY 2021-22 to FY 2022-23
1	2	3	4	5
Abid Hussain	0020	263,701	3,164,412	6,328,824
Afshan Jabbar Khan	0020	194,839	2,338,068	4,676,136
Arshad Hussain	0020	194,129	2,329,548	4,659,096
Badar Sami	0020	221,674	2,660,088	5,320,176
Dr. Arifa Savanur	0020	261,141	3,133,692	6,267,384
Dr. Asif Saleem	0020	214,913	2,578,956	5,157,912
Dr. Farzana Jabeen	0020	253,440	3,041,280	6,082,560
Dr. Fouzia Haider	0020	211,966	2,543,592	5,087,184
Dr. Muhammad Ahsan Uddin	0020	262,853	3,154,236	6,308,472
Dr. Rafat Parveen Siddiqui	0020	253,940	3,047,280	6,094,560
Dr. Rizwana Muneer	0020	296,426	3,557,112	7,114,224
Dr. Rubina Hussain	0020	294,230	3,530,760	7,061,520
Dr. S. Aamir Hameed	0020	245,399	2,944,788	5,889,576
Dr. Soofia Farnaz	0020	252,940	3,035,280	6,070,560
Fareeda Farrukh	0020	244,674	2,936,088	5,872,176
Muhammad Ali	0020	256,747	3,080,964	6,161,928
Seema S. Hai	0020	234,766	2,817,192	5,634,384
Suraiya Shaheen	0020	187,413	2,248,956	4,497,912
Dr. Laila Shahnaz	0020	233,011	2,796,132	5,592,264
Dr. Muhammad Shahid	0021	226,657	2,719,884	5,439,768
Total			57,658,308	115,316,616

Annex-3

32.5.6 Undue Favor granted to suppliers/consultants by irregular award of work/contract – Rs 1,202.780 million

(Rs. in million)

Sr. No.	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	University of Karachi	2021-22 to 2022-23	66	A consultancy contract was awarded for the project 'Improvement of Academic Facilities at University of Karachi.' Two bidders qualified for the contract. One bidder proposed a consultancy fee of 4.75% of the total work, while the other quoted 5.12%. Later, only one bidder was allowed to re-submit their bid, indicating favoritism.	639.182
			72	Two bidders qualified; favoritism was granted to one bidder by awarding no score to other bidder in one of the scoring areas.	536.270
2	Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 to 2022-23	13	Two bidders qualified; favoritism was granted to one bidder by awarding low score to other bidder in one of the scoring areas.	25.459
3	Government College University, Hyderabad	2019-20 to 2022-23	03	Undue favor was awarded to supplier who could not deliver the required make and model of the equipment by changing the specification without any penalty.	1.869
Total					1202.78

Annex-4

32.5.8 Irregular expenditure without inviting tender – Rs 198.558 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	University of Karachi	2021-22 to 2022-23	45	Purchase of physical assets without tender	98.006
2	Quaid-e-Awam University of Engineering & Technology, Shaheed Benazirabad	2022-23	85	Purchase of Lab Equipment without tender. Payment was made as previous year's liability	46.045
			46	Expenditure under various heads of accounts without tender	16.516
3	NED University of Engineering and Technology in Karachi	2022-23	30	13.309 was paid to M/s National Security Printing Company Karachi without calling tender	14.314
4	Sindh Agriculture University, Tando Jam	2022-23	23	Expenditure under various head was made without tender	12.797
5	Mehran University of Engineering Technology, Jamshoro	2022-23	29	Laptops, printers, computer accessories and other equipment were purchase without calling open tender	5.397
6	Shaheed Benazir Bhutto University, Shaheed Benazirabad	2022-23	24	Purchase of one cricket turf roller 2500 kg	1.500
7	Sindh Madrassatul Islam University, Karachi	2021-22 & 2022-23	1	Procurement of various goods and services	2.595
8	Shaikh Ayaz University, Shikarpur	2021-22 & 2022-23	10	Various procurement	0.767
9	Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 to 2022-23	39	Award of contract for conducting recruitment/pre-admission test without competitive process	0.621
Total					198.558

Annex-5

32.5.11 Non-recovery of university dues – Rs 2,232.227 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Dow University of Health Sciences, Karachi	2022-23	01	Medical/Surgical Receivables and corporate panel receivables	1,324.465
			02	Student fees	813.245
2	Dawood University of Engineering & Technology, Karachi	2022-23	07	Students Fees	75.970
3	Liaquat University of Medical & Health Sciences, Jamoshoro	2022-23	06	Boys Hostel Dues	6.220
4	Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 to 2022-23	26	Semester dues outstanding against students	4.431
5	University of Karachi	2021-22 to 2022-23	20	Boys Hostel Fees	3.609
6	Government College University, Hyderabad	2019-20 to 2022-23	22	Admission Fees	2.008
			17	Recovery of removed trees	0.600
7	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2022-23	08	Recovery of interest on mobilization advance	1.679
Total					2,232.227

Annex-6

32.5.13 Non-recovery of various taxes – Rs 116.926 million

(Rs. In million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of account	Particulars	Total Exp	Due tax	Deduct ed	Less deduction
1	University of Karachi	2021-22 to 2022-23	13	Pay and Allowances	Income Tax on salaries	-	24.108	0	24.108
			69	-	SST not deducted	17.333	0.867	0	0.867
2	Dow University of Health Sciences, Karachi	2022-23	09	Health Insurance	Non deduction of SST and Income Tax	86.519	8.652	0	8.652
							11.247	0	11.247
3	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2022-23	25	Pay & Allowances	Less deduction of Income tax	-	-	-	13.175
			05	Execution of development work	Non deduction of SRB	2.647	3.955	0	3.955
			23	Procurement of Sanitary Services	SST	3.300	0.429	0	0.429
					Income Tax		0.330	0	0.330
4	Liaquat University of Medical & Health Sciences, Jamshoro	2022-23	03	Pay & Allowances	Income Tax less deducted	0	0	0	12.100
			04	Software	Non deduction of Tax	0.024	4.586	0	4.586
				Outsourcing of Hostel	Less deduction of Income Tax	4.368	0.375	0	0.375
					Less deduction of SST		0.483	0	0.483
			09	Purchase of Lab Chemicals and kits	Recovery of Stamp duty	124.522	0.436	0	0.436
5	NED University, Karachi,	2022-23	20	Software	Non deduction of SST	41.630	8.117	0	8.177
6	Mehran University of Engineering Technology, Jamshoro	2022-23	27	Contingent bills	Less deduction of SST	50.848	5.328	2.003	3.325
			15	Pay & Allowances	Less deduction of income tax	-	-	-	0.641
			28	Various accounts	Less deduction of Sales Tax	7.495	1.202	0.820	0.382

(Rs. In million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of account	Particulars	Total Exp	Due tax	Deduct ed	Less deduction
			26	Contingent bills	Less deduction of income tax	7.530	0.443	0.243	0.200
7	IBA, Sukkur	2022-23	23	Bill of solar grid	Non deduction of income tax	49.725	3.729	0	3.729
				Purchase of carpet	Non deduction of income tax	8.418	0.379	0	0.379
				Purchase of PVC cables	Non deduction of Income tax	4.108	0.185	0	0.185
			05	Various accounts	Less deduction of Income Tax and SST	24.088	-	-	1.933
8	Quaid-e-Awam University of Engineering & Technology, Shaheed Benazirabad	2022-23	41	Purchases from non registered suppliers	Non deduction of GST	12.975	2.205	0	2.205
			42	Purchases were made by Advance payments to employees	Non deduction of SST	10.460	0.679	0	0.679
9	Shaheed Benazir Bhutto University, Benazirabad	2022-23	20	Various payments	Non deduction of SST	15.945	2.710	0	2.710
			29	Various payments	Less deduction of Income Tax	7.862	0.786	0.318	0.469
			30	Dewatering	Non deduction of SST	2.413	0.313	0	0.313
			31	Various works	Non recovery of stamp duty	56.056	0.196	-	0.196
10	Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 to 2022-23	25	Lab equipment	Non deduction of SST	15.954	2.712	0	2.712
			47	Purchase of Generator	Non deduction of SST	9.000	1.147	0	1.147
					Non deduction of WHT		0.506	0	0.506

