



**AUDIT REPORT
ON
THE ACCOUNTS OF
GOVERNMENT OF SINDH
AUDIT YEAR 2015-16**

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS IN BRIEF	
	Page
Abbreviations & Acronyms.....	I
Preface.....	III
Executive Summary.....	V
Summary Tables & Charts.....	XIII
Chapter-1 Public Financial Management Issues.....	01
Chapter-2 Agriculture, Supply and Prices Department.....	36
Chapter-3 Auqaf, Religious Affairs & Zakat & Ushr Department.....	51
Chapter-4 Board of Revenue.....	57
Chapter-5 Chief Minister's Secretariat.....	70
Chapter-6 Culture, Tourism & Antiquities Department.....	95
Chapter-7 Education and Literacy Department.....	115
Chapter-8 Energy Department.....	145
Chapter-9 Excise & Taxation Department.....	154
Chapter-10 Finance Department.....	161
Chapter-11 Food Department.....	184
Chapter-12 Forest & Wildlife Department.....	199
Chapter-13 Health Department.....	213
Chapter-14 Home Department.....	252
Chapter-15 Industries & Commerce Department.....	272
Chapter-16 Information & Archives Department.....	275
Chapter-17 Information, Science & Technology.....	279
Chapter-18 Irrigation Department.....	285
Chapter-19 Labour & Human Resources Department.....	311
Chapter-20 Law, Parliamentary Affairs & Human Rights Department.....	317
Chapter-21 Livestock and Fisheries Department.....	322
Chapter-22 Local Government, Rural Development, PHE and H&TP Department.....	327
Chapter-23 Mines & Minerals Department.....	348
Chapter-24 Minorities Affairs Department.....	352
Chapter-25 Organs of State.....	356
Chapter-26 Planning & Development Department.....	360
Chapter-27 Population Welfare Department.....	386
Chapter-28 Services General Administration & Coordination Department.....	392
Chapter-29 Social Welfare Department.....	400
Chapter-30 Special Education.....	403
Chapter-31 Sports & Youth Affairs Department.....	406
Chapter-32 Transport and Mass Transit Department.....	408
Chapter-33 Women Development Department.....	414
Chapter-34 Works and Services Department.....	419
MEMORANDUM FOR DAC (MfDAC).....	433
ANNEXES FOR CHAPTERS	447

TABLE OF CONTENTS IN DETAIL

	Page No.
ABBREVIATIONS & ACRONYMS	i
PREFACE	iii
EXECUTIVE SUMMARY	v
SUMMARY TABLES & CHARTS	xiii
I Audit Work Statistics	xiii
II Audit observations regarding financial management	xiv
III Outcome Statistics	xv
IV Irregularities pointed out	xvi
CHAPTER - 1	1
PUBLIC FINANCIAL MANAGEMENT ISSUES	1
(A) BUDGETING ISSUES	1
1.1.1 Assessment of Budget and budgeting process	1
(B) ACCOUNTING ISSUES	9
1.1.2 Physical Assets not taken in Assets Register – Rs3.377 billion	9
1.1.3 State trading stock capitalized in long term assets – Rs20.015 billion	11
1.1.4 Non-maintenance of objectwise opening and closing balances of long term assets – Rs917.659 billion	13
1.1.5 Contribution/Trnasfer to Funds being wrongly classified as Investments – Rs12.250 billion	14
1.1.6 Long outstanding loans and advances – Rs25.685 billion	16
1.1.7 Negative balances appearing in permanent debt - Rs1.097 billion	17
1.1.8 Recoveries of overpayments (sampling error-non projectible)	18
1.1.9 Less recovery of taxes and other revenues – Rs107.976 million	19
1.1.10 Non-reporting of correct amount of Pension Fund	20
1.1.11 Expenditure in excess of budget allocation – Rs8.164 billion	20
1.1.12 Excess payment against employee related expenses – Rs22.867 million	21
1.1.13 Excess retirement/employees related benefits - Rs7.792 million	22
1.1.14 Non-production of record - Rs5.684 billion	23
1.1.15 Variation in figures of opening & closing balances, AG / bank or departments	25

1.1.16	Payment through DDO account	26
1.1.17	Payments without budget provision	27
1.1.18	Reconciliation process not carried out - Rs10.149 billion	27
1.1.19	Misclassification of expenditure - Rs10.997 million	28
1.1.20	Irregular expenditure against Grants-in-aid - Rs26.500 million	29
1.1.21	Blockage of Government Revenue by National Bank of Pakistan Rs275.005 million	30
1.1.22	Misclassification of expenditure – Rs2.568 million	31
1.1.23	Misclassification of expenditure – Rs2.261 million	32
1.1.24	Misclassification of expenditure – Rs5.488 million	34
1.1.25	Misclassification of expenditure in different cost centres- Rs2.984 million	35
1.1.26	Misclassification of expenditure – Rs1.340 million	35
CHAPTER-2		38
AGRICULTURE, SUPPLY AND PRICES DEPARTMENT		38
2.1	Introduction	38
2.2	Comments on the Budget and Accounts (Variance Analysis)	39
2.3	Brief comments on the compliance of PAC directives	39
2.4	AUDIT PARAS	40
2.4.1	Non-production of record – Rs4.370 billion	40
2.4.2	Irregular payment without obtaining delivery challans-Rs99.023 million	41
2.4.3	Irregular expenditure of subsidy without obtaining Form-07 from the Beneficiary Farmers - Rs17.530 million	42
2.4.4	Under-utilization of working strength of staff and available bulldozers - Rs16.200 million	43
2.4.5	Unjustified allowing of hiring of Bulldozers to farmers at subsidized rates without obtaining relevant documentary evidence - Rs10.143 million	44
2.4.6	Unauthorized deposit/payment into DDO account – Rs8.431 million	44
2.4.7	Irregular refund of token money to farmers - Rs.7.500 million	46
2.4.8	Irregular Expenditure by splitting without inviting open tender – Rs2.862 million	46
2.4.9	Loss on account of cultivation of land - Rs1.952 million	47
2.4.10	Un-authorized retention of government money in DDO Account– Rs1.044 million	48
2.4.11	Non-recovery of outstanding amount against seed supplied on credit to various seed companies - Rs7.980 million	49
2.4.12	Non-recovery of outstanding dues – Rs6.531 million	50
2.4.13	Non-recovery of 50% share of farmers and irregular expenditure on purchase of agricultural equipment - Rs4.221 million	51
2.4.14	Non-recovery of stamp duty – Rs1.568 million	52
CHAPTER-3		54

AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT	54
3.1 Introduction	54
3.2 Comments on the Budget and Accounts (Variance Analysis)	54
3.3 Brief comments on the compliance of PAC directives	55
3.4 AUDIT PARAS	56
3.4.1 Non-production of record – Rs5.295 million	56
3.4.2 Irregular payment without supporting vouchers – Rs9.243 million	56
3.4.3 Un-justified expenditure on various events/Urs Celebrations – Rs6.993 million	57
3.4.4 Irregular development expenditure without calling tender in violation SPPRA 2010 - Rs2.114 million	58
3.4.5 Loss to government due to non-recovery of revenue collectibles – Rs32.881 million	59
CHAPTER – 4	60
BOARD OF REVENUE	60
4.1 Introduction	60
4.2 Comments on the Budget and Accounts (Variance Analysis)	60
4.3 Brief comments on the compliance of PAC directives	60
4.4 AUDIT PARAS	61
4.4.1 Doubtful expenditure on suspicious cash memos – Rs8.477million	61
4.4.2 Doubtful expenditure from head of account Unforeseen – Rs7.904 million	61
4.4.3 Non-production of record - Rs401.756 million	63
4.4.4 Un-authorized retention of funds by DDO – Rs47.334 million	63
4.4.5 Non-invitation of open tender in violation of SPPRA 2010 – Rs39.732 million	64
4.4.6 Unauthorized and doubtful payment through DDO account instead of cheque payment – Rs28.378 million	65
4.4.7 Irregular expenditure without supporting vouchers - Rs16.329 million	66
4.4.8 Irregular splitting up of purchases to avoid calling tender – Rs1.395 million	67
4.4.9 Irregular expenditure without the approval - Rs1.280 million	68
4.4.10 Irregular expenditure under head electricity charges – Rs1.194 million	68
4.4.11 Non-recovery of outstanding government dues – Rs36.773 million	69
4.4.12 Non-recovery of unadjusted advances– Rs7.407 million	70
4.4.13 Non-deduction of income tax at source – Rs2.667 million	71
4.4.14 Recovery of non-deducted sales tax – Rs1.803 million	71
CHAPTER - 5	73
CHIEF MINISTER’S SECRETARIAT	73
5.1 Introduction	73

5.2	Comments on the Budget and Accounts (Variance Analysis)	73
5.3	Brief comments on the compliance of PAC directives	74
5.4	AUDIT PARAS	75
5.4.1	Loss to university by unjustified migration of four self-finance students and nine fee concessions – Rs2.180 million	75
5.4.2	Non-production of record - Rs7.528 million and irregular purchase of car - Rs1.034 million	75
5.4.3	Non-production of record - Rs225.189 million	76
5.4.4	Non-utilization of funds to train youth - Rs533.014 million	77
5.4.5	Less deposit of fee into relevant account - Rs134.878 million	78
5.4.6	Irregular payment of allowances – Rs94.296 million	79
5.4.7	Excess payment of electricity to HESCO – Rs3.929 million	80
5.4.8	Non-credit of collected amount – Rs1.718 million	81
5.4.9	Un-authorized retention of government funds in DDO Account - Rs73.021 million	82
5.4.10	Irregular expenditure on repair of building – Rs31.639 million	83
5.4.11	Expenditure without inviting tender – Rs31.127 million	84
5.4.12	Non-utilization of sports fee - Rs14.137 million	85
5.4.13	Irregular expenditure on stipend to trainees – Rs2.301 million	86
5.4.14	Irregular expenditure on account of repair of vehicles - Rs2.250 million	87
5.4.15	Unauthorized payment on execution of extra work - Rs1.497 million	87
5.4.16	Irregular payment for gratuity over 30 years of service – Rs1.412 million	88
5.4.17	Unjustified recovery of sports fee – Rs1.034 million	89
5.4.18	Irregularity on account of investment of funds	89
5.4.19	Irregular promotion of Assistant Professors	90
5.4.20	Non-recovery of outstanding dues – Rs1.284 billion	91
5.4.21	Non-adjustment of advances – Rs61.655 million	92
5.4.22	Non-recovery of self-financing/admission fee – Rs19.325 million	93
5.4.23	Non-collection of rent from commercial banks – Rs10.800 million	93
5.4.24	Non/Short-deduction of taxes – Rs4.620million	94
5.4.25	Excess payment of conveyance & house rent allowances – Rs5.254 million	96
5.4.26	Non-recovery of outstanding dues – Rs2.016 million	97
	CHAPTER – 6	99
	CULTURE, TOURISM & ANTIQUITIES DEPARTMENT	99
6.1	Introduction	99
6.2	Comments on the Budget and Accounts (Variance Analysis)	99
6.3	Brief comments on the compliance of PAC directives	100
6.4	AUDIT PARAS	101

6.4.1	Doubtful payments out of Grants-in-aid – Rs1.432 million	101
6.4.2	Non-production of record – Rs321.405 million	101
6.4.3	Irregular 2nd revision of schemes -Rs186.075 million	102
6.4.4	Unauthorized expenditure on Gorakh Hill Development Authority - Rs20.000 million	103
6.4.5	Irregular expenditure on major repair of Rest House - Rs20.000 million	105
6.4.6	Irregular expenditure on events' celebrations – Rs19.952 million	106
6.4.7	Irregular retention of funds in DDO Account - Rs17.468 million	108
6.4.8	Irregular expenditure on purchase of various articles - Rs17.192 million	109
6.4.9	Irregular withdrawal of cash from bank through open Cheque – Rs16.420 million	109
6.4.10	Non-deposit of income tax & withholding tax deducted from contractors and receipt of sale of books into government account – Rs13.087 million	110
6.4.11	Irregular procurement without inviting tenders – Rs6.916 million	111
6.4.12	Irregular issuance of secured advance - Rs5.880 million	112
6.4.13	Irregular expenditure on account of Grants-in-aid – Rs4.000 million	113
6.4.14	Unauthorized expenditure on cultural programs – Rs4.597 million	114
6.4.15	Unauthorized expenditure on account of procurement of non-schedule items- Rs3.668 million	116
6.4.16	Recovery of unadjusted advances – Rs1.688 million	117
6.4.17	Irregular drawal of conveyance allowance despite getting conveyance facility – Rs1.684 million	117