(Rs. In million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of account	Particulars	Total Exp	Due tax	Deduct ed	Less deduction
			37	Software	Non deduction of SST	2.682	0.349	0	0.349
11	Dawood University of Engineering & Technology, Karachi	2022-23	25	Software	Non deduction of SST on PERN Payments	8.200	1.599	0	1.599
12	Begum Nusrat Bhutto Women University, Sukkur	2019-20 to 2022-23	26	Various payment to contractors	Less deduction of GST	28.976	1.751	0.202	1.346
			14	Rent of building	Non deduction of stamp duty	5.530	0.149	0	0.149
			22	Contract agreement		50.693	0.167	0	0.167
13	Government College University, Hyderabad	2019-20 to 2022-23	11	Purchase of Scientific equipment	Non deduction of GST	5.455	0.927	0	0.927
			10		Non deduction of Income Tax		0.245	0	0.245
14	Shaikh Ayaz University, Shikarpur	2020-21 to 2022-23	22	Purchase of furniture	17% GST not deducted	1.280	0.218	0	0.218
			15	Security services	Non deduction of SST	5.123	0.666	0	0.666
15	Shah Abdul Latif University, Khairpur	2022-23	26	Construction work	Sales tax not deducted	4.320	0.216	0	0.216
			25	Construction work	Less deduction of income tax	1.535	0.116	0	0.116
16	Sindh Higher Education, Karachi	2022-23	12	Various accounts	Non deduction of stamp duty	83.447	0.292	0	0.292
Total						405.182	-	-	116.921

Annex-7**32.5.19 Irregular cash withdrawals – Rs 115.605 million**

(Rs. in million)

Sr.#	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Vice Chancellor Quaid-e-Awam University of Engineering & Technology, Shaheed Benazirabad	2022-23	33	Huge amounts were drawn from banks pension funds and Vice Chancellor bank accounts without any justification or furnishing the trail of transaction.	105.658
2	Vice Chancellor Sindh Madressatul Islam University, Karachi	2021-22 & 2022-23	04	Payment was made with open cheques instead of crossed cheques.	4.132
3	Dawood University of Engineering & Technology, Karachi	2021-22 to 2022-23	13	Cash was drawn from various bank accounts instead of direct crediting to vendors' bank accounts or payment through cheques.	3.245
4	Sindh Agriculture University, Tando Jam	2022-23	22		1.000
5	Vice Chancellor, NED University of Engineering and Technology Karachi	2022-23	28	Cash was withdrawn from NBP without any justification or trail	1.570
Total					115.605

Annex-8

32.5.21 Illegal occupation of land and property – Rs 133.955 million

(Rs in million)

Sr.#	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	University of Karachi	2021-22 to 2022-23	25	55 plots/Residential houses of categories A to G were illegally occupied	44.599
			27	Failure to act against retired employees illegally occupying campus houses under encroachment act of the university.	0
			28	No action taken against the retired employees of other departments illegally occupying university residences	0
			32	Illegal occupation of university land by the Petrol Pump beyond the area leased	0
2	Shah Abdul Latif University, Khairpur	2022-23	12	45 acres of land worth millions of rupees was encroached by land grabbers. The university did not take efforts to vacate the land.	9.00
3	Liaquat University of Medical & Health Sciences, Jamshoro	2022-23	17	Illegal occupation of 69 bungalows and quarters of the university by unauthorized persons and staff of the Nimra Hospital	0
4	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2022-23	15	University quarters and bungalows were encroached by the outsiders of the university and no efforts were taken to vacate the property.	0
5	Government College University, Hyderabad	2019-20 to 2022-23	23	Large area of the university premises was under illegal occupation of ex-employees and Rangers.	0
6	Sindh Agriculture University, Tando Jam	2022-23	18	8 acres of university land was encroached by the land grabbers	80.000
Total					133.599

Annex-9

32.5.26 Irregular advances payment to employees – Rs 165.836 million

(Rs. in Million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	University of Karachi	2021-22 to 2022-23	43	Payments were made in advance to individuals including the university engineer, directors, and director of finance instead of directly to vendors, which was found suspicious. Furthermore, the adjustment of advances paid for repair, maintenance, and renovation of buildings was not provided.	33.580
			22	Advances were given to employees for various works / assignments	21.955
			42	Advance given to the Director Physical Education for arranging sport activities	5.193
2	Quaid-e-Awam University of Engineering & Technology, Shaheed Benazirabad	2022-23	09	Reimbursement to the employees against various expenses incurred by employees instead of making direct payments to vendors/payees through cross cheques.	30.791
			11	Unjustified adjustment against the advances granted to various employees	10.046
			47	Repair work carried out through Chairman Transport instead of direct payments to the vendors/workshops.	4.824
			62	Advance payment made to various employees of the university for dewatering	3.697
			49	Expenditure on printing charges for prospectus was to be incurred through various employees by paying advances and reimbursement instead of direct crediting to vendors/suppliers resulting in loss of applicable	3.479

				taxes, this practice must be discouraged immediately.	
			51	Advances were granted for procurement of furniture & fixture for university officers instead of direct crediting to vendors	1.884
			50	Maintenance of garden	1.537
3	Dawood University of Engineering & Technology, Karachi	2021-22 to 2022-23	04	Advances paid to various employees were not fully recovered	7.826
			26	Loss to government as expenditure was made through advance payments and reimbursement to employees	3.085
4	Begum Nusrat Bhutto Women University	2019-20 to 2022-23	9	Expenditure for the arrangement of various events incurred through employees	7.066
			5	Irregular payment to the employees of university in the name of re-imbursement without mentioning the purpose	2.131
			11	Advance payments to suppliers with purpose for organizing events.	1.601
5	IBA Sukkur	2022-23	22	Advances to various officers on account of procurement of various goods and services despite completion of financial year	4.973
6	Shaikh Ayaz University, Shikarpur	2020-21 to 2022-23	3	Recurring expenditure	4.674
7	NED University of Engineering and Technology Karachi	2022-23	16	Non-adjustment of Advances till 30th June 2023 to employees and vendor for various recurring expenditure	4.538
			33	Advances for conducting entry test, for event management etc.	1.407
8	Shaheed Benazir Bhutto University, Shaheed Benazirabad	2022-23	21	The employees who incurred expenditure were not declared as DDO, thus the expenditure incurred so was unauthorized	2.645
			26	Advances to various officers without adjustment account	1.470

9	Shah Abdul Latif University, Khairpur	2022-23	06	Advance granted to various officers/officials were not adjusted	2.948
10	Mehran University of Engineering Technology, Jamshoro	2022-23	24	Advances paid to the university employees for arrangement of events, repair work and other recurring expenditure	1.838
11	Aror University of Art, Architecture, Design & Heritage, Sukkur	2021-22 to 2022-23	34	Advance granted to various employees not adjusted till completion of financial year	1.052
12	Sindh Agriculture University, Tando Jam	2022-23	19	Recurring expenditure under various heads were made through payment of advances to employees and allowing reimbursement	1.008
			16	Doubtful payment and adjustment of advance for purchases	0.588
Total					165.836

32.5.29 Unjustified payment against rejected items – Rs 1.831 million

(Amount in Rupees)

Sr. #	Item No.	Reasons for rejection by Inspection Committee	Amount of rejected items
1	FMC-03	The equipment as per contract should be of BIOBASE and automatic. The equipment provided is manual and not from BIOBASE.	325,000
2	FMC-06	Equipment provided is not an evaporator rather it is a chiller therefore rejected.	485,000
3	FMC-07	Equipment provided is different than picture and designed present on official website of manufacturer. The equipment also has rusting on it.	548,000
4	FMC-12	The equipment provided is of very low quality, does not meet the standard of BIOBASE. Also, the rubber on door is already dismantled.	365,000
5	FMC-15(2)	All the chemicals listed here from FMC-15(2) till FMC-15(40) have name tags of manufacturer Sigma Aldrich however these lots are not verified from the official website of Sigma Aldrich. Also the packing does not match with the product mentioned on the official website of the Sigma Aldrich. Some of the chemicals do not even match the mentioned quantity provided on packing and the content present in packing. The supplier was asked to provide the document such as certificate of Analysis, Bill of landing or any other document to prove that these chemicals were imported from the Sigma Aldrich however supplier failed to produce any such document. Therefore these chemicals are rejected.	6,900
6	FMC-15(3)		3,900
7	FMC-15(12)		4,900
8	FMC-15(16)		3,500
9	FMC-15(19)		4,800
10	FMC-15(20)		4,500
11	FMC-15(23)		5,800
12	FMC-15(26)		5,900
13	FMC-15(28)		2,900
14	FMC-15(29)		2,900
15	FMC-15(30)		26,000
16	FMC-15(31)		14,000
17	FMC-15(38)		11,500
18	FMC-15(40)		10,500
Total			1,831,000