CHAPTER – 7 **119**

EDUCATION AND LITERACY DEPARTMENT **119**

7.1	Introduction	119
7.2	Comments on the Budget and Accounts (Variance Analysis)	120
7.3	Brief comments on the compliance of PAC directives	120
7.4	AUDIT PARAS	121
7.4.1	Irregular receipt of profit and its non-accountal – Rs94.922 million	121
7.4.2	Irregular procurement– Rs4.245 million	121
7.4.3	Doubtful expenditure through cash payment – Rs8.379 million	122
7.4.4	Irregular expenditure against improper quotations – Rs1.210 million	124
7.4.5	Non-production of record – Rs3.919 billion	125
7.4.6	Irregular payment without supporting vouchers – Rs9.311 million	126
7.4.7	Un-authorized retention of government money – Rs6.999 million	127
7.4.8	Unauthorized transfer of funds – Rs704.180 million	127
7.4.9	Irregular expenditure without inviting tenders – Rs242.467 million	128
7.4.10	Irregular payment on Human Resource Cost - Rs210.712 million	129

7.4.11	Unauthorized utilization of government funds over releases – Rs135.964 million	130
7.4.12	Unauthorized sanction of advance - Rs103.960 million	131
7.4.13	Irregular execution of works without supervisory committees -Rs24.217 million	133
7.4.14	Irregular drawl of Funds in the name of officers instead of actual payees – Rs21.442 million	134
7.4.15	Irregular payment of escalation charges on various works – Rs11.313 million	134
7.4.16	Non-crediting of revenue into government account – Rs10.813million	135
7.4.17	Irregular expenditure over & above PC-1 Provision – Rs10.720 million	136
7.4.18	Irregular refund of security deposits – Rs10.611 million	137
7.4.19	Irregular payment on account of hiring of office premises – Rs7.169 million	138
7.4.20	Non-adjustment of advances – Rs6.659 million	140
7.4.21	Excess execution of work without sanction of revised estimate – Rs6.379 million	140
7.4.22	Irregular payment to employees – Rs4.550 million	141
7.4.23	Unauthorized drawal of salary from two accounts simultaneously – Rs4.099 million	143
7.4.24	Irregular expenditure by splitting up purchase to avoid tender– Rs1.796 million	145
7.4.25	Non- recovery of outstanding dues – Rs34.563 million	146
7.4.26	Non-recovery of stamp duty – Rs1.740 million	147
7.4.27	Non-deduction of sales tax – Rs1.276 million	148
CHAPTER - 8		149

ENERGY DEPARTMENT 149

8.1	Introduction	149
8.2	Comments on the Budget and Accounts (Variance Analysis)	149
8.3	Brief comments on the compliance of PAC directives	149
8.4	AUDIT PARAS	150
8.4.1	Misprocurement - Rs11.494 billion	150
8.4.2	Excess payment on account of Operation and Maintenance of Reverse Osmosis plants - Rs6.876 million	151
8.4.3	Non-production of record – Rs6.240 billion	152
8.4.4	Expenditure without inviting tenders - Rs93.358 million	154
8.4.5	Non-formation of board of governors to avoid monitoring & control on management	154
8.4.6	Non-deduction of Sales Tax & Income Tax on services/supplies Rs130.344 million	155
8.4.7	Non-recovery of excess payment to HESCO electricity charges Rs2.373 million	156

CHAPTER – 9 158

EXCISE & TAXATION DEPARTMENT 158

9.1	Introduction	158
------------	---------------------	------------

9.2	Comments on the Budget and Accounts (Variance Analysis)	158
9.3	Brief comments on the compliance of PAC directives	158
9.4	AUDIT PARAS	159
9.4.1	Non-production of record – Rs71.520 million	159
9.4.2	Non-imposition of surcharge & penalty – Rs10.929 million	159
9.4.3	Non-issuance of demand notices of arrears & current property tax– Rs4.805 million	160
9.4.4	Irregular payment of conveyance allowance despite providing transport facility – Rs1.474 million	161
9.4.5	Short / Non-realization of Infrastructure Cess-Rs218.327 million	162
9.4.6	Non-realization of professional tax – Rs24.698 million	163
9.4.7	Short realization of Cotton Fee - Rs1.211 million	163
	CHAPTER – 10	165
	FINANCE DEPARTMENT	165
10.1	Introduction	165
10.2	Comments on the Budget and Accounts (Variance Analysis)	165
10.3	Brief comments on the compliance of PAC directives	165
10.4	AUDIT PARAS	166
10.4.1	Fraud in hiring cases of 28 appointments by misuse of SAP ID & Password – Rs6.287 million	166
10.4.2	Fraudulent payment on purchase of medicines - Rs1.168 million	167
10.4.3	Non-production of Record – Rs1.749 billion	167
10.4.4	Payment to DDO instead of vendors/actual payees - Rs558.890 million	169
10.4.5	Irregular purchase of medicines without proof of inspection Rs464.315 million	170
10.4.6	Irregular passing of bills in the absence of tender - Rs424.557 million	171
10.4.7	Non/Less deduction of Taxes – Rs203.461 million	173
10.4.8	Expenditure on POL without observing ceiling of officers - Rs130.608 million	174
10.4.9	Unauthorized payment of inadmissible allowances - Rs85.186 million	175
10.4.10	Non-deposit of income tax deducted at source – Rs47.286 million	175
10.4.11	Irregular expenditure by splitting up purchases to avoid calling tender - Rs35.605 million	176
10.4.12	Unauthorized retention of government money in DDO account - Rs25.563 million	177
10.4.13	Irregular expenditure on account of investigation cost - Rs10.310 million	178
10.4.14	Unauthorized payments to consultant firms - Rs8.636 million	179
10.4.15	Irregular expenditure without supporting documents - Rs5.066 million	180
10.4.16	Irregular expenditure under the head honorarium - Rs4.735 million	181
10.4.17	Irregular appointment of contingent paid staff – Rs4.392 million	182

10.4.18	Overpayment on account of Electricity charges- Rs2.000 million	183
10.4.19	Irregular expenditure on account of contractual staff without approval of competent authority - Rs1.200 million	184
10.4.20	Irregular advance payment to DDO – Rs1.010 million	184
10.4.21	Non-conduct of monthly post-audit of pension	185
10.4.22	Weak internal controls in DAO offices	186
CHAPTER – 11		188
FOOD DEPARTMENT		188
11.1	Introduction	188
11.2	Comments on the Budget and Accounts (Variance Analysis)	188
11.3	Brief comments on the compliance of PAC directives	189
11.4	AUDIT PARAS	190
11.4.1	Shortage / misappropriation of wheat and Jute/PP bags (bardana) - Rs91.138 million	190
11.4.2	Embezzlement of wheat bags - Rs43.940 million	190
11.4.3	Loss to Government due to payment of arrears of pay and allowances to irregularly reinstated official involved in embezzlement of wheat during 1988 - Rs1.681 million	191
11.4.4	Lack of internal control at wheat procurement centre leading to embezzlement - Rs4.911 million	192
11.4.5	Non-production of record - Rs1.968 billion	192
11.4.6	Non-reconciliation of revenue against sale proceeds of wheat and others - Rs37.495 billion	194
11.4.7	Unauthorised and Risky storage of wheat stocks in private premises and open spaces - Rs6.356 billion	195
11.4.8	Annual physical verification of wheat stock not carried out – Rs533.872 million	196
11.4.9	Excess expenditure over and above the PC-I provisions – Rs61.843 million	197
11.4.10	Irregular issuance of wheat to exporters – Rs56.000 million	198
11.4.11	Irregular payment on account of transportation - Rs15.235 million	199
11.4.12	Unauthorized drawl of pay due to unjustified appointment of employees - Rs4.761 million	200
11.4.13	Non recovery of outstanding dues – Rs299.196 million	201
11.4.14	Non-recovery of unutilized jute/PP bags (bardana) - Rs23.657 million	201
CHAPTER – 12		203
FOREST & WILDLIFE DEPARTMENT		203
12.1	Introduction	203
12.2	Comments on the Budget and Accounts (Variance Analysis)	203

12.3	Brief comments on the compliance of PAC directives	204
12.4	AUDIT PARAS	205
12.4.1	Irregular expenditure without calling tender – Rs102.241 million	205
12.4.2	Un-justified supply of POL to the vehicles of other offices – Rs2.458 million	206
12.4.3	Non-production of record – Rs4.938 billion	206
12.4.4	Un-reconciled EMD closing balance with revenue realization – Rs133.890 million	208
12.4.5	Less allocation of budget to subordinate offices – Rs99.379 million	209
12.4.6	Excess expenditure on pay and allowances – Rs51.754 million	210
12.4.7	Irregular advance payment – Rs33.129 million	211
12.4.8	Payments through DDO cheque/cash instead of cross cheque to payee – Rs24.163 million	212
12.4.9	Irregular payment to contingent paid staff – Rs19.961 million	213
12.4.10	Non-deduction of sales tax from contractors – Rs14.183 million	214
12.4.11	Misclassified expenditure on various heads of account – Rs11.394 million	214
12.4.12	Un-justified retention of lease money as earnest money deposit – Rs7.803 million	215
12.4.13	Outstanding recoveries from contractors – Rs12.298 million	216
CHAPTER-13		218
HEALTH DEPARTMENT		218
13.1	Introduction	218
13.2	Comments on the Budget and Accounts (Variance Analysis)	218
13.3	Brief comments on the compliance of PAC directives	219
13.4	AUDIT PARAS	220
13.4.1	Loss due to snatching and misused Toyota Hiace Van – Rs3.199 million	220
13.4.2	Doubtful payment of electricity charges – Rs2.822 million	220
13.4.3	Non-production of Record – Rs3.701 billion	221
13.4.4	Non-reporting of information to NAB about civil works contracts- Rs2.964 billion	223
13.4.5	Wastage of government money – Rs1.528 billion	224
13.4.6	Irregular expenditure on purchase of medicines and machinery without inspection/drug testing – Rs1.079 billion	226
13.4.7	Irregular payment of advances – Rs1.995 million	228
13.4.8	Non-maintenance of consumption account – Rs446.183 million	229
13.4.9	Procurement of various items without inviting open tenders –Rs387.581 million	230
13.4.10	Unauthorized expenditure over & above the PC-I provisions – Rs307.408 million	231
13.4.11	Irregular sanction beyond delegated powers – Rs189.194 million	232
13.4.12	Unjustified expenditure on non-schedule items - Rs100.771 million	233
13.4.13	Non-crediting of revenue in government account – Rs32.542 million	234
13.4.14	Payment of various allowances without entitlement – Rs48.217million	235

13.4.15	Un-authorised consumption of electricity by residential colonies -Rs31.214 million	236
13.4.16	Irregular procurement of machinery & equipment - Rs25.220 million	237
13.4.17	Excess local purchase of medicines against approved quota – Rs21.447 million	238
13.4.18	Irregular financial evaluation of bids in the absence of committee members outside procuring agency – Rs19.320 million	239
13.4.19	Irregular acceptance of X-Ray films in the absence of Clinical Efficacy Report – Rs17.467 million	240
13.4.20	Irregular payment of salaries – Rs16.305 million	241
13.4.21	Excess execution of items of work - Rs15.016 million	242
13.4.22	Irregular purchase of medicines on quotation basis - Rs13.852 million	243
13.4.23	Short and late supply of medicines – Rs11.958 million	244
13.4.24	Irregular payment through DDO account instead of cheques direct to actual payees – Rs17.707 million	245
13.4.25	Unjustified payment on repair & service of machinery & equipments -Rs6.975 million	247
13.4.26	Irregular expenditure incurred on Polymerase Chain Reaction (PCR) tests for Hepatitis - Rs6.779 million	248
13.4.27	Unauthorized utilization of funds of Taluka Hospitals by DHO – Rs5.808 million	249
13.4.28	Irregular and doubtful payment on purchase of janitorial material - Rs5.663 million	250
13.4.29	Defiance of the orders of Supreme Court of Pakistan by out of cadre posting – Rs2.737 million	251
13.4.30	Irregular acceptance of higher bid without justification - Rs2.373 million	252
13.4.31	Unjustified balance in DDO bank account at close of financial year – Rs1.997 million	253
13.4.32	Non realization of Stamp Duty – Rs20.279 million	253
13.4.33	Loss to government due to non-realization of rent of medical stores – Rs8.964 million	254
13.4.34	Non-deduction/short deduction of income tax – Rs3.337million	256
CHAPTER – 14		257
HOME DEPARTMENT		257
14.1	Introduction	257
14.2	Comments on the Budget and Accounts (Variance Analysis)	258
14.3	Brief comments on the compliance of PAC directives	258
14.4	AUDIT PARAS	259
14.4.1	Non-production of record – Rs2.358 billion	259
14.4.2	Irregular payment through DDO account – Rs256.366 million	259

14.4.3	Un-authorized drawl of pay & allowances in excess over sanctioned strength – Rs181.211 million	260
14.4.4	Irregular payment of land purchased, without change of title – Rs156.180 million	261
14.4.5	Irregular expenditure on repair of buildings – Rs55.740 million	262
14.4.6	Doutful payment without supporting vouchers – Rs47.619 million	263
14.4.7	Unauthorised collection of cost of lamination of permanent driving license books – Rs27.508 million	264
14.4.8	Doutful expenditure on repair of vehicles – Rs24.986 million	265
14.4.9	Irregular expenditure without tender – Rs23.486 million	266
14.4.10	Irregular expenditure on miscellaneous purchases – Rs21.468 million	267
14.4.11	Irregular expenditure on cost of investigation – Rs18.224 million	268
14.4.12	Unauthorised payment of difference bill of pay & allowances without codal formalities - Rs6.121 million	269
14.4.13	Non-reconciliation of electricity bill with HESCO – Rs5.261million	270
14.4.14	Double / Overpayment of General Provident Fund – Rs4.213 million	271
14.4.15	Doubtful expenditure on water charges through DDO account– Rs3.000 million	272
14.4.16	Unauthorized payment of service charges to PSO authorities - Rs2.693 million	272
14.4.17	Un-authorized award of tender – Rs2.398 million	273
14.4.18	Unauthorized expenditure on repair of furniture - Rs1.305 million	274
14.4.19	Unauthorized retention of funds into DDO account – Rs1.463 million	275
14.4.20	Irregular purchase of medicines without drug test laboratory report - Rs1.249 million	275
14.4.21	Non-recovery of police guards charges - Rs85.284 million	276

CHAPTER – 15

INDUSTRIES & COMMERCE DEPARTMENT

15.1	Introduction	277
15.2	Comments on the Budget and Accounts (Variance Analysis)	277
15.3	Brief comments on the compliance of PAC directives	278
15.4	AUDIT PARAS	279
15.4.1	Non-production of record - Rs126.370 million	279

CHAPTER – 16

INFORMATION & ARCHIVES DEPARTMENT

16.1	Introduction	280
16.2	Comments on the Budget and Accounts (Variance Analysis)	280
16.3	Brief comments on the compliance of PAC directives	280

16.4	AUDIT PARAS	281
16.4.1	Unjustified & irrational distribution of work of advertising and publicity through favouritism - Rs3.860 billion	281
16.4.2	Purchase of machinery without inspection and non taking on stock register - Rs51.919 million	282
16.4.3	Irregular procurement of equipment without observing codal formalities – Rs18.311 million	283
CHAPTER – 17		285
INFORMATION, SCIENCE & TECHNOLOGY		285
17.1	Introduction	285
17.2	Comments on the Budget and Accounts (Variance Analysis)	285
17.3	Brief comments on the compliance of PAC directives	286
17.4	AUDIT PARAS	287
17.4.1	Irregular expenditure without inviting open tenders – Rs119.314 million	287
17.4.2	Irregular expenditure on purchase of warranty for video conference equipment - Rs59.486 million	288
17.4.3	Irregular expenditure on installation of cameras - Rs15.000 million	289
CHAPTER – 18		291
IRRIGATION DEPARTMENT		291
18.1	Introduction	291
18.2	Comments on the Budget and Accounts (Variance Analysis)	292
18.3	Brief comments on the compliance of PAC directives	293
18.4	AUDIT PARAS	294
18.4.1	Loss to the government due to theft of Dumpers - Rs8.000 million	294
18.4.2	Non-production of record – Rs2.916 billion	295
18.4.3	Expenditure without inviting open tender - Rs2.317 billion	296
18.4.4	Loss to Govt. due to non-imposition of penalty on contractors - Rs490.266 million	297
18.4.5	Non-adjustment of miscellaneous public works advances – Rs314.118 million	298
18.4.6	Irregular award of work on market rates instead of schedule rates -Rs214.281 million	299
18.4.7	Excess payment to contractor due to allowing excess rate – Rs188.120 million	300
18.4.8	Excess payment over and above the contract price - Rs196.376 million	302
18.4.9	Non/less deduction of security deposit from contractor bills - Rs153.091 million	302
18.4.10	Non-deposit of government revenue into government account – Rs151.435 million	303
18.4.11	Irregular expenditure on execution of earth work - Rs109.632 million	305

18.4.12	Excess execution of items of work - Rs45.851 million	305
18.4.13	Un-justified allowance of 20% premium - Rs24.992 million	306
18.4.14	Unauthorized execution of works by splitting and without inviting tender – Rs8.915 million	307
18.4.15	Irregular and doubtful payment on account of differential cost – Rs31.885 million	308
18.4.16	Wasteful expenditure on repair of scrap and unserviceable machinery – Rs4.405 million	309
18.4.17	Unauthorised purchase of hardware store by splitting up purchase and non-accountal – Rs3.998 million	310
18.4.18	Payment of pay and allowances against irregular appointment during ban period - Rs3.240 million	311
18.4.19	Irregular expenditure on extra items of work - Rs3.213 million	312
18.4.20	Non-recovery of outstanding dues - Rs391.448 million	313
18.4.21	Non-recovery of interest on mobilization advance - Rs11.787 million	314
18.4.22	Non-recovery of stamp duty - Rs9.172 million	315
18.4.23	Non-deduction of sales tax – Rs1.248 million	315
CHAPTER –19		317

LABOUR & HUMAN RESOURCES DEPARTMENT **317**

19.1	Introduction	317
19.2	Comments on the Budget and Accounts (Variance Analysis)	317
19.3	Brief comments on the compliance of PAC directives	318
19.4	AUDIT PARAS	319
19.4.1	Non-production of record	319
19.4.2	Un-authorized retention of government money – Rs1.010 million	320
19.4.3	Non-collection of due Income Tax – Rs6.339 million	321

CHAPTER –20 **323**

LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT **323**

20.1	Introduction	323
20.2	Comments on the Budget and Accounts (Variance Analysis)	323
20.3	Brief comments on the compliance of PAC directives	324
20.4	AUDIT PARAS	325
20.4.1	Non-production of record – Rs116.769 million	325
20.4.2	Unauthorized payment through cash instead of cheques – Rs44.656 million	325
20.4.3	Expenditure without inviting tender - Rs13.570 million	326
20.4.4	Doutful payment without supporting vouchers - Rs11.500 million	327

CHAPTER – 21	328
LIVESTOCK AND FISHERIES DEPARTMENT	328
21.1 Introduction	328
21.2 Comments on the Budget and Accounts (Variance Analysis)	328
21.3 Brief comments on the compliance of PAC directives	329
21.4 AUDIT PARAS	330
21.4.1 Non-production of record – Rs54.183 million	330
21.4.2 Unauthorized purchase of medicines/other items – Rs8.419 million	331
21.4.3 Irregular drawl by DDO instead of actual payee – Rs2.594 million	331
CHAPTER –22	333
LOCAL GOVERNMENT, RURAL DEVELOPMENT, PHE & HTP DEPARTMENT	333
22.1 Introduction	333
22.2 Comments on the Budget and Accounts (Variance Analysis)	333
22.3 Brief comments on the compliance of PAC directives	334
22.4 AUDIT PARAS	335
22.4.1 Un-authorized payment of income tax liability from security deposit - Rs50.480 million	335
22.4.2 Wasteful / irregular expenditure on procurement of generators – Rs52.031 million	336
22.4.3 Irregular award of civil works by engineered / collusive tendering –Rs234.203 million	337
22.4.4 Non-production of record – Rs275.136 million	340
22.4.5 Non-adjustment of advances - Rs202.800 million	340
22.4.6 Unauthorized expenditure on non-schedule items – Rs58.992 million	341
22.4.7 Excess execution over and above estimate – Rs23.945 million	342
22.4.8 Un-justified withholding of payment - Rs19.587 million	343
22.4.9 Irregular splitting up of main works into sub-works – Rs21.817 million	344
22.4.10 Irregular advance payment on non-schedule item of work - Rs13.162 million	345
22.4.11 Irregular payment on extra area covered by contractor - Rs10.130 million	346
22.4.12 Irregular Award of work without obtaining performance bond – Rs4.023 million	347
22.4.13 Excess expenditure on extra items - Rs2.462 million	348
22.4.14 Irregular excess payment on work as compared to schedule rates - Rs2.088 million	349
22.4.15 Non-recovery of due water charges from contractors – Rs1.795 million	350
22.4.16 Irregular expenditure on land acquisition - Rs1.580 million	351
22.4.17 Non-recovery of cost of plots - Rs12.323 billion	351

22.4.18	Non-deduction of various taxes from contractor bills at source and non-credit of taxes and dues into government account – Rs141.517 million	352
22.4.19	Non-recovery of stamp duty – Rs3.549 million	353
CHAPTER –23		355
MINES & MINERALS DEPARTMENT		355
23.1	Introduction	355
23.2	Comments on the Budget and Accounts (Variance Analysis)	355
23.3	Brief comments on the compliance of PAC directives	356
23.4	AUDIT PARAS	357
23.4.1	Loss to Govt. due to theft of vehicle – Rs1.500 million	357
23.4.2	Un-authorized retention of Government funds in DDO account – Rs1.349 million	357
CHAPTER – 24		359
MINORITIES AFFAIRS DEPARTMENT		359
24.1	Introduction	359
24.2	Comments on the Budget and Accounts (Variance Analysis)	359
24.3	Brief comments on the compliance of PAC directives	359
24.4	AUDIT PARAS	360
24.4.1	Non-production of record	360
24.4.2	Non-adjustment of payment against Grants-in-aid – Rs120.000 million	361
24.4.3	Irregular procurment without tender - Rs43.102 million	361
24.4.4	Non-crediting of income tax deducted and call deposit into government account - Rs17.934 million	362
CHAPTER - 25		364
ORGANS OF STATE		364
25.1	Introduction	364
25.2	Comments on the Budget and Accounts (Variance Analysis)	364
25.3	Brief comments on the compliance of PAC directives	364
25.4	AUDIT PARAS	365
25.4.1	Non-production of record - Rs4.651 million	365
25.4.2	Irregular payment through DDO account instead of actual payee - Rs1.644 million	366
25.4.3	Non-recovery of House rent allowance from the officials having self-hiring facility Rs1.849 million	367
CHAPTER –26		368

PLANNING AND DEVELOPMENT DEPARTMENT	368
26.1 Introduction	368
26.2 Comments on the Budget and Accounts (Variance Analysis)	368
26.3 Brief comments on the compliance of PAC directives	369
26.4 AUDIT PARAS	370
26.4.1 Wasteful expenditure on vocational training component under same Secretary by two different programmes causing duplication – Rs35.461 million	370
26.4.2 Non-transfer of assets by Programme Implementation Unit (PIU) to relevant offices on completion of the project	371
26.4.3 Non-production of record – Rs3.864 billion	372
26.4.4 Irregular execution of works without approval of CDWP - Rs170.593 million	373
26.4.5 Irregular maintenance of ADP Bank account by Thardeep Rural Development Programme (TRDP) – Rs650.146 million	374
26.4.6 Irregular expenditure on Low Cost Housing Scheme – Rs181.503 million	375
26.4.7 Irregular expenditure on installation of solar system – Rs92.039 million	376
26.4.8 Un-authorized expenditure of deputation allowance– Rs55.929 million	377
26.4.9 Excess payment of pay and allowances – Rs46.285 million	378
26.4.10 Expenditure without inviting tender – Rs23.737 million	380
26.4.11 Unjustified payment of Health insurance charges – Rs25.753 million	382
26.4.12 Irregular expenditure on execution of works – Rs5.421 million	383
26.4.13 Irregular expenditure on repair of generator – Rs3.281 million	385
26.4.14 Unauthorized expenditure by splitting up purchase – Rs2.969 million	386
26.4.15 Irregular expenditure on de-silting work– Rs2.737million	387
26.4.16 Issuance of cheque to irrelevant payee instead of actual beneficiary – Rs2.568 million	388
26.4.17 Irregular payment without supporting vouchers – Rs1.899 million	389
26.4.18 Unauthorised and irregular expenditure through DDO account instead of payment to actual payee – Rs1.694 million	390
26.4.19 Abnormal delay in release of funds of ADP – Rs150.000 million	391
26.4.20 Non-recovery of water charges from users – Rs17.789 million	392
26.4.21 Non-deduction of income tax– Rs1.228 million	393
CHAPTER – 27	395
POPULATION WELFARE DEPARTMENT	395
27.1 Introduction	395
27.2 Comments on the Budget and Accounts (Variance Analysis)	395
27.3 Brief comments on the compliance of PAC directives	395