Chapter-37 Transport and Mass Transit Department

Annex-1

37.5.5 Doubtful preparation of engineer's estimate caused variation in quoted items - Rs 3,874.699 million

(Amount in Rupees)

Item	Description	Unit	Amount as per Engineer's Estimate	Amount quoted by contractor	Excess amount than estimated cost	%age of excess amount estimated cost
3	Design & Special Works					
C	Physical Hydraulic Model	Item	6,000,000	25,000,000	19,000,000	316.66%
E	Temporary Traffic Management	Item	37,000,000	100,000,000	63,000,000	170.27%
4	Bridge Works					
4.1	New Bridge					
C	Superstructure (Cast-in-situ)	Item	638,144,820	2,190,042,500	1,551,897,680	243.18%
E	Elastomeric Bearings	Item	34,976,100	91,184,940	56,208,840	160.70%
F	Expansion Joints	Item	16,085,194	42,250,000	26,164,806	162.66%
G	Bridge Drainage System	Item	159,000	132,000,026	131,841,026	82918.88%
4.3	Reconstruction of Existing Bridge					
C	Superstructure (Cast-in-situ)	Item	616,209,125	2,070,962,500	1,454,753,375	236.08%
E	Elastomeric Bearings	Item	33,316,650	85,940,310	52,623,660	157.95%
F	Expansion Joints	Item	15,466,533	39,250,000	23,783,467	153.77%
G	Bridge Drainage System	Item	159,000	132,000,026	131,841,026	82918.88%
5	Road Works					
E	Road Traffic Signs	Item	30,000,000	118,600,000	88,600,000	295.33%
6	Electrical Works					
C	New ITS Civil Infrastructure	Item	63,014,588	168,000,000	104,985,412	166.60%
7	Utilities					
A	Karachi Electric (K Electric)	Item	35,000,000	100,000,000	65,000,000	185.71%

(Amount in Rupees)

Item	Description	Unit	Amount as per Engineer's Estimate	Amount quoted by contractor	Excess amount than estimated cost	%age of excess amount estimated cost
B	Sui Southern Gas Company (SSGC)	Item	20,000,000	25,000,000	5,000,000	25
C	Pakistan Telecommunication Corporation (PTCL)	Item	5,000,000	25,000,001	20,000,001	400.00%
D	National Telecom Corporation (NTC)	Item	5,000,000	10,000,000	5,000,000	100%
E	Karachi Water & Sewerage Board (KW&SB)	Item	5,000,000	50,000,000	45,000,000	900%
F	Any other utility	Item	10,000,000	40,000,000	30,000,000	300%
Total			1,570,531,010	5,445,230,303	3,874,699,293	

Annex-2

37.5.12 Unauthorized change in scope of work – Rs 4,936.392 million

(Amount in Rupees)

Item	Description	Unit	Amount quoted by contractor
4.2	Demolition of Existing Bridge		
A	Demolition of Existing Bridge and removal of debris to dumping areas approved by the Authorities	Item	173,542,500
4.3	Reconstruction of Existing Bridge		
B	Superstructure (Precast)	Item	257,040,000
C	Superstructure (Cast-in-situ)	Item	2,070,962,500
D	Substructure	Item	2,177,657,500
E	Elastomeric Bearings	Item	85,940,310
F	Expansion Joints	Item	39,250,000
G	Bridge Drainage System	Item	132,000,026
Total			4,936,392,836

Annex-3

37.5.17 Non/Less deduction of Sindh Sales Tax on Services – Rs 9.522 million

(Amount in Rupees)

Name of Office	Financial Year	Head of Account	Particulars	Total Expenditure	13% Due	Deducted	Less deduction
Secretary Transport & Mass Transit Department	2023-24	A03970 Others	Sale tax on Services	12,296,040	1,598,485	0	1,598,485
				8,192,838	1,065,069	606,877	458,192
				12,668,516	1,646,907	0	1,646,907
				12,965,508	1,685,516	960,408	725,108
				13,389,310	1,740,610	991,801	748,809
				12,868,739	1,672,936	953,240	719,696
				12,991,112	1,688,845	962,305	726,540
				12,866,269	1,672,615	953,057	719,558
				12,825,069	1,667,259	950,005	717,254
				12,879,705	1,674,362	954,052	720,310
				13,266,508	1,724,646	982,704	741,942
Total				137,209,614	17,837,250	8,314,449	9,522,801

Chapter-38 Universities and Boards Department

Annex-1

38.5.1 Non-production of auditable record – Rs 22.921 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Detail of Record	Amount
01	Chairman, Board of Intermediate & Secondary Education, Shaheed Benazirabad	2020-21 to 2022-23	08	Supporting vouchers on account of procurement of 150 KV Generator not produced	3.861
02	Chairman, Board of Intermediate & Secondary Education, Mirpurkhas	2022-23	41	Following auditable record not produced to audit: i. Purchase of office Equipment & Furniture ii. Purchase of stationery from M/s Succeed up traders Hyd. iii. Attendance Registers iv. Record of payment to an employee of Rs.79,595/-	2.541
			45	Supporting vouchers pertaining to printing of question papers	16.519
03	Managing Director Sindh Technical Education & Vocational Training Authority (STEVTA) Karachi	2023-24	11	i. Enrolment details along with set targets for current financial year ii. Detail of Liability Account iii. Annual accounts / Monthly Account iv. Section-wise detail of Correspondence	-
Total					22.921

Annex-2

38.5.5 Loss of revenue due to non-recovery / deposit of taxes – Rs 99.935 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of account	Particulars	Total Exp	Due tax	Deducted	Non / Less deduction
01	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	42	Procurement of various assets	Non-crediting of tax into Govt. account	337.224	55.796	-	55.796
			16	Various heads of accounts	Non-recovery of various taxes	-	6.014	-	6.014
			05	Procurement of various items	Non-deduction of stamp duty	165.958	0.580	-	0.580
02	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	07	Various heads of accounts	Non-deduction of various taxes	-	3.174	-	3.174
03	Chairman, Board of Intermediate & Secondary Education Mirpurkhas	2022-23	29	Payment was disbursed to various employees	Non-deposit of income tax	-	14.325	-	14.325
			07	Purchase of various items	Non-obtaining of stamp duty	70.936	0.248	-	0.248
04	Chairman, Board of Intermediate & Secondary Education, Shaheed Benazirabad	2020-21 to 2022-23	07	Services obtained from IT Company	Loss to Govt. due to payment of income tax to vendor	6.899	0.627	-	0.627
			15	Various heads of accounts	Non-recovery of stamp duty	68.733	0.247	-	0.247
05	Secretary, Benazir Bhutto Shaheed Human Resource Research & Development Board, Karachi	2023-24	54	Various heads of accounts	Non-deposition of various taxes	-	14.854	-	14.854
06	Secretary, Benazir Bhutto Shaheed Human Resource Research &	2023-24	55	Services rendered by caterers / suppliers	Non-deduction of various taxes	-	3.336	-	3.336

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of account	Particulars	Total Exp	Due tax	Deducted	Non / Less deduction
	Development Board, Karachi								
07	Secretary, Universities and Boards Department, Government of Sindh, Karachi	2023-24	10	Rent of office building	Less deduction of income tax	9.330	1.987	1.791	0.196
08	Managing Director Sindh Technical Education & Vocational Training Authority (STEVTa) Karachi	2023-24	18	Services rendered from supplier on Repair / Renovation work	Non-deduction of Sindh sales tax	10.763	0.538	-	0.538
Total									99.935

Annex-3

38.5.10 Discrepancies observed in tendering process – Rs 53.494 million

(Amount in Rupees)