27.4	AUDIT PARAS	396
27.4.1	Irregular Payment without supporting vouchers – Rs9.654 million	396
27.4.2	Irregular expenditure on repair of Machinery & Equipment - Rs2.946 million	397
27.4.3	Unjustified expenditure from D.D.O. account-Rs2.135 million	398
27.4.4	Irregular expenditure on account of arrangements of various events -Rs1.972 million	398
27.4.5	Un-authorized retention of government fund in DDO account - Rs1.522 million	399
27.4.6	Non- collection, crediting and non-reconciliation of sales proceeds of contraceptive-Rs2.804 million	400
CHAPTER – 28		402
SERVICES GENERAL ADMINISTRATION & COORDINATION DEPARTMENT		402
28.1	Introduction	402
28.2	Comments on the Budget and Accounts (Variance Analysis)	403
28.3	Brief comments on the compliance of PAC directives	403
28.4	AUDIT PARAS	404
28.4.1	Irregular expenditure on purchase of vehicles without approval of Finance Department - Rs113.428 million	404
28.4.2	Retention of Government money in DDO Account - Rs13.558 million	405
28.4.3	Payment on training without supporting documents - Rs9.950 million	405
28.4.4	Wasteful expenditure without meeting the objectives of the Housing Foundation-Rs3.767 million	406
28.4.5	Irregular retention of Director Finance beyond expiry of contract - Rs3.577 million	407
28.4.6	Irregular expenditure on surplus staff - Rs1.324 million	408
28.4.7	Non-Recovery of auction amount of condemned vehicles - Rs4.275 million	409
CHAPTER – 29		410
SOCIAL WELFARE DEPARTMENT		410
29.1	Introduction	410
29.2	Comments on the Budget and Accounts (Variance Analysis)	410
29.3	Brief comments on the compliance of PAC directives	410
29.4	AUDIT PARA	411
29.4.1	Non-production of record of-Rs2.180 million	411
29.4.2	Irregular expenditure under the head of account of food – Rs4.075 million	412
CHAPTER –30		413
SPECIAL EDUCATION		413

30.1	Introduction	413
30.2	Comments on the Budget and Accounts (Variance Analysis)	413
30.3	Brief comments on the compliance of PAC directives	413
30.4	AUDIT PARAS	414
30.4.1	Non-production of record- Rs68.000 million	414
30.4.2	Un-authorized retention of funds in DDO account - Rs21.211 million	415
CHAPTER – 31		416
SPORTS & YOUTH AFFAIRS DEPARTMENT		416
31.1	Introduction	416
31.2	Comments on the Budget and Accounts (Variance Analysis)	416
31.3	Brief comments on the compliance of PAC directives	416
31.4	AUDIT PARAS	417
31.4.1	Un-authorized retention of government fund in DDO account – Rs20.939 million	417
CHAPTER – 32		418
TRANSPORT AND MASS TRANSIT DEPARTMENT		418
32.1	Introduction	418
32.2	Comments on the Budget and Accounts (Variance Analysis)	418
32.3	Brief comments on the compliance of PAC directives	418
32.4	AUDIT PARAS	419
32.4.1	Irregular payment of conveyance allowance despite providing hired transport facility to non-gazetted staff of Sindh Secretariat - Rs66.450 million	419
32.4.2	Irregular two yearly expenditure on transport without inviting tender - Rs59.238 million	420
32.4.3	Irregular payment to contractor without technical proposal - Rs56.683 million	421
32.4.4	Non-deduction of sales tax Rs5.668 million	422
32.4.5	Recovery of un-realized route permit fee – Rs1.709 million	422
CHAPTER –33		424
WOMEN DEVELOPMENT DEPARTMENT		424
33.1	Introduction	424
33.2	Comments on the Budget and Accounts (Variance Analysis)	424
33.3	Brief comments on the compliance of PAC directives	424
33.4	AUDIT PARAS	425

33.4.1	Loss to Govt. due to non-return of Govt. vehicles by various ex-officers & ministers etc – Rs5.800 million	425
33.4.2	Loss due to theft of Govt. vehicle - Rs1.400 million	425
33.4.3	Non-production of Record – Rs1.306 million	426
33.4.4	Un-justified expenditure on consultancy for Gender Reform Action Plan – Rs2.400 million	427
33.4.5	Un-justified expenditure from head of account “Others” – Rs1.599 million	428
CHAPTER – 34		430
WORKS AND SERVICES DEPARTMENT		430
34.1	Introduction	430
34.2	Comments on the Budget and Accounts (Variance Analysis)	431
34.3	Brief comments on the compliance of PAC directives	432
34.4	AUDIT PARAS	433
34.4.1	Non-production of record - Rs254.713 million	433
34.4.2	Irregular payment on reduced rates - Rs258.637 million	433
34.4.3	Irregular execution of work over & above the estimated cost – Rs96.512million	434
34.4.4	Non-adjustment of advances – Rs80.142 million	435
34.4.5	Unauthorized expenditure on non-schedule items – Rs49.727 million	436
34.4.6	Irregular payment of Secured Advance – Rs15.769 million	437
34.4.7	Unjustified Payment without utilization report - Rs3.032 million	438
34.4.8	Payment of house rent allowance despite house hiring facility – Rs1.999 million	439
34.4.9	Irregular Purchase of vehicle during ban period - Rs1.034 million	440
34.4.10	Non-deposit of receipts into government account – Rs245.599 million	441
34.4.11	Non recovery of stamp duty – Rs17.941 million	441
MEMORANDUM FOR DAC (MfDAC)		445
ANNEXES FOR CHAPTERS		459

ABBREVIATIONS & ACRONYMS

ADP	Annual Development Plan
BIE	Board of Intermediate Education
BISE	Board of Intermediate & Secondary Education
BSE	Board of Secondary Education
CIDA	Canadian International Development Agency
CMC	College Management Committees
CNIC	Computerize National Identity Card
CV	Cash Voucher
DA	Dearness Allowance
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DDO	Drawing and Disbursing Officer
DFO	Divisional Forest Officer
EDO	Executive District Officer
EMD	Earnest Money Deposit
FBR	Federal Board of Revenue
HESCO	Hyderabad Electric Supply Company
IRC	Institutional Reimbursement Cost
LBCAWB	Left Bank Canal Area Water Board
LPC	Last Pay Certificate
MB	Measurement Book
NIT	Notice for Invitation of Tender
PAO	Principal Accounting Officer
PC-I Form	Planning Commission-I Form
PEC	Pakistan Engineering Council
PHE	Public Health Engineering
PMIU	Project Monitoring Implementation Unit
POL	Petrol Oil and Lubricant

PPRA Rules	Public Procurement Regularity Authority Rules
QPO	Quarterly Plan of Operations
RA	Running Account
RBOD	Right Bank Outfall Drainage
RCC	Reinforced Cement Concrete
SAP	System Application Programme
SBEP	Sindh Basic Education Program
SEF	Sindh Education Foundation
SEPCO	Sukkur Electric and Power Company
SETT	Sindh Elementary Teachers Training Project
SRB	Sindh Revenue Board
SGA&CD	Services, General Administration and Coordination Department
SMBBMU	Shaheed Muhtarma Benazir Bhuto Medical University
SMC	School Management Committees
STEVTA	Sindh Technical Education and Vocational Training Authority
TA	Travelling Allowance
WO	Work Order
WPCs	Wheat Procurement Centres
XEN	Executive Engineer

PREFACE

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

This report is based on the audit of the accounts of various departments and autonomous bodies of the Government of Sindh for the 1st five months of the financial year 2014-15, including some part based on the lean period audit after finalization of audit report 2014-15 during previous year of the Government of Sindh for the last seven months of financial year 2013-14. Some audit observations for the year 2011-12 and 2012-13 are also included. The Directorate General of Audit Sindh conducted audit during 2015-16, on test check basis, with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only systemic issues and audit findings carrying value of Rs1 million or more. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The audit observations listed in the Annex-1 shall be pursued with the Principal Accounting Officers at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Audit findings indicate the need for adherence to the regulatory framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The observations included in the report could not be discussed with majority of the Principal Accounting Officers in Departmental Accounts Committee (DAC) meetings despite best efforts. The report was finalized in the light of written responses of the departments concerned, where available.

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

Dated: 9th April 2016

RANA ASSAD AMIN
Auditor General of Pakistan

EXECUTIVE SUMMARY

Director General Audit Sindh conducts various types of audit on behalf of the Auditor General of Pakistan to fulfil his statutory responsibility under Articles 169 and 171 of the Constitution of the Islamic Republic of Pakistan and in accordance with the provisions of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. These audits include Regularity (financial audit and compliance with authority audit), Performance and Special Audits of Principal Accounting Officers of departments of Government of Sindh, their attached departments, subordinate offices and of certain autonomous bodies.

Sindh Government carries out its operations under the Sindh Rules of Business 1986. The financial provisions of the Constitution of Islamic Republic of Pakistan constitute having a Provincial Consolidated Fund, for which annual budget statement is authorized by the Provincial Assembly in the form of budgetary grants, and Public Account which includes assets and liabilities of the government including funds and deposit accounts. The budget of Sindh Province is allocated as 59 numbered and 4 un-numbered Grants of Provincial Government (excluding budget of Universities, Educational Institutions and Boards of Intermediate and Secondary Education, etc.).

The revised budget of the Government of Sindh for the financial year 2014-15 was Rs736.949 billion with the segregation of non-development budget of Rs568.566 billion and development budget of Rs168.383 billion. The actual expenditure was Rs597.909 billion including Rs461.474 billion out of non-development budget and Rs136.435 billion out of development budget. The combined percentage of utilization of budget comes to 91.03%.

Audit was carried out on test check basis and the Financial Audit Manual (FAM) was applied in compliance with authority audit.

a. Expenditure audited

During the financial year 2014-15, total expenditure under the jurisdiction of Director General Audit Sindh was Rs597.909 billion covering 36 PAOs and 8,746 cost centers which constitute 2,289 formations. Since the audit of all 36 PAOs on the basis of sampling of respective formation has been conducted, the coverage of audit is 100%. In addition, accounts of 13 foreign aided projects and 19 universities, educational institutions and boards of education were also audited. Results of these audits were included in this report.

b. Recoveries at the instance of audit

Recoveries of Rs15,261.921 million were pointed out, out of which Rs41.279 million was effected during the year 2014-15 at the time of compilation of report. The same receipt included Rs0.895 million which was not in the knowledge of the concerned departments.

c. Comments on Internal Controls and Internal Audit Department

A general review of the activities and transactions of various formations of Government of Sindh with regard to Internal Control System called for the following comments:

- a. The instances of losses to government, recoverables and violation of rules, are outcome of the laxity in exercise of internal controls and violation of authorized procedures for processing transactions.
- b. The instances of splitting the expenditure to avoid sanction of the higher authority were observed to be a common practice. This is in violation of the process of delegation of financial powers as laid down in "System of Financial Control and Budgeting 2006".
- c. Codal requirements with regard to purchase of stores were not properly observed resulting into incurrence of expenditure in irregular and uneconomical manner in contravention of prescribed rules.
- d. Another common issue observed by Audit was non-accountal of different purchases in the stock register, which was the result of weak Internal Control System.
- e. Prescribed record was neither maintained nor produced to Audit, which was also a serious drawback in Internal Control System.

A basic component of internal control system is internal audit. Internal audit investigates and appraises the internal controls and efficiency with which various units of the organization perform their assigned functions. Independent, effective and efficient internal auditing results in improving internal controls that in turn, gives well planned evaluation and professional proficiency. A major reason for weak internal controls is the non-existence of internal audit.

d. Desk Audit

The availability of 36 updated permanent files and planning files helped the auditors in understanding the systems, procedures, environment of the audited entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field. This office, has arranged training of audit officers on ACL also, which has helped in audit process.

e. The key audit findings of the report

- i. Doubtful or fraudulent payments or misappropriations identified—Rs197.691 million.¹
- ii. Non-maintenance and non-production of records – Rs34.925 billion.²
- iii. Instances of wasteful expenditures identified – Rs147.343 million.³
- iv. Significant instances in which propriety principle and rules were violated – Rs35.839 billion.⁴
- v. Weak internal control instances – Rs22.022 billion.⁵

¹ Paras-4.4.1, 4.4.2, 5.4.16, 6.4.1, 6.4.9, 7.4.23, 7.4.3, 10.4.1, 10.4.2, 11.4.1, 11.4.2, 13.4.2, 14.4.14

² Paras-2.4.1, 3.4.1, 4.4.3, 5.4.3, 6.4.2, 7.4.5, 8.4.3, 9.4.1, 10.4.3, 11.4.5, 11.4.8, 12.4.3, 13.4.3, 13.4.8, 14.4.1, 15.4.1, 18.4.2, 19.4.1, 20.4.1, 21.4.1, 22.4.4, 24.4.1, 25.4.1, 26.4.3, 29.4.1, 30.4.1, 33.4.3, 34.4.1, 34.4.7

³ Paras-2.4.9, 3.4.5, 4.4.9, 5.4.25, 5.4.7, 6.4.17, 13.4.1, 18.4.16, 22.4.2, 23.4.1, 26.4.1, 28.4.4

⁴ Paras-2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.3, 2.4.5, 2.4.7, 2.4.8, 3.4.3, 3.4.4, 4.4.10, 4.4.11, 4.4.12, 4.4.13, 4.4.14, 4.4.5, 4.4.8, 5.4.10, 5.4.11, 5.4.13, 5.4.14, 5.4.15, 5.4.20, 5.4.22, 5.4.24, 5.4.26, 5.4.5, 5.4.6, 6.4.11, 6.4.12, 6.4.13, 6.4.3, 6.4.5, 6.4.6, 6.4.8, 7.4.12, 7.4.15, 7.4.19, 7.4.24, 7.4.25, 7.4.26, 7.4.27, 7.4.9, 8.4.1, 8.4.2, 8.4.4, 8.4.6, 8.4.7, 9.4.2, 9.4.4, 10.4.11, 10.4.13, 10.4.16, 10.4.18, 10.4.5, 10.4.6, 10.4.7, 10.4.9, 11.4.10, 11.4.11, 11.4.13, 11.4.14, 11.4.3, 11.4.4, 11.4.9, 12.4.1, 12.4.10, 12.4.13, 12.4.7, 12.4.9, 13.4.12, 13.4.14, 13.4.16, 13.4.20, 13.4.22, 13.4.25, 13.4.28, 13.4.30, 13.4.32, 13.4.33, 13.4.34, 13.4.35, 13.4.6, 13.4.9, 14.4.10, 14.4.11, 14.4.12, 14.4.21, 14.4.4, 14.4.5, 14.4.9, 16.4.2, 16.4.3, 17.4.1, 17.4.2, 18.4.1, 18.4.13, 18.4.14, 18.4.17, 18.4.19, 18.4.20, 18.4.22, 18.4.23, 18.4.3, 18.4.4, 18.4.6, 18.4.7, 18.4.8, 18.4.9, 19.4.3, 20.4.3, 22.4.10, 22.4.11, 22.4.13, 22.4.15, 22.4.17, 22.4.18, 22.4.19, 22.4.3, 22.4.6, 24.4.3, 25.4.3, 26.4.10, 26.4.11, 26.4.14, 26.4.20, 26.4.21, 27.4.2, 28.4.7, 32.4.1, 32.4.2, 32.4.4, 32.4.5, 33.4.1, 34.4.11, 34.4.2, 34.4.5, 34.4.6, 34.4.8

⁵ Paras-2.4.10, 2.4.2, 2.4.4, 2.4.6, 3.4.2, 4.4.4, 4.4.6, 4.4.7, 5.4.1, 5.4.12, 5.4.17, 5.4.18, 5.4.19, 5.4.2, 5.4.21, 5.4.23, 5.4.4, 5.4.8, 5.4.9, 6.4.10, 6.4.14, 6.4.15, 6.4.16, 6.4.4, 6.4.7, 7.4.1, 7.4.10, 7.4.11, 7.4.13, 7.4.14, 7.4.16, 7.4.17, 7.4.18, 7.4.2, 7.4.20, 7.4.21, 7.4.22, 7.4.4, 7.4.6, 7.4.7, 7.4.8, 8.4.5, 9.4.3, 9.4.5, 9.4.6, 9.4.7, 10.4.10, 10.4.12, 10.4.14, 10.4.15, 10.4.17, 10.4.19, 10.4.20, 10.4.21, 10.4.22, 10.4.4, 10.4.8, 11.4.12, 11.4.6, 11.4.7,

The nature, frequency and the extent of above mentioned violations/irregularities suggest that most of the Principal Accounting Officers lack adequate institutional capacity required to address the financial management and control issues.

f. Recommendations

1. Principal Accounting Officers need to take necessary steps to institute, evaluate and strengthen internal controls and financial management practices in order to ensure:
 - (i). compliance with canons of financial propriety, rules and regulations, especially in autonomous institutions through training, monitoring and accountability of departmental functionaries;
 - (ii). proper maintenance of accounting records;
 - (iii). effective placement of internal controls to avoid recurrence of irregularities of similar nature; and
 - (iv). establishment of an independent internal audit mechanism.
2. The Principal Accounting Officers further need to take steps to:
 - (i). investigate cases of losses, embezzlements, unauthorized payments and non-accountal of cash and stores and take appropriate corrective action;
 - (ii). effect recovery of government dues and deposit into government treasury;
 - (iii). ensure deposit of funds irregularly kept outside government accounts by the departments;
 - (iv). ensure procurements in accordance with SPPRA Rules;
 - (v). ensure timely production of relevant record for audit in respect of cases pointed out in the report besides taking disciplinary action in terms of Section 14 (3) Auditor General's Ordinance 2001;

12.4.11, 12.4.12, 12.4.2, 12.4.4, 12.4.5, 12.4.6, 12.4.8, 13.4.10, 13.4.11, 13.4.13, 13.4.15, 13.4.17, 13.4.18, 13.4.19, 13.4.21, 13.4.23, 13.4.24, 13.4.26, 13.4.27, 13.4.29, 13.4.31, 13.4.4, 13.4.5, 13.4.7, 14.4.13, 14.4.15, 14.4.16, 14.4.17, 14.4.18, 14.4.19, 14.4.2, 14.4.20, 14.4.3, 14.4.6, 14.4.7, 14.4.8, 16.4.1, 17.4.3, 18.4.10, 18.4.11, 18.4.12, 18.4.15, 18.4.18, 18.4.21, 18.4.5, 19.4.2, 20.4.2, 20.4.4, 21.4.2, 21.4.3, 22.4.1, 22.4.12, 22.4.14, 22.4.16, 22.4.5, 22.4.7, 22.4.8, 22.4.9, 23.4.2, 24.4.2, 24.4.4, 25.4.2, 26.4.12, 26.4.13, 26.4.15, 26.4.16, 26.4.17, 26.4.18, 26.4.19, 26.4.2, 26.4.4, 26.4.5, 26.4.6, 26.4.7, 26.4.8, 26.4.9, 27.4.1, 27.4.3, 27.4.4, 27.4.5, 27.4.6, 28.4.1, 28.4.2, 28.4.3, 28.4.5, 28.4.6, 29.4.2, 30.4.2, 31.4.1, 32.4.3, 33.4.2, 33.4.4, 33.4.5, 34.4.10, 34.4.3, 34.4.4, 34.4.9

- (vi). hold Departmental Accounts Committee meetings regularly and implement its recommendations;
 - (vii). ensure the compliance of the directives of Public Accounts Committee (PAC) by giving special attention and developing mechanism of monitoring of the compliance of PAC directives in their departments; and
 - (viii). address systemic issues, which include absence of management controls to prevent unauthorized practices, improper utilization of public money, absence of adequate safeguards to protect public property from theft, misuse of public funds, non-observance of codal formalities and procedures, etc.
3. Finance Department, Government of Sindh needs to build up institutional capacity in financial matters.

Summary, Tables & Charts

SUMMARY TABLES & CHARTS

Table 1:

I Audit Work Statistics

(Rupees in million)

Sr. No.	Description	Nos.	Expenditure 2014-15
1	Total Entities (PAOs) in Audit Jurisdiction	36	597,909
2	Total formations in audit jurisdiction	8,746*	597,909
3	Total Entities(PAOs) Audited	36	597,909
4	Total formations Audited	995	597,909
5	Audit & Inspection Reports	995	-
6	Special Audit Reports	0	-
7	Performance Audit Report	0	-
8	Other Reports (Foreign Aided Projects)	13	-

* 8,746 cost centers which constitute 2,289 formations.

Table 2:**II Audit observations regarding financial management**

(Rupees in billion)

Sr. #	Description	Amount Placed under Audit Observation
1	Unsound asset management	10.358
2	Weak financial management	12.868
3	Weak Internal controls relating to financial management	19.580
4	Others	51.216
Total		94.022

Table 3:
III Outcome Statistics

(Rupees in million)

Sr #	Description	Expd. on Acquiring Physical Assets- Procurement	Civil Works	Receipts	Others	Total current year (2014-15)	Total last year
1	Outlays Audited	3,377.000	112,322.000	577,591.000	482,210.000	597,909.000	559,482.000
2	Amount Placed under Audit Observation /Irregularities	937.205	21,582.902	935.393	70,567.095	94,022.595	129,713.000
3	Recoveries Pointed Out at the instance of Audit	-	-	244.236	15,017.685	15,261.921	29,296.810
4	Recoveries Accepted /Established at the instance of Audit	-	-	244.236	15,017.685	15,261.921	29,296.810
5	Recoveries Realized at the instance of Audit	-	-	-	0.895	0.895	212.640

Table 4:
IV Irregularities pointed out

(Rupees in million)

Sr. No	Description	Amount Placed under Audit Observation
1	Violation of rules and regulations and violation of principle of propriety and probity in public operations.	30,591.381
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	171.547
3	Accounting errors (accounting policy departure from NAM*, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	11.394
4	Weaknesses of internal control systems.	4,236.832
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public monies	16,456.244
6	Non -production of record.	33,945.010
7	Others, including cases of accidents, negligence etc.	8,610.187
Total		94,022.595

* The accounting policies and procedures prescribed by the Auditor General of Pakistan which are IPSAS (cash) compliant.

CHAPTER - 1

PUBLIC FINANCIAL MANAGEMENT ISSUES

(A) BUDGETING ISSUES

1.1.1 Assessment of Budget and budgeting process

Overview

The ability to implement the budgeted expenditure is crucial to the government's ability to deliver public services annually as expressed in policy statements, output commitments, and work plans. An assessment was undertaken to analyze the extent of the provincial government budget realism and overall budget variances were determined. Comparative analysis of budget and actual expenditure is as follows:

Original Budget to Aggregate Expenditure out-turn ratio

Particulars	<i>(Rupees in million)</i>	
	FY2014-15	FY2013-14
Budget (original)	726,237	658,624
Actual Expenditure	597,909	561,194
Difference between budget and actual expenditure (%)	17.67%	14.79%

This measure 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.

Final Budget to Actual Expenditure out-turn ratio

Particulars	<i>(Rupees in million)</i>	
	FY2014-15	FY2013-14
Budget (Final)	759,738	694,013
Actual Expenditure	597,909	561,194
Difference between budget and actual expenditure (%)	21.30%	19.14%

The deviation of actual expenditure from final budget represents the government's final effort to adjust budget variations that could not be assessed in original budget. A difference of 21.30% represents that all efforts of government to adjust budget variations from original budget were futile as the deviation rate increased at this stage and it also implicates that Mid Term Budgetary Framework of the government has remained inoperative to provide any insight to the government to manage public finances.

To prove this point another measure can be determined, i.e., comparison of original budget with final budget.