Sr.#	OM#	Subject	Irregularity	Amount
1	32	Non-hoisting required documents on authority's website – Rs 53.494 million	Tenders were awarded to different suppliers. However, various bidding documents such as Singed BOQ, Contract Agreement, Work Award & Acceptance Letter, Technical Evaluation Report, were not uploaded on authorities website in violation of above rule.	53,494,300
2	33	Irregular continuation of tenders of previous year– Rs 53.494 million	Tenders which were based on procurement plan for the financial year 2022-23 were awarded (in the same year) to respective suppliers/contractors but unjustifiably those tenders were extended to the next Financial Year despite the fact that the contract agreement was expired on 10.05.2023 (FY2022-23). Moreover, the authority cancelled the tender on 12-05-2023 and payments of Rs19.568 were made into next financial year i.e. 2023-24.	
3	34	Irregular technical evaluation of the tenders – Rs 53.494 million	(i) All the participants were technically qualified however, evaluation reports were not supported with relevant documents i.e., experience certificates/work completion certificates, qualification of key professional staff, supporting evidence of sufficient turn over etc. (ii) In case Development of FMIS, only overall minimum marks were set however, no minimum marks were set inside sub-category.	
4	35	Defective execution of contract agreement- Rs 53.494 million	(i) There was no provision of payment of mobilization advance in bidding documents as well as in the contract agreement. However, recovery clause of mobilization advance was included in the contract agreement which create ambiguity / doubt for the payment of mobilization advance. (ii) The contract agreement also did not clearly mention the % of mobilization advance. (iii) Recovery clauses of the mobilization advance were included. Moreover, terms of payments were also not clear.	
Total				53,494,300

Annex-4**38.5.27 Unauthorized payment to employees instead of vendor – Rs 83.101 million**

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	Chairman, Board of Intermediate Education Karachi	2019-20 to 2022-23	29	Amount drawn on the names of employees and paid cash instead of vendor account	61.542
02	Chairman, Board of Secondary Education Karachi	2019-20 to 2022-23	04	Suspicious cash withdrawals instead of payment through crossed cheques	10.084
			17	Amount drawn on the names of employees and paid cash instead of vendor account	7.402
03	Secretary, Benazir Bhutto Shaheed Human Resource Research & Development Board, Karachi	2023-24	46	1. Procurement was not made through department with codal formalities. 2. Delivery challans, Requisition, Department approval, Competitive process were not produced to audit as well as not attached with any voucher. 3. Payments were made in cash/Cheque to employees instead of vendors through crossed cheque.	4.073
Total					83.101

Chapter-39 Women Development Department

Annex-1

39.5.2 Irregular award of tenders without obtaining bid security and agreement without stamp duty – Rs 7.907 million

(Amount in Rupees)

Cheque No	Pmnt Date	Year	Cost Center	G/L	Vendor Name	Amount
4968262	07.06.2023	2022	HB0776	A03963	Verizon Enterprises	393,770
4968262	07.06.2023	2022	HB0776	A03963	Verizon Enterprises	393,770
4928470	15.05.2023	2022	HB0776	A03963	Verizon Enterprises	393,770
4861368	06.04.2023	2022	HB0776	A03963	Verizon Enterprises	393,770
4841879	14.03.2023	2022	HB0776	A03963	Verizon Enterprises	393,770
4841879	14.03.2023	2022	HB0776	A03963	Verizon Enterprises	364,520
4839997	02.03.2023	2022	HB0776	A03963	Verizon Enterprises	364,520
4773249	11.01.2023	2022	HB0776	A03963	Verizon Enterprises	364,520
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	364,520
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	364,520
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	364,520
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	364,520
4773245	11.01.2023	2022	HB0776	A03963	M/S Wellcome Enterprises	286,582
4841879	14.03.2023	2022	HB0776	A03963	Verizon Enterprises	223,500
4839997	02.03.2023	2022	HB0776	A03963	Verizon Enterprises	223,500
4773249	11.01.2023	2022	HB0776	A03963	Verizon Enterprises	223,500
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	223,500
4968262	07.06.2023	2022	HB0776	A03963	Verizon Enterprises	203,000
4968262	07.06.2023	2022	HB0776	A03963	Verizon Enterprises	203,000
4928470	15.05.2023	2022	HB0776	A03963	Verizon Enterprises	203,000
4861368	06.04.2023	2022	HB0776	A03963	Verizon Enterprises	203,000
4841879	14.03.2023	2022	HB0776	A03963	Verizon Enterprises	203,000
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	186,250
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	186,250
4705355	11.11.2022	2022	HB0776	A03963	Verizon Enterprises	186,250
4968261	07.06.2023	2022	HB0776	A03963	M/S Zam Trading Co	126,500
4968261	07.06.2023	2022	HB0776	A03963	M/S Zam Trading Co	126,500
4773248	11.01.2023	2022	HB0776	A03963	Zam Trading Co	126,500
4773248	11.01.2023	2022	HB0776	A03963	Zam Trading Co	126,500
4773248	11.01.2023	2022	HB0776	A03963	Zam Trading Co	126,500
Total						7,907,322

Annex-2

39.5.3 Irregular expenditure on account of Feeding Charges – Rs 11.884 million

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4968262	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	393,770
4968262	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	393,770
4928470	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	393,770
4861368	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	393,770
4841879	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	393,770
4841879	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	364,520
4839997	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	364,520
4773249	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	364,520
4705355	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	364,520
4705355	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	364,520
4705355	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	364,520
4705355	2022	HB0776	Verizon Enterprises	Fruits, Dal, Rice, Baisan, Eggs etc	364,520
4773245	2022	HB0776	M/S Wellcome Enterprises	Falooda, Jelly, Custard, Biscuits, etc	286,582
4841879	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	223,500
4839997	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	223,500
4773249	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	223,500
4705355	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	223,500
4968262	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	203,000
4968262	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	203,000

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4928470	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	203,000
4861368	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	203,000
4841879	2022	HB0776	Verizon Enterprises	60kg Mutton, Beef, Chicken, Fish	203,000
4705355	2022	HB0776	Verizon Enterprises	50 KG Mutton, Beef, Chicken etc	186,250
4705355	2022	HB0776	Verizon Enterprises	50 KG Mutton, Beef, Chicken etc	186,250
4705355	2022	HB0776	Verizon Enterprises	50 KG Mutton, Beef, Chicken etc	186,250
4968261	2022	HB0776	M/S Zam Trading Co	Gram Masala, Salt,	126,500
4968261	2022	HB0776	M/S Zam Trading Co	Gram Masala, Salt, Chili, Anaar, Kabab etc	126,500
4773248	2022	HB0776	Zam Trading Co	Gram Masala, Salt, Chili, Anaar, Kabab etc	126,500
4773248	2022	HB0776	Zam Trading Co	Gram Masala, Salt, Chili, Anaar, Kabab etc	126,500
4773248	2022	HB0776	Zam Trading Co	Gram Masala, Salt, Chili, Anaar, Kabab etc	126,500
3724676	2019	HB0616	Sak Enterprises	40 Oil Cooking, Ghee, Sugar etc	24,900
3724676	2019	HB0616	Sak Enterprises	40 Oil Cooking, Ghee, Sugar etc	24,900
3724028	2019	HB0616	Sak Enterprises	40 Oil Cooking, Ghee, Sugar etc	24,900
3722756	2019	HB0616	Sak Enterprises	40 Oil Cooking, Ghee, Sugar etc	24,900
3722611	2019	HB0616	Sak Enterprises	Mix Vegetable, Green Masale	24,250
3722756	2019	HB0616	Sak Enterprises	Mix Vegetable, Green Masale	24,250
3722611	2019	HB0616	Sak Enterprises	Meat, Fish	24,250
3724676	2019	HB0616	Sak Enterprises	Mix Vegetable, Green Masale	24,000
3724676	2019	HB0616	Sak Enterprises	Mix Vegetable, Green Masale	24,000
3724028	2019	HB0616	Sak Enterprises	Mix Vegetable, Green Masale	24,000
3724676	2019	HB0616	Sak Enterprises	Needo Milk 18, Dalls 25 etc	23,900