Original Budget compared with Revised Budget

<i>(Rupees in million)</i>		
Particulars	FY2014-15	FY2013-14
Budget (original)	726,237	658,624
Budget (Final)	759,738	596,299
Difference between original budget and final budget (%)	4.41%	(5.37%)

There was a positive difference of original budget with final budget, but despite keeping budget difference minimum, that was enhanced up to 4.41%, and more resources were engaged to keep budget at higher out-turn ratio with actual expenditure. This implies oversight of budget trends during policy decisions.

Measure of deviations in above mentioned ratios

<i>(Rupees in million)</i>			
Nature of Expenditure	Revised Budget	Actual Expenditure	Difference %
Charged	68,137,619,196	41,133,682,854	39.63 Less Expd
Voted	596,103,001,359	556,775,759,594	6.60 Less Expd
Total	664,240,620,555	597,909,442,448	10.00 Less Expd
Nature of Expenditure	Revised Budget	Actual Expenditure	Difference %
Revenue	452,569,116,620	417,272,202,993	7.80 Less Expd
Capital	211,671,503,935	180,637,239,455	14.66 Less Expd
Total	664,240,620,555	597,909,442,448	10.00 Less Expd
Nature of Expenditure	Revised Budget	Actual Expenditure	Difference %
Non Development	519,200,900,067	461,474,165,149	11.12 Less Expd
Development	145,039,720,488	136,435,277,299	5.93 Less Expd
Total	664,240,620,555	597,909,442,448	10.00 Less Expd

All above percentages portray a clear picture that development side of the expenditure could not be completed in fiscal year and government's estimates to meet its long term goals were less efficient in current fiscal year. The reasons of this inefficiency could be attributed to:

- Unrealistic commitments on the part of the government.
- Lack of government planning and execution of development targets.
- Poor monitoring by Planning Department of the Provincial Government,
- Executing agencies were not ready to execute such work during current fiscal year

Grant-wise budget variations

The threshold set by Finance Department for grant-wise budget variations is:

- Excess expenditures of Rs 1 and more is to be explained
- Savings more than 5% is to be explained

Grant-wise budget variations are shown in detail below. In mentioned grants expenditure has been incurred in excess of around Rs 1.767 billion out of total Rs 10.752 billion i.e. approximately only 16.43%. However, savings, not surrendered in time, and grants had savings more than 5%. All these saving grants need explanation from the management.

Section	Grant Number	Department	Final Budget	Expenditure	(Excess)/saving
Current Revenue					
1	44,45,50,53	Food	5,051,199,232	6,122,982,000	(1,071,782,768)
5	28,45,51,53	forest & Wildlife	225,401,000	255,372,861	(29,971,861)
7	1,45	Home	540,676,871	544,427,002	(3,750,131)
11	26,28,45,51,53	Manpower	901,915,700	986,182,021	(84,266,321)
13	1	Sindh Assembly	1,111,089,840	1,122,617,374	(11,527,534)
18	43,44,45	Transport	105,801,100	117,972,723	(12,171,623)
Current Capital					
11	36,45,48	Cooperation		362,015	(362,015)
Development Revenue					
5	28,45,51,53	Forest & Wildlife	42,711,000	43,209,779	(498,779)
14	51	Population	1,006,500,000	1,558,708,617	(552,208,617)
Total			8,985,294,743	10,751,834,392	(1,766,539,649)

Debt Management

Decrease in debt servicing principal and interest payment budget (Current Capital and Current Revenue Expenditure) is almost 9% of last year, while that in actual expenditure is 67% of last year. This shows poor debt planning.

2014-15			
Debt Servicing Principal & Interest Payment	Final Grant / Appropriation	Actual Expenditure	Difference
Debt Servicing (Principal Payment)	55,574,784,010	25,540,189,811	30,034,594,199
Debt Servicing (Interest Payment)	14,017,587,000	13,911,728,850	105,858,150
	69,592,371,010	39,451,918,661	30,140,452,349

2013-14			
Debt Servicing Principal & Interest Payment	Final Grant / Appropriation	Actual Expenditure	Difference
Debt Servicing (Principal Payment)	62,738,418,000	52,720,062,877	10,018,355,123
Debt Servicing (Interest Payment)	13,148,421,000	13,228,329,576	(79,908,576)
	75,886,839,000	65,948,392,453	9,938,446,547

Change			
Debt Servicing Principal & Interest Payment	Final Grant / Appropriation	Actual Expenditure	Difference
Debt Servicing (Principal Payment)	-7,163,633,990	-27,179,873,066	20,016,239,076
Debt Servicing (Interest Payment)	869,166,000	683,399,274	185,766,726
	-6,294,467,990	-26,496,473,792	20,202,005,802

Payment %age current year	56.69%
As compared to last year Payment %age	87.00%
decrease in Debt Servicing Principal and Interest Budget	9.04%
decrease in Debt Servicing Actual Expenditure	67.16%

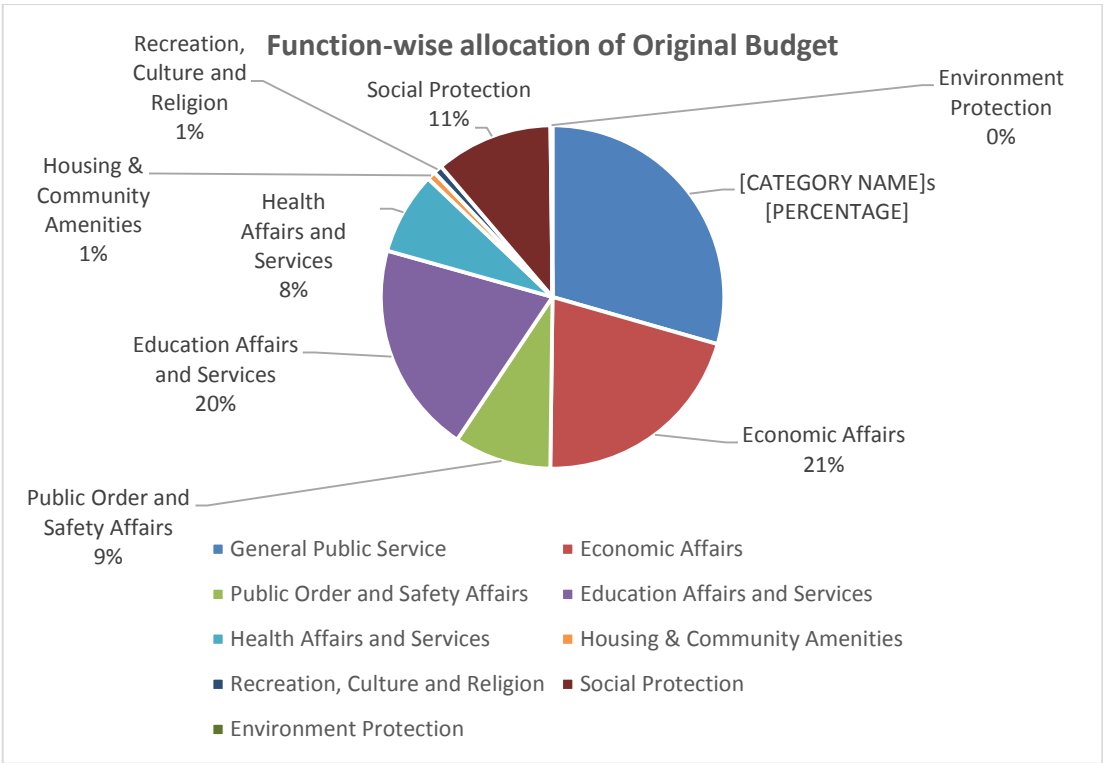
Function-wise budget and expenditure allocations with variances

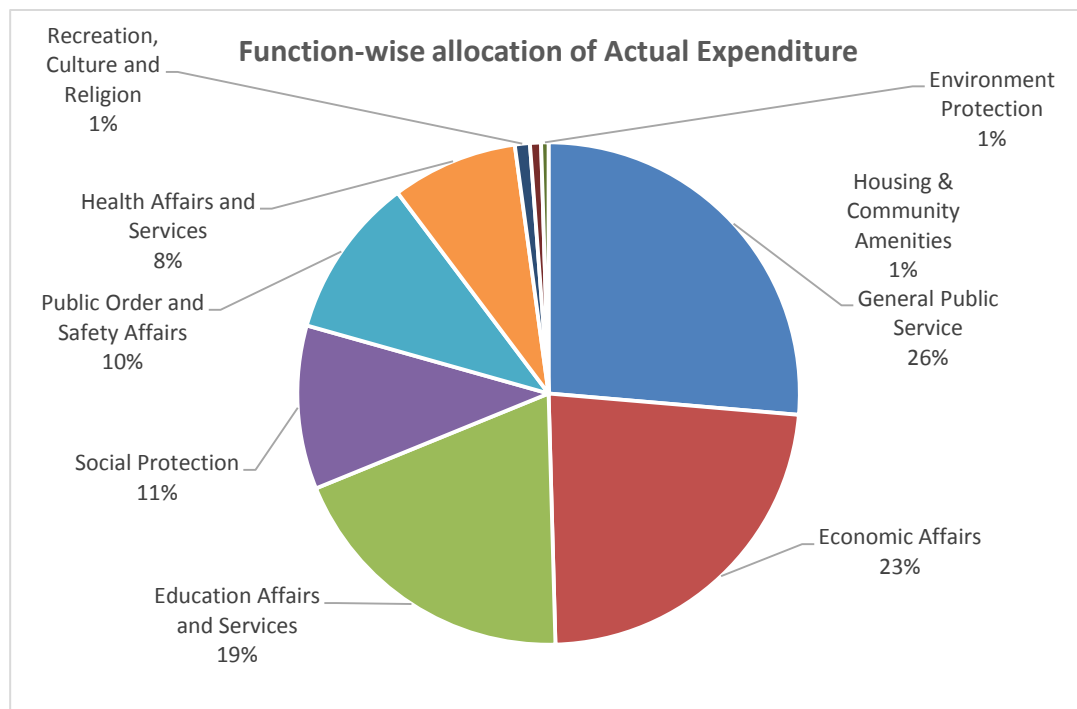
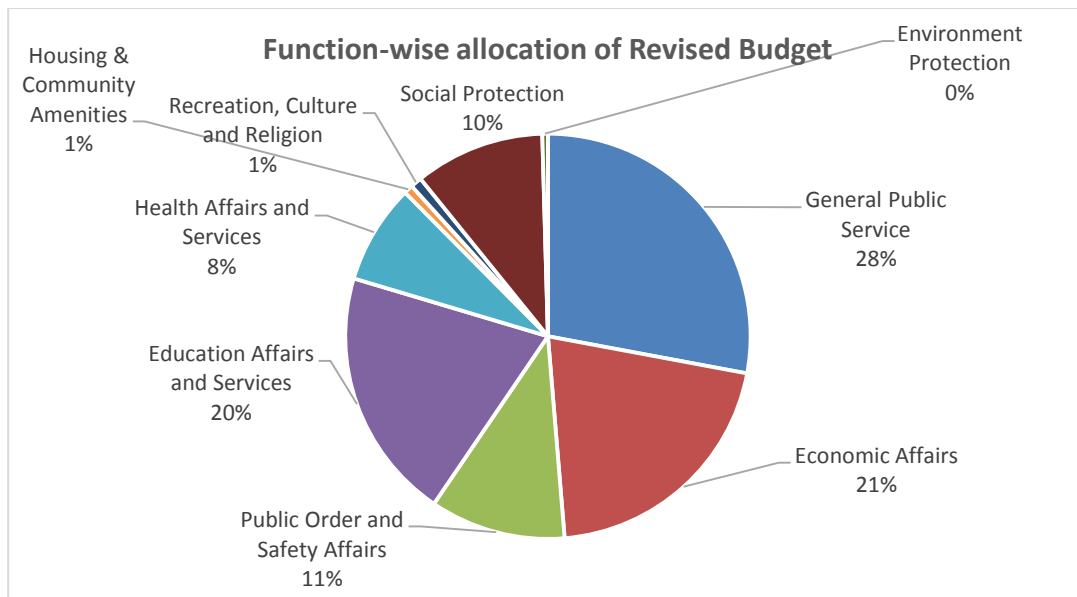
Function-wise budget allocations and expenditure trends can be observed in the following pie charts. By looking at the trends of these charts, it can be seen that out of total nine functions, six functions have consumed almost 98% of the yearly budget.