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
3724676	2019	HB0616	Sak Enterprises	Needo Milk 18, Dalls 25 etc	23,900
3724028	2019	HB0616	Sak Enterprises	Needo Milk 18, Dalls 25 etc	23,900
3722756	2019	HB0616	Sak Enterprises	Needo Milk 18, Dalls 25 etc	23,900
3724028	2019	HB0616	Sak Enterprises	Meat, Fish	23,850
3722611	2019	HB0616	Sak Enterprises	Needo, Sugar, Tapad	23,700
3722611	2019	HB0616	Sak Enterprises	Mix Vegetable, Green Masale	23,500
3722611	2019	HB0616	Sak Enterprises	Fresh Milk, Dahi, Makhan	23,260
3722611	2019	HB0616	Sak Enterprises	Fresh Milk, Dahi, Makhan	23,260
3722611	2019	HB0616	Sak Enterprises	210 Flour, 25 Oil	23,100
3722611	2019	HB0616	Sak Enterprises	600 Eggs, 40 Slice	22,700
3722611	2019	HB0616	Sak Enterprises	600 Eggs, 40 Slice	22,700
3724676	2019	HB0616	Sak Enterprises	160 Nestle Juice	22,400
3724676	2019	HB0616	Sak Enterprises	160 Nestle Juice	22,400
3724028	2019	HB0616	Sak Enterprises	160 Nestle Juice	22,400
3724028	2019	HB0616	Sak Enterprises	160 Nestle Juice	22,400
3724028	2019	HB0616	Sak Enterprises	Fresh milk 120, Dahi etc	21,750
3724834	2019	HB0616	Sak Enterprises	130 kg Baspati Rice	20,800
3724676	2019	HB0616	Sak Enterprises	130 kg Baspati Rice	20,800
3722756	2019	HB0616	Sak Enterprises	130 kg Baspati Rice	20,800
3722611	2019	HB0616	Sak Enterprises	Needo Milk, Sugar, Masala	20,775
3724676	2019	HB0616	Sak Enterprises	Meat, Fish	20,250
3724676	2019	HB0616	Sak Enterprises	19 Meat, Fish	20,250
3722756	2019	HB0616	Sak Enterprises	19 Meat, Fish	20,250
3724676	2019	HB0616	Sak Enterprises	Fresh milk 120, Dahi etc	19,975
3724676	2019	HB0616	Sak Enterprises	Fresh milk 120, Dahi etc	19,975
3722756	2019	HB0616	Sak Enterprises	Fresh milk 120, Dahi etc	19,975
3661842	2019	HB0616	Ms: Sak Enterprises	Beef, Mix Vegetable etc	18,440
3724676	2019	HB0616	Sak Enterprises	225 Lays	18,000
3724676	2019	HB0616	Sak Enterprises	225 Lays	18,000
3724028	2019	HB0616	Sak Enterprises	225 Lays	18,000
3661842	2019	HB0616	Ms: Sak Enterprises Hyd	Mix Vegetable, Green Masale	16,900
3724676	2019	HB0616	Sak Enterprises	280kg Flour Chaki	16,800
3724676	2019	HB0616	Sak Enterprises	280kg Flour Chaki	16,800
3724028	2019	HB0616	Sak Enterprises	280kg Flour Chaki	16,800
3722756	2019	HB0616	Sak Enterprises	280kg Flour Chaki	16,800
3722611	2019	HB0616	Sak Enterprises	Slice, 180 Lays	16,800

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
3664555	2019	HB0616	Sak Enterprises	Ghee, Sugar, Rice	16,500
3661842	2019	HB0616	Ms: Sak Enterprises Hyd	Beef, Fish, Mutton	16,420
3661441	2019	HB0616	Ms: Sak Enterprises Hyd	Fish, Vegetable etc	16,320
3664555	2019	HB0616	Sak Enterprises	40 Fresh Milk, Egg, Onion etc	16,200
3661842	2019	HB0616	Ms: Sak Enterprises Hyd	Breed, Egg, Adrak	15,740
3664555	2019	HB0616	Sak Enterprises	Mutton, Vegetable, Masala	15,660
3570342	2019	HB0616	Ms: Sak Enterprises Hyd	Mutton, Vegetable, Masala	15,600
3570342	2019	HB0616	Ms: Sak Enterprises Hyd	Mutton, Vegetable, Masala	15,600
3724676	2019	HB0616	Sak Enterprises	160 Butter, 45 egg	14,480
3724676	2019	HB0616	Sak Enterprises	160 Butter, 45 egg	14,480
3724028	2019	HB0616	Sak Enterprises	160 Butter, 45 egg	14,480
3661441	2019	HB0616	Ms: Sak Enterprises Hyd	Breed, Egg, Dahi etc	14,160
3661441	2019	HB0616	Ms: Sak Enterprises L/ Abad Hyd	Onion, Lasan, Mutton etc	27,920
3664555	2019	HB0616	Sak Enterprises	Rice, etc	13,810
3722611	2019	HB0616	Sak Enterprises	40 Slice, 160 Lays	12,800
4968261	2022	HB0776	M/S Zam Trading Co	Gram Masala, Salt,	126,500
4376165	2021	HB0776	M/S Lala Rauf & Govt Con	Fruit	33,000
4610581	2021	HB0776	M/S K.D Enterprises	Fruit	30,800
4537339	2021	HB0776	M/S K.D Enterprises	Fruit	30,800
4610581	2021	HB0776	M/S K.D Enterprises	Flour	28,800
4537339	2021	HB0776	M/S K.D Enterprises	Flour	28,800
4535156	2021	HB0776	M/S Lala Rauf & Govt Con	Fruit	28,500
4442275	2021	HB0776	M/S Lala Rauf & Govt Con	Fruit	28,500
4276361	2021	HB0776	M/S K.D Enterprises	Vegetable	28,800

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4273797	2021	HB0776	M/S K.D Enterprises	Vegetable	28,500
4273797	2021	HB0776	M/S K.D Enterprises	Fruit	27,600
4376165	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Draw Milk	27,500
4275158	2021	HB0776	M/S K.D Enterprises	Fruit	27,000
4275153	2021	HB0776	M/S K.D Enterprises	Meat	26,400
4376166	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Flour	26,350
4273797	2021	HB0776	M/S K.D Enterprises	Chicken & Fish	25,200
4276538	2021	HB0776	M/S K.D Enterprises	Flour	25,200
4275153	2021	HB0776	M/S K.D Enterprises	Meat	25,200
4272746	2021	HB0776	M/S K.D Enterprises	Chicken, Fish	25,200
4442275	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Flour	25,075
4442269	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Meat	25,000
4273796	2021	HB0776	M/S K.D Enterprises	Meat	25,000
4275158	2021	HB0776	M/S K.D Enterprises	Nestle Juice	24,800
4276555	2021	HB0776	M/S K.D Enterprises	Onion & Green Masala	23,750
4273796	2021	HB0776	M/S K.D Enterprises	Nimko Chips	23,750
4376166	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Vegetable	24,320
4535039	2021	HB0776	M/S FAHAD ENTERPRISES	Rice	24,300

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4376166	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Kaleeji, Tomoto	23,400
4376165	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Makhan	24,300
4276593	2021	HB0776	M/S K.D Enterprises	Makhan	24,300
4275158	2021	HB0776	M/S K.D Enterprises	Makhan	24,300
4275153	2021	HB0776	M/S K.D Enterprises	Kaleeji, Tomoto	24,300
4535156	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Chicken, Fish	24,220
4442269	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Draw Milk	24,200
4275153	2021	HB0776	M/S K.D Enterprises	Draw Milk	24,200
4376166	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Chicken & Fish	24,100
4610581	2021	HB0776	M/S K.D Enterprises	Mutton	24,000
4537339	2021	HB0776	M/S K.D Enterprises	Slice Roti	24,000
4376165	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Nestle Juice	24,000
4276593	2021	HB0776	M/S K.D Enterprises	Onion & Green Masala	24,000
4275158	2021	HB0776	M/S K.D Enterprises	Roti	24,000
4272662	2021	HB0776	M/S K.D Enterprises	Mutton	24,000
4442275	2021	HB0776	M/S Lala Rauf & Govt Con & Gene Ord	Makhan	23,850
4275153	2021	HB0776	M/S K.D Enterprises	Ghee	23,800

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4376166	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Meat	23,750
4610581	2021	HB0776	M/S K.D Enterprises	Vegetable	23,500
4537339	2021	HB0776	M/S K.D Enterprises	Vegetable	23,500
4610581	2021	HB0776	M/S K.D Enterprises	Rice	23,400
4537339	2021	HB0776	M/S K.D Enterprises	Rice	23,400
4535156	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Pape	23,400
4535156	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Kaleeji, Tomoto	23,400
4442275	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Vegetable	23,400
4442269	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Makhan	23,400
4442275	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Rice	23,400
4442269	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Kaleeji, Tomoto	23,400
4273796	2021	HB0776	M/S K.D Enterprises	Nestle Juice	22,400
4275158	2021	HB0776	M/S K.D Enterprises	Biscuit	23,250
4275158	2021	HB0776	M/S K.D Enterprises	Cooking Oil	23,250
4273797	2021	HB0776	M/S K.D Enterprises	Biscuit	23,250
4275158	2021	HB0776	M/S K.D Enterprises	Pape	23,200
4442275	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Vegetable	23,100

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4442275	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Chicken, Fish	23,100
4276593	2021	HB0776	M/S K.D Enterprises	Nestle Juice	23,100
4376165	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Pape	22,950
4275153	2021	HB0776	M/S K.D Enterprises	Rice	22,950
4376166	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Or	Kaleeji, Tomoto	22,950
4276593	2021	HB0776	M/S K.D Enterprises	Fresh Milk	22,800
4275158	2021	HB0776	M/S K.D Enterprises	Fresh Milk	22,800
4442269	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Nimko Chips	22,500
4376165	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Nimko Chips	22,500
4275158	2021	HB0776	M/S K.D Enterprises	Onion & Green Masala	22,500
4376166	2021	HB0776	M/S Lala Rauf & Govt Con& Gene Ord	Ice Cream	22,400
4276555	2021	HB0776	M/S K.D Enterprises	Cooking Oil	22,400
4276361	2021	HB0776	M/S K.D Enterprises	Draw Milk	23,100
4273797	2021	HB0776	M/S K.D Enterprises	Rice	22,100
4535156	2021	HB0776	M/S Lala Rauf & Govt Con	Slice Roti	22,000
4442275	2021	HB0776	M/S Lala Rauf & Govt Con	Ice Cream	22,000
4273796	2021	HB0776	M/S K.D Enterprises	Cooking Oil	21,700
4442269	2021	HB0776	M/S Lala Rauf & Govt Con	Slice Roti	21,600
4376165	2021	HB0776	M/S Lala Rauf & Govt Con	Ice Cream	21,600

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4146942	2021	HB0776	M/S FAHAD ENTERPRISES	Roti	21,600
4610581	2021	HB0776	M/S K.D Enterprises	Canola Oil	21,500
4537339	2021	HB0776	M/S K.D Enterprises	Canola Oil	21,500
4376166	2021	HB0776	M/S Lala Rauf & Govt Con	Biscuit	21,250
4276538	2021	HB0776	M/S K.D Enterprises	Biscuit	22,100
4442269	2021	HB0776	M/S Lala Rauf & Govt Con	Cooking Oil	20,800
4146942	2021	HB0776	M/S FAHAD ENTERPRISES	Cooking Oil	20,800
4272662	2021	HB0776	M/S K.D Enterprises	Onion & Green Masala	20,250
4535156	2021	HB0776	M/S Lala Rauf & Govt Con	Ghee	19,600
4537339	2021	HB0776	M/S K.D Enterprises	Garam Masla	19,272
4535039	2021	HB0776	M/S FAHAD ENTERPRISES	Garam Masla	19,272
4442275	2021	HB0776	M/S Lala Rauf & Govt Con	Ghee	19,250
4276593	2021	HB0776	M/S K.D Enterprises	Pape	17,200
4276593	2021	HB0776	M/S K.D Enterprises	Sugar, Tea, Black Chilli	19,150
4275158	2021	HB0776	M/S K.D Enterprises	55 kg Sugar, 07 kg Tea, 02 kg Black Chilli	19,150
4376166	2021	HB0776	M/S Lala Rauf & Govt Con	Ghee	18,900
4276593	2021	HB0776	M/S K.D Enterprises	Dhai	18,700
4376166	2021	HB0776	M/S Lala Rauf & Govt Con	Qeema	18,200
4535156	2021	HB0776	M/S Lala Rauf & Govt Con	Fresh Milk	18,000
4535039	2021	HB0776	M/S FAHAD ENTERPRISES	Fresh Milk	18,000
4442275	2021	HB0776	M/S Lala Rauf & Govt Con	Fresh Milk	18,000

(Amount in Rupees)

Cheque No	Year	Cost Center	Vendor Name	Particulars	Amount
4376165	2021	HB0776	M/S Lala Rauf & Govt Con	Fresh Milk	18,000
4272663	2021	HB0776	M/S K.D Enterprises	Fresh Milk	18,000
4275158	2021	HB0776	M/S K.D Enterprises	Dahi	17,850
4535156	2021	HB0776	M/S Lala Rauf & Govt Con	Qeema	17,500
4442269	2021	HB0776	M/S Lala Rauf & Govt Con	Qeema	17,500
4276555	2021	HB0776	M/S K.D Enterprises	Qeema	17,500
4275153	2021	HB0776	M/S K.D Enterprises	Qeema	17,500
4442275	2021	HB0776	M/S Lala Rauf & Govt Con	Sugar, Tea, Black Chilli	16,350
4376165	2021	HB0776	M/S Lala Rauf & Govt Con	Sugar, Tea, Black Chilli	15,800
4442269	2021	HB0776	M/S Lala Rauf & Govt Con	Dal Mong, Dal Mong, Dal Chana	13,900
4376165	2021	HB0776	M/S Lala Rauf & Govt Con	Dal Mong, Dal Mong, Dal Chana	13,900
4276555	2021	HB0776	M/S K.D Enterprises	Dal Mong, Dal Mong, Dal Chana	12,800
4273796	2021	HB0776	M/S K.D Enterprises	Dal Mong, Dal Mong, Dal Chana	12,800
4535156	2021	HB0776	M/S Lala Rauf & Govt Con	Dahi	12,750
4376165	2021	HB0776	M/S Lala Rauf & Govt Con	Dahi	11,900
4610581	2021	HB0776	M/S K.D Enterprises	Dal Mong, Dal Mong, Dal Chana	9,520
4537339	2021	HB0776	M/S K.D Enterprises	Dal Mong, Dal Mong, Dal Chana	9,520
Total					11,884,701

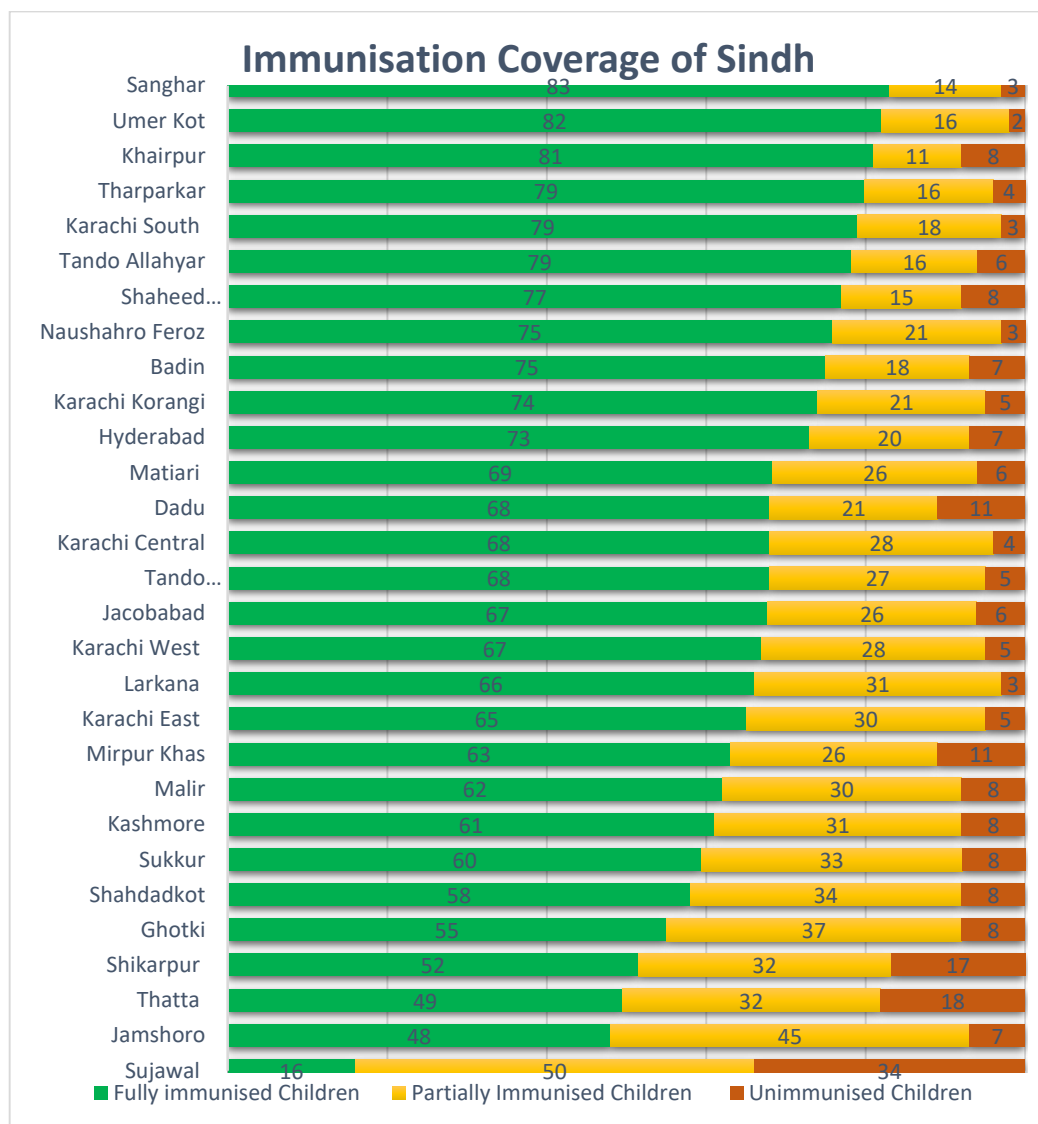
Chapter-40 Thematic Audit (Assessment of strategies and tools adopted by EPI Directorate Sindh for complete immunization of targeted population)