According to the report on the Status of Millennium Development Goals (MGDs) for 2015 in Sindh, published by United Nations Development Programme (UNDP) for Pakistan in October 2012, "Efforts have so far been inadequate for the province to be able to achieve MDGs in their entirety by 2015". Keeping in view the

set goals for the province, safe conclusions can be drawn from government’s budget and expenditure trends on various functions in the year 2014-15, such as:

- i. 26% of Rs157 billion expenditure on **General Public Services** as the major outlay for the government indicated that government spending over general administrative overheads could not be controlled or reduced despite various austerity measures introduced during last five years. It, therefore, points out to various barriers in achieving major goals of the MGDs.
- ii. Second most prominent chunk of government spending has been **Economic Affairs** comprising 23% of overall government expenditure. Comparing expenditure of Rs138 billion.
- iii. Thirdly provincial government had highest spending in **Education Sector**, i.e., nearly 19%. Despite a good monetary investment of Rs115 billion in this sector, the goal of net primary enrolment ratio of 100 percent had not been achieved due to the reasons that, literacy across the province is not uniform, with significant variations across the urban/rural divide. Gender disparity is also evident from literacy rates, and is more acute in rural than in urban areas.





Government of Sindh
Object wise Expenditure Budget Variance
Financial Year 2014-15

(Amount in Mn. Rs)

Function	Budget		Actual Expenditure	Variance Original Budget	Variance Revised Budget
	Original	Revised			
Economic Affairs	150,896	137,880	138,763	8.04%	-0.64%
Education Affairs and Services	145,044	133,554	115,230	20.56%	13.72%
Environment Protection	1,419	2,960	2,848	-100.70%	3.78%
General Public Service	213,723	185,533	157,565	26.28%	15.07%
Health Affairs and Services	56,343	52,687	48,473	13.97%	8.00%
Housing & Community Amenities	5,880	4,843	4,256	27.62%	12.12%
Public Order and Safety Affairs	66,611	71,887	62,008	6.91%	13.74%
Recreation, Culture and Religion	6,039	5,980	5,772	4.42%	3.48%
Social Protection	80,282	68,917	62,994	21.53%	8.59%
Total Payments	726,237	664,241	597,909		

The largest variation was in ‘**Social Protection Function**’ which completely pertained to Grant 59 allocated to Finance Department under Development Capital Voted Expenditure. The huge difference was questionable from Finance Department.

Government of Sindh
Object wise Revenue Budget Variance
Financial Year 2014-15

(Amount in Mn. Rs)

Function	Budget		Actual Receipts	Variance Original	Variance Revised
	Original	Revised			
<u>Revenue</u>					
Taxation	496,101	471,891	442,910	10.72%	6.14%
Non-Taxation	125,694	96,350	93,782	25.39%	2.67%
Total Revenue Receipts	621,795	568,241	536,692	13.69%	5.55%
<u>Capital</u>					
Domestic Debt	0	0	10,100	0%	0%
Foreign Debt	41,832	24,577	13,625	67.43%	44.56%
Recovery of Loans & Advances	1,386	6,000	26	98.12%	99.57%
State Trading Activities	48,540	20,540	17,148	64.67%	16.51%
Miscellaneous Recoveries	105	0	0	100.00%	0%
Total Capital Receipts	91,863	51,117	40,899	55.48%	19.99%
Total Object wise Receipts	713,658	619,117	577,591	19.07%	6.74%

Based on above data a **Budget Deficit Analysis** has been performed in the following table:

Particulars	2014-15	2013-14
Original Budget (Deficit)	148,646	17,952
Revised Budget (Deficit)	86,580	(82,049)
Actual Surplus/(Deficit)	20,318	6,499
%age of original Vs. actual variance	14%	36%
%age of revised Vs. actual variance	23%	-8%

Implications

Above analysis clearly indicates the:

- i. lack of reality based commitments by management,
- ii. inefficient resource utilization,
- iii. ineffective use of planning toolkit, and
- iv. opportunities lost and not taking advantage of strengths.

Recommendations

- i) Proper categorization of expenditure across functional classification levels in the budget document as well as on actual expenditure reporting.
- ii) Across the board implementation of New Accounting Model (NAM) and Accounting Policies and Procedures Manual (APPM), which will reduce accounting classification errors.
- iii) Judicious resource allocation, which should be aligned with the changing sector requirements.
- iv) Decentralization of authority to the spending units, once project cost is approved and included in the PSDP.
- v) Reducing the number and stages of approval, while ensuring transparency and efficiency in service delivery.
- vi) Limiting in-year reappropriations.

(B) ACCOUNTING ISSUES

1.1.2 Physical Assets not taken in Assets Register – Rs3.377 billion

According to APPM Paras 13.4.1.1 to 13.4.1.6 provides maintenance of Fixed Assets Register as elaborated below:

Para 13.4.1.1

All departments/entities will maintain a "Fixed Assets Register" (Form 13A) for the categories of assets, for which they are responsible. The categories of assets shall include the following:

- i. Land & buildings
- ii. Vehicles
- iii. Plant and machinery
- iv. Furniture & fittings
- v. Livestock
- vi. Civil works
- vii. Office / Computer equipment

Para 13.4.1.2

Following information shall be kept on the Fixed Assets Register for each asset.

- i. description
- ii. classification of asset
- iii. date of purchase or date of completion
- iv. original purchase cost in Rupees
- v. cost in foreign currency (where applicable)
- vi. asset identification number
- vii. current location
- viii. ownership of/responsibility for asset

Para 13.4.1.3

Above information is not exhaustive and is the minimum required for the proper management of fixed assets.

Para 13.4.1.4

Every fixed asset purchased or improvement/extension made above Rs100,000 shall be recorded in the Fixed Assets Register. This threshold

should be subsequently adjusted in the light of experience and better defined management information requirements.

Para 13.4.1.5

The record of each item shall also include references to the relevant files, plans and deeds, source of acquisition, and give other relevant details such as rents payable or receivable, and restrictive covenants.

Para 13.4.1.6

Every change affecting the ownership, occupation or change in location of the asset shall be the subject of an entry in the register.

During certification audit of accounts for the year 2014-15, it was observed that all Current Capital and Current Revenue Grants 2014-15 contain the account head A09 – Physical assets totaling Rs3.377 billion (2013-14: Rs2.44 billion). These entries have been reported as revenue expenditure in the Financial Statements and neither their corresponding entry in the Asset Register nor their reporting in government assets has been made. Object codes for physical assets are:

F03101	Land and Buildings
F03102	Vehicles
F03103	Plant and Machinery
F03104	Furniture and Fittings
F03105	Livestock
F03106	Civil Works
F03107	Office/Computer Equipment

Due to this nonpresentation, total assets of the government can never be determined with accuracy as elaborated below:

- i. Error conditions that could occur due to non-maintenance of Fixed Asset Register may include:
 - a. Overstatement of revenue or expenditure
 - b. Misclassification of accounting records
 - c. Doubt in existence of assets
 - d. Wrong or over/undervalue of assets
 - e. Inaccuracy in account or amount of accounting records
 - f. Wrong disclosures or representations

- ii. The detail or break-up of cost is the basic cost control in asset management, it is absent in the present disclosure.
- iii. Cost of the project can be manoeuvred between different cost elements (savings in one head can be adjusted against excess expenditure in other) keeping in mind the total budgeted cost of the project.
- iv. Further, financial statements may lack consistency and completeness, as certain information will be presented using object-wise classification and other as function-wise classification.
- v. This is also inconsistent with the requirements of Financial Reporting Manual (FRM).

It is recommended that the management should follow the Accounting Policies and Procedures Manual (APPM) in order to verify existence and proper valuation of long term assets. All expenditures should be recorded and classified objectwise.

1.1.3 State trading stock capitalized in long term assets – Rs20.015 billion

Para 20 of “IPSAS 12 Inventories” provides that other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition. For example, it may be appropriate to include non-production overheads or the costs of designing products for specific customers in the cost of inventories.

Further Para 21 *ibid* provides that examples of costs excluded from the cost of inventories and recognized as expenses in the period in which they are incurred are:

- (a) Abnormal amounts of wasted materials, labour, or other production costs;
- (b) Storage costs, unless those costs are necessary in the production process prior to a further production stage;
- (c) Administrative overheads that do not contribute to bringing inventories to their present location and condition; and selling costs.

According to Para 22 *ibid*, “In limited circumstances, borrowing costs are included in the cost of inventories”. These circumstances are identified in the allowed alternative treatment in “IPSAS-5 Borrowing Costs”.

During the year 2014-15, an amount of Rs20.015 billion (2013-14: Rs 9.387 billion) relating to State Trading was capitalized to long term assets. This amount

refers to the difference in total expenditure incurred, reduced by total receipts realized in the state trading account. Expenditure includes cost of purchases and other expenses incurred by the Government on purchase of different food items including establishment charges and interest expense.

Objectwise break-up of the net capitalized amount was as under:

	Amount in Rs
A01 – Pay and Allowances	
A03 – Operating Expenses	
A05 – Grants, Subsidies and Write off	742,921,640
A07 – Interest Payments (Charged)	6,122,515,101
A09 – Physical Assets	30,297,741,251
Total expenditure	37,163,177,992
Less	
C01– Receipts and recoveries	(16,147,691,207)
C01 – Wheat Subsidies from head – 042602 (Subsidy)	(1,000,058,600)
Total Receipts	(17,147,749,807)
NET PAYMENTS	20,015,428,185

By definition, Capital Expenditure is incurred for the purpose of acquiring, constructing or enhancing physical assets or on schemes of capital outlay, as given by the object code in the Chart of Accounts. Therefore, all of the above account heads as capitalized should not be included in the cost of purchase of Wheat and Rice Stock rather they should be expensed out in the current period through revenue grant and an expense of Rs6,865,436,741 should not be carried forward in future year which included all above expenditure items excepts cost of physical assets.

Audit was of the view that alternatively the stock of wheat at cost should have been capitalized in current assets. Current presentation in long term assets envisaged that long term assets had been overstated and/or misclassified.

This may result in overstatement of long term assets as well as understatement of current assets.

It is recommended that expenditure relating to State Trading should be dealt with in receipt and payment account and should not be included in long term assets rather should be included in current assets at cost.

1.1.4 Non-maintenance of objectwise opening and closing balances of long term assets – Rs917.659 billion

Para 13.4.1.5 provides that the record of each item shall also include references to the relevant files, plans and deeds, source of acquisition, and provide other relevant detail such as rents payable or receivable, and restrictive covenants.

Para 13.4.1.6 provides that every change affecting the ownership, occupation or change in location of the asset shall be subject to an entry in the register.

Audit observed that Long Term Assets amounting to Rs917.659 billion (2013-14: Rs773.072 billions) were continuously being classified on functional basis rather than objectwise basis. This represented accumulation of yearly expenditure as appearing in Capital Grants of Appropriation Account, which were incurred on various schemes of the current and previous years. Objectwise detail or break-up of assets in each scheme was also not available.

(Amount in Rupees)

Sr. #	Asset	Grant No.	2014-15	2013-14
1	Investments	Grant 47	56,439,333,800	44,189,177,049
2	State Trading	Grant 50	44,364,963,476	24,349,535,291
3	Finance Department	Grant 52	41,748,086	41,748,086
4	Board of Revenue	Grant 52	90,665,792	90,665,792
5	General Public Services	Grant 52	1,113,473,712	1,020,858,888
6	Other General Services	Grant 52	654,722,085	654,722,085
7	Administration (Works)	Grant 53	104,868,520	104,868,520
8	Agriculture & Food	Grant 53	8,684,812,165	8,307,969,470
9	Buildings & Structures	Grant 53	85,932,134,806	77,789,840,146
10	Fuel & Energy	Grant 53	3,855,231,812	3,855,231,812
11	Highways, Roads & Bridges	Grant 53	181,985,101,247	169,951,507,518
12	Irrigation	Grant 53	117,245,519,920	104,148,555,112
13	Manpower	Grant 53	370,996,714	296,148,342
14	Mining & Manufacturing	Grant 53	44,836,315,392	28,429,762,028
15	Environment Protection	Grant 54	17,604,115,075	14,862,835,781
16	Water Supply	Grant 55	36,442,882,755	34,314,704,893
17	Health	Grant 56	24,287,214,253	20,089,289,315
18	Cultural Services	Grant 57	5,065,874,064	4757,370,899
19	Education	Grant 58	55,597,846,633	49,978,991,418
20	Civil Defense	Grant 59	326,465,882	326,465,882

(Amount in Rupees)				
Sr. #	Asset	Grant No.	2014-15	2013-14
21	Social Protection	Grant 59	211,460,541,671	164,488,035,053
22	Transfers	-	757,138,886	757,138,886
23	Statistics	-	317,212,218	186,600,328
24	Planning & Development	-	192,519,071	192,519,071
25	Rural Development	-	18,735,322	18,735,322
26	Printing & Publishing	-	137,151,663	137,151,663
27	Urban Town Planning & Regulatory Services	-	721,557,862	721,557,862
28	Religious Affairs	-	79,999,768	79,999,768
29	Commutation of Pension	-	21,721,158	21,721,158
30	District Administration	-	18,909,031,647	18,909,031,647
Total:			917,659,895,455	773,072,739,085

N.B. The same audit observation has continuously been reported in all Management Reports issued to date since 2006-07, but no action has been taken to comply with the requirements made in the APPM.