Annex-A

Human Resource

S.NO	District	Total Population 2024	As per WHO EPI Policy Vaccinator Requirement as per Avg. Population for Karachi & Hyderabad=10,000 and Except Hyderabad & Karachi = 5000 (60% rural, 40% urban)	Total Approved SNE Posts	Current Strength	NHSP Vaccinators (Under process)	COVID Vaccinators (contract of W.H.O)	NTS Vaccinators (Under process)	Total (Current +NHSP+COVID+ NTS)	Shortfall
1	Central	3,986,685	399	183	145	0	35	0	179	220
2	East	4,165,308	417	150	116	0	32	18	167	250
3	South	2,439,496	244	127	79	0	37	15	129	115
4	West	2,795,933	280	88	92	0	36	20	147	133
5	Keamari	2,111,268	211	130	87	0	37	15	140	71
6	Korangi	3,231,914	323	155	115	0	24	10	147	176
7	Malir	2,495,069	250	161	100	50	0	0	150	100
8	Hyderabad	2,473,650	247	163	152	30	34	40	268	-21
9	T.Muhammad Khan	734,687	118	81	37	25	0	11	73	45
10	T.Allahyar	936,764	150	86	44	0	15	20	77	73
11	Matiari	863,398	138	75	62	0	0	4	66	72
12	Thatta	1,101,064	176	132	82	0	7	35	122	54
13	Sujawal	849,783	136	103	56	30	10	35	129	7
14	Badin	1,971,809	315	206	121	35	19	40	213	102
15	Dadu	1,776,644	284	207	126	0	24	35	184	100
16	Jamshoro	1,139,431	182	113	56	40	0	30	126	56
17	Mirpurkhas	1,712,996	274	153	111	0	6	18	133	141
18	Umerkot	1,174,909	188	136	82	35	8	27	152	36
19	Sanghar	2,354,865	377	236	132	20	18	26	194	183
20	Tharparkar	1,801,348	288	189	135	35	0	30	200	88
21	Sukkur	1,666,627	267	183	127	0	27	50	204	63
22	Ghotki	1,794,235	287	182	133	0	0	14	147	140
23	Khairpur	2,631,043	421	271	209	35	23	55	320	101
24	Nawabshah	1,886,986	302	179	102	60	7	50	217	85
25	Nausheroferoz	1,806,226	289	172	123	0	0	14	137	152
26	Larkana	1,832,633	293	177	126	35	28	20	207	86
27	Kambar	1,546,681	247	144	86	0	0	10	104	143
28	Shikarpur	1,413,641	226	169	113	0	10	3	124	102
29	Jacobabad	1,204,624	193	136	111	0	20	40	169	24
30	Kashmore	1,259,747	202	128	109	25	0	30	164	38
Sindh		57,159,463	7,724	4,615	3,169	455	457	715	4796	2,928

Breakdown of current vaccination staff



Immunization coverage for Sindh (2022) as per TPVICS 2022

Cold Chain Functionality

Sr. #	DIVISION	DISTRICT	Total No. of Cold Rooms Installed	Total No. of Electric ILRs	Total No. of SOLAR-SDD ILRs	Total Number Of Functional Generators Available.	Total Number of Functional Refrigerated Trucks are available.
		Provincial EPI Store	7	0	0	2	6
1	Karachi	Karachi Central	5	151	0	6	0
2		Karachi East	3	114	9	3	0
3		Karachi Korangi	4	154	1	3	0
4		Karachi Malir	1	74	23	1	0
5		Karachi South	2	102	2	2	0
6		Karachi Kiamari	3	62	15	4	0
7		Karachi West	2	65	20	2	0
Karachi Division TOTAL			27	722	70	23	6
DIVISIONAL STORE HYDERABAD			4	0	0	2	0
8	Hyderabad	Badin	3	130	85	2	1
9		Dadu	3	139	18	1	2
10		Hyderabad	1	118	42	0	1
11		Jamshoro	1	49	37	2	1
12		Matlari	2	92	18	0	1
13		Sujawal	1	32	36	1	1
14		Tando Allahyar	1	52	18	1	0
15		Tando Muhammad Khan	1	27	46	1	0
16		Thatta	1	54	32	4	1
Hyderabad Division TOTAL			18	693	332	14	8
DIVISIONAL STORE SUKKUR			3	1	0	1	0
17	Sukkur	Ghotki	3	118	54	2	0
18		Khairpur	4	134	149	2	1
19		Sukkur	3	86	43	3	2
Sukkur Division TOTAL			13	339	246	8	3
DIVISIONAL STORE MIRPURKHAS			4	0	0	1	0
20	Mirpurkhas	Mirpur Khas	1	83	74	2	0
21		Tharparkar	4	32	171	2	2
22		Umer Kot	2	120	78	2	0
Mirpurkhas Division TOTAL			11	235	323	7	2
DIVISIONAL STORE SBA			2	0	0	1	0
23	SBA	Naushahro Feroze	2	106	43	1	1
24		Sanghar	5	78	73	1	1
25		Shaheed Benazir Abad	2	82	95	0	1
SBA Division TOTAL			11	266	211	3	3
DIVISIONAL STORE LARKANA			3				
26	Larkana	Jacobabad	2	63	73	1	1
27		Kambar Shahdad Kot	1	48	69	1	1
28		Kashmore	1	34	40	2	1
29		Larkana	4	88	34	4	2
30		Shikarpur	2	79	13	2	0
Larkana Division TOTAL			13	312	229	10	5
TOTAL			93	2567	1411	65	27

Cold Chain storage, generators and vehicles details (July 2024)

Cold Chain Storage in district Sujawal, Jamshoro and Thatta









6.1 Non appointment of key staff

EPI Routine Immunization Coverage Report of District South Karachi (0-23 M) financial year 2023-24																							
SR#	Period	Monthly Live Birth Target	BCG	%	OPV-0	%	Monthly Surviving Infants	PENTA-1	%	PENTA-2	%	PENTA-3	%	IPV-1	%	IPV-2	%	TCV	%	MR-1	%	MR-2	%
1	July to Dec 2023	36282	27875	77%	24681	68%	33600	24413	73%	21827	65%	22735	68%	22875	68%	18694	56%	20275	60%	20324	60%	14881	44%
2	Jan to June 2024	37818	24338	64%	21573	57%	35532	21538	61%	19221	54%	20203	57%	20586	58%	16519	46%	17146	48%	17172	48%	13561	38%
Grand Total		74,100	52,213	70%	46,254	62%	69,132	45951	66%	42531	62%	44435	64%	45328	66%	35454	51%	41143	60%	38697	56%	29733	43%

Fake / Fraudulent entries on ZM-SEIR

The following mentioned letters regarding subject matter were issued showing fake / fraudulent vaccination of antigens by Ali Muhammad Roonjho, Raza Ali panhwar & Muhammad raheem of district Thatta and Mr. Ali Akbar, Mr. Aziz Ahmed Magsi & Mr. Allah Bachayo Abbasi of district Sujawal. In this regard, the DHO, Sujawal issued a warning letter to all vaccinators instead of initiation action against the concerned. Moreover, the PD, EPI Sindh Karachi issued a letter to DHO, Thatta on the subject mere to fulfill the formality instead of initiating disciplinary action.

No.PDEPISK/(E-I&II)/19488/92 dated 11-12-2023

No.DHOSUJ/-(EPI)/-2131-41 dated 23-04-2024

No.DHOSUJ/-(EPI)/-2122-30 dated 23-04-2024

PDEPISK/(E-I&II)/-1227/31 dated 09-01-2024

Explanations & Poor Performance:

The DHO, Sujawal dispatched letters No.DHOSUJ/-(EPI)/-0763-71 dated 08/11/2023 & No.DHOSUJ/-(EPI)/-10482/96 dated 23-10-2023 to various vaccinators showing deep concerns on the less performance of the staff, whereas proper disciplinary action against the vaccinators was not initiated.

The DHO, Sujawal vide letters No.DHOSUJ/-(EPI)/-3919/26, No.DHOSUJ/-(EPI)/-3907/34 & No.DHOSUJ/-(EPI)/-3903/10 dated 28/06/2024 and No.DHOSUJ/-(EPI)/-11739/46 dated 05/12/2023 addressed to various vaccinators showing his resentment regarding poor performance & remaining absent from their duties but disciplinary actions were not initiated or replies of the vaccinators were not provided to audit.

Non-Compliance of Transfer Orders

The DHO Sujawal vide letter No.DHOSUJ/-(EPI)/-11747/55 dated 05-12-2023 showed that some vaccinators were transferred but failed to adhere on the transfer orders which clearly depicted that the orders of the DHO, Sujawal were not followed & the disobedience showed the blatant disregard.

Request for Measles Rubella and Td Vaccine – Provincial EPI Sindh

The PD EPI Sindh Karachi requested to Director General, FDI, Islamabad vide NoPDEPISK/(Sub-File)/-2884 dated 6th February 2024 regarding provision of subject vaccines stating that the trend of measles & diphtheria cases were increasing across the Province. This clearly proved that it was failure of the management in controlling the vaccine preventable diseases (VPDs) in the province.

Annex-G

6.12 Failure of management to meet vaccination coverage of measles – Rs 88.703 million

Name of District	%	MR-1 %	MR-2 %	Avg (MR-1+MR2)	Mis sing / shortfall %	Surviving infants	uncovered population	Doses supplied	Doses After deduction of 20% wastage	Doses not used	Rice	Amount
West Karachi	100	77	61	69	31	92285	28608.35	188500	150800	46748	72	12,715,456
Central Karachi	100	77	62	69.5	30.5	105000	32025	205200	164160	50068.8	72	13,618,714
Korangi Karachi	100	86	69	77.5	22.5	80079	18017.78	165000	132000	29700	72	8,078,400
East Karachi	100	73	55	64	36	93888	33799.68	222000	177600	63936	72	17,390,592
South Karachi	100	58	45	51.5	48.5	66572	32287.42	101000	80800	39188	72	10,659,136
Malir Karachi	100	65	49	57	43	81108	34876.44	183000	146400	62952	72	17,122,944
Kemari Karachi	100	79	63	71	29	71432	20715.28	144500	115600	33524	72	9,118,528
						590364	200329.9	1209200	967360			88,703,770

Chapter-41 Impact Audit (Backyard Poultry Farming in Targeted Areas of District Larkano)







(Backyard Poultry Farming in Targeted Areas of Dist. Larkano)

Household Information

1. Name of the Participant: _____
2. NIC No. _____
3. Gender: ☐ Male; ☐ Female
4. Age: ☐ 18-35; ☐ 36-60 ☐ Above 60
5. Education: ☐ Illiterate ☐ Elementary ☐ Primary ☐ Secondary ☐ Matriculation ☐ Intermediate ☐ Graduation ☐ Above Graduation
6. Village: _____
7. Household size: ☐ 3 persons or less ☐ 5 persons or less ☐ 6 persons or above.
8. Land ownership (if any):

9. Marital Status: ☐ Single ☐ Married ☐ Single Parent ☐ Divorced ☒ Widowed
10. Are you or any member of your family member beneficiary of the any welfare project/ scheme of government and/or NGOs such as BISP etc. ☐ Yes ☐ No
If yes, please provide details

Project Participation

1. When did you start participating in the backyard poultry farming project?
(Month/Year):

2. How many chickens did you receive? ☐ 100 healthy birds ☐ Other (please specify):

3. How many birds you still have as of today? ☐ 100 or more ☐ Less than 100 ☐ Other (please specify)

4. What breed of chickens did you receive? ☐ Mix ☐ Local ☐ Misri ☐ Other (please specify):

5. What was the gender distribution of the chickens provided? ☐ 80% hens and 20% roosters ☐ Other (please specify):

6. How many eggs are produced daily?

7. How many eggs do you sell weekly?

8. Did you receive a shed for the chickens? ☐ Fully constructed by the Program

9. ☐ Partially constructed by the program ☐ Not provided at all ☐ Other (please specify):

-
10. Did you receive vaccines and medicine for the chickens when needed? ☐ Timely and effective ☐ Delayed and ineffective ☐ Not at all ☐ Other (please specify):
-

11. Did you avail free hatchery facility of the project for egg hatching? ☐ Yes ☐ No.

Food Security & Nutritional Improvement

1. How often does your household consume eggs from your poultry? ☐ Daily ☐ Weekly ☐ Monthly ☐ Rarely ☐ Other (please specify):
2. Has your household's consumption of protein (eggs and poultry meat) increased since the start of the project? ☐ Yes ☐ No
3. Do you notice any improvement in the health and nutrition of your family members?
- ☐ Yes ☐ No

Economic Impact

1. Has your household income increased since participating in the project? ☐ Yes ☐ No
2. If yes, by how much (approximately)? _____
3. How many children go to school? _____
4. Before the Project _____ After the Project _____
5. Is School performance of kids improved? ☐ Yes ☐ No
6. What do you do with the income generated from poultry farming? ☐ Daily expenses ☐ Education ☐ Healthcare ☐ Savings ☐ Other (please specify):

-
7. How often visit hospital? Before the project: _____ After the project: _____
8. How often do you buy grocery items including meat etc. after the project implementation?

☐ Daily ☐ Weekly ☐ Others (please specify):

9. Any health hazard that might have occurred because of the birds?
-
-

Empowerment of Women

1. Are you aware that the project prioritizes widows and women? ☐ Yes ☐ No
2. Do you feel that this prioritization has positively impacted you or women in your community? ☐ Yes ☐ No
3. If yes, please explain how:
4. Are women in your household actively involved in poultry farming activities?
☐ Yes ☐ No
5. Has the project increased the decision-making power of women in your household?
☐ Yes ☐ No
6. Do women in your household feel more empowered and confident since participating in the project? ☐ Yes ☐ No

Training and Support

1. Did you receive training on poultry farming?
☐ Extensive ☐ Sufficient ☐ Insufficient ☐ Not at all ☐ Other (please specify):
2. Did you find the training provided by the project useful? ☐ Yes ☐ No
3. Have you applied the knowledge and skills from the training in your poultry farming activities? ☐ Yes ☐ No

Community Impact

1. Has the project contributed to the overall development of your community? ☐ Yes
☐ No
2. In what ways has the project improved livelihoods and economic stability in your community?

Bird Mortality Rate

1. What was the approximate percentage of bird mortality you experienced?
☐ Less than 5% ☐ More than 5%
2. What measures have you taken to reduce bird mortality?

Contract Compliance and Penalties

1. Are you aware of the terms and conditions of the project contract? ☐ Yes ☐ No
2. Have you adhered to all the terms and conditions of the contract? ☐ Yes ☐ No
3. If no, have you faced any penalties for violating the contract? ☐ Yes ☐ No
4. If yes, please specify the nature of the violation and the penalty incurred:

Suggestions, Comments, & Feedback

1. What challenges have you faced in poultry farming?

2. What suggestions do you have for improving the project?

3. Any additional comments or feedback?