Audit recommends immediate removal of classification errors in time so that this violation of APPM and its effect on the financial statements may not appear in future.

1.1.5 Contribution/Transfer to Funds being wrongly classified as Investments – Rs12.250 billion

Chapter 12 of the Accounting Policies and Procedures Manual accounts for similar treatment of transactions between government entities, whether entities working under the same authority tier or two different authority tiers.

According to Para 12.1.4.1, the two principal types of transactions are between departments in the same Government (inter-department) and between two or more separate Governments (inter-Government), who maintain separate accounting records and bank accounts. The inter-department transaction is subdivided further into:

- i. transactions between departments centrally accounted for by the Government, maintaining the same bank account (generally Non-Food);

- ii. transactions involving self-accounting entities, who maintain their own accounting records, but who submit their accounts to the Accountant General's office each month to be consolidated with the central records. These generally maintain the same bank account (Non-Food) with the State Bank but may have separate bank accounts; and
- iii. transactions involving ministries outside the Pakistan Audit Department system who maintain separate accounting records and bank accounts (Railways).

All those entities which are run by a centralized accounting department, whenever receive a payment; such transfer of money is not department's investment in those entities. Such a transfer should properly be treated as an expense of the principal accounting entity which is making payment. Treating or reporting such payment as government asset at one end and liability at another end is an erroneous treatment of inter-departmental transactions, unless there exists a legal or constructive right or obligation between the transacting entities.

Following transfers have been made during the financial year 2014-15 under Grant No.47 – Government Investments (NES) of the budget. These transfers have been made in the Funds created by the Government of Sindh for special purposes and payment has been treated as government investment in Note 28 of the Financial Statements of Government of Sindh. The same expenditure has rightly been reported in the Statement of Cash Receipts and Payments under heading “Other Transfer Payments”.

(Rupees in million)			
Object Head	Cost Center Description and Code	2014-15	2013-14
A06-Transfers	KA9993 - Sindh Govt. Employees Group Insurance Fund	-	500
A06-Transfers	KA9988 - Sindh Pension Fund	3,000	1,000
	KA9989 – General Provident Fund	1,200	0
A06-Transfers	KA9995 - Investment Fund for HBA Advance to GoS	1,000	1,000
A06-Transfers	KA5825 - Sindh Social Relief Fund(NES)	200	0
	KA4742-Other Government Investment	100	0
A06-Transfers	KA5827 - Viability Gap Fund	6,000	3,250
A06-Transfers	KA9980 - Sindh Coal Development Fund	750	638
Total		12,250	6,388

However, following observations were made:

- i. All the above mentioned payments have been made for non-profit motive. The payments to these funds were booked in “A06402 - Contribution/transfer to fund” Head of Account which is Head of Account

for Transfers. Thus treating such payments as investment is wrong in accounting perspective.

This resulted in overstatement in the value of investment and understatement in the value of transfers in the Financial Statements of Government of Sindh.

Audit recommends removal of classification errors in time, so that its effect in the financial statements is not repeated in future.

1.1.6 Long outstanding loans and advances – Rs25.685 billion

Para 4.10.9.1 of APPM states that, “Detailed accounts of all loans and advances granted by the Government shall be maintained by the Accountant General, who will monitor their balances and identify any breaches in the terms and conditions of these loans”.

Para 4.10.9.2 of the manual states that, “the delegated officer in Accountant General’s office shall record payments and recoveries of loans and advances in the relevant account heads under “Loans and Advances” in the Sub-ledger in accordance with directions laid down in Section 4.4 “Accounting for Expenditure”. Also these loans and advances shall be recorded in the Financial Register.”

Para 4.10.11.2 of the manual states that any default in repayment (either in principal or interest) shall be promptly reported by the Accountant General to the delegated authority who shall then take steps to recover the amount in default.

Audit observed that huge loan balances long outstanding against various institutions were appearing in the Financial Statements of Government of Sindh. These loans/advances included:

(Rupees in million)

Institution	Opening Balance	Payments	Receipts	Closing Balance
To district government	1,479	-	-	1,479
To financial institution	28	-	-	28
To non-financial institutions	19,204	134	-	19,338
To Government Servants	1,022	777	27	1,773
To private sector	175	-	-	175
DERA Loans (District)	2,892	-	-	2,892

Total	24,800	911	27	25,685
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Payments of Rs133.893 million in respect of “loans and advances transferred to Non-financial Institutions” included payments to:

(Rupees in million)			
A/C	Account Head Description	DDO	Amount
A05	Grants, Subsidies and Writes off	Secretary (Agriculture Department)	2.913
A05	Grants, Subsidies and Writes off	Secretary (Transport Department)	0.362
A05	Grants, Subsidies and Writes off	Secretary (Finance Department)	130.618
Total			133.893

This implied inadequate controls over the financial reporting and management process. Long outstanding balances inflate the balance sheet position and may influence the financial statement users.

Loans and advances need to be reconciled with borrowers at regular intervals and adequate documentation of the same should be maintained.

It is recommended that appropriate measures should be taken in respect of recovery or settlement of long outstanding balances in order to present a true and fair picture of the financial position of the entity.

1.1.7 Negative balances appearing in permanent debt - Rs1.097 billion

Analysis of Public Debt revealed negative balances amounting to Rs1.097 billion as detailed below. These balances represent payments made in respect of advances and settlements but have been wrongly classified as debits in permanent debt. However, any documentation in this regard was not produced to audit.

(Rupees in million)	
Description	Amount
Settlement of claim of Federal Bank for Co-operatives against SCS	201.190
Payment of Principal to NBP and MCB for Imported flood machinery	49.828
Redemption Of SRTC Debentures	867.697
Total Debit balances	1118.715
Less: Loan, bearing interest:	

(Rupees in million)	
Description	Amount
10.75% Sindh Loan 1988	(0.00)
10.50% Sindh Loan 2002	(4.985)
17% Sindh Loan 2007	(15.674)
	(20.659)
Less: Expired Loans:	
3% Sindh Loans 1958	(1.226)
Total Credit balances	(21.885)
Net (as appearing in balance sheet)	1,096.829

The negative balances represent posting of payments classified under inappropriate heads of account resulting in debit (negative) balance against a liability thus understating the liability. This implied weak controls over financial reporting and makes financial statements unreliable for decision making purpose.

It is recommended that posting of repayments against the loans should be carried out meticulously. The debt balance and advances need to be reconciled on a top priority basis for correct accounting.

1.1.8 Recoveries of overpayments (sampling error-non projectible)

The accounting treatment as suggested by APPM for recoveries of overpayments is:

1. Recoveries which pertain to previous accounting year should be treated as receipts with head name “other receipts”, and
2. Recoveries which pertain to current accounting year should be adjusted against the actual expenditure in which such recovery occurs.

During the review of revenue receipts for the year 2014-15, it was observed that a particular account head “Recoveries of overpayments” appeared in the ledger. As the name suggests this head is allocated for recoveries of overpayments of expenditure. Presence of such recovery in Tax Receipts seemed out of question, as tax is not a payment on the part of the government; a total amount of Rs12.110 million under the head “B01184 Taxes from Other Sources of Income” was reported in the accounts. Such reporting may mislead the users of the financial statements as revenues may be overstated thereby overstating expenditures, although net surplus or deficit is not affected by such treatment.

It is recommended that transactions should be scrutinized in detail before they are booked and a strong internal audit function should prevail throughout the government machinery so that public finance may be accurately and transparently reported.

1.1.9 Less recovery of taxes and other revenues – Rs107.976 million

Para 5.2.3.1 of Accounting Policies and Procedures Manual (APPM) provides that 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, for the generation, control and assessment of bills and demand notices as so that required departmental regulations are followed”.

During audit of accounts for the financial year 2014-15, it was observed in various sections of AG Sindh that following taxes were less deducted by Rs107.976 million.

(Rupees in million)					
Sr. No	Tax Head	Section	Tax Due	Tax Deducted	Less Tax deducted
1.	Income Tax	Health-II, CAA-III, Dev-I, Edu-II, Dev-II, Police-II, WAD-IV	39.933	32.094	7.839
2.	Sales Tax	Dev-I, Edu-II, Dev-II, Police-II, WAD-IV,	100.362	0.224	100.137
Total			140.295	32.318	107.976

Significant less / non-recovery of revenues may lead to understatement of net surplus or deficit in the Statement of Cash Receipts and Payments and may affect the audit opinion.

It is recommended that transactions should be scrutinized in detail before they are booked and a strong internal audit function should prevail throughout the government machinery so that public moneys may be accounted for accurately and reported transparently.

1.1.10 Non-reporting of correct amount of Pension Fund

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:

- 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 sources (e.g. banks, DDOs) and internal verification of accounting records and totals.
- the Consolidated Monthly Accounts, Annual Accounts and the Combined Annual Accounts shall maintain a proper audit trail, in which summarized balances can be traced to general ledger and source transaction details.

During audit of accounts for the financial year 2014-15, it was observed that a sum of Rs3 billion (Grant No. 47) was transferred to Pension Fund Account. It was observed from the previous audit report that “Pension Fund Account” maintained at Fund Management House (FMH) working under Economic Reform Unit (ERU) of Finance Department, the amount of Rs30.30 billion was transferred from 2002-03 to 2013-14”. There is no indication of previous transfers of Rs30.300 billion in the financial statements. Such disclosure in accounts shows that funds transferred to this account are lying out of books. This practice is a gross negligence on the part of the Finance Department and AG Sindh.

Due to this non-disclosure during the year 2014-15, the amount of assets has been understated to the extent of unreported amount.

Audit recommends disclosure of correct position of Pension Fund in the financial statements to depict a true and fair view of the accounts.

1.1.11 Expenditure in excess of budget allocation – Rs8.164 billion

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”.

According to Para-88 of General Financial Rules (GFR) Volume-I: “The authority administering a grant is ultimately responsible for watching the progress of expenditure on public service under its control and for keeping the expenditure within the grant”

During audit of Government of Sindh at office of the AG Sindh for the year 2014-15, it was observed that excess expenditure against the allocated budget and also expenditure without budget allocation was incurred **Annex-1**.

Incurring expenditure in excess of budget allocation or without budget allocation indicated weak financial management and override of government policies.

Audit recommends exercise of proper controls to ensure that no excess expenditure is incurred, besides strengthening of budgetary controls to curb override of policies.

1.1.12 Excess payment against employee related expenses – Rs22.867 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 the audit of the accounts of Government of Sindh for the financial year 2014-15, it was observed that in the following sections of office of the AG Sindh, employee related expenses had not been appropriately pre-audited as excess payments of Rs22.867 million were determined by audit. Detail is as follows:

(Rupees in million)			
Sr. #	Particulars	Section	Amount
1	Unauthorized excess payment of salaries against sanctioned strength	Education VII	10.596
2	Non-Recovery of conveyance allowance	Education VII	0.064
3	Irregular payment on account of teaching allowance	Education VII	0.012
4	Unauthorized payment on account of computer allowance	Education VII	0.054
5	Unauthorized payment on account of computer allowance	CAA-VI	0.018
6	Irregular payment on account of teaching allowance	Health-II	0.060
7	Irregular allowing excess payment on upgradation	Health-I	0.164
8	Recovery of salary transferred after death of official/staff	Education-VIII	0.023
9	Recovery of payment of inadmissible allowances	Police-II	0.101
10	Recovery of CM Secretariat allowance	Education-I	0.072
11	Recovery of Secretariat allowance	Education-I	0.063

(Rupees in million)			
Sr. #	Particulars	Section	Amount
12	Recovery of Project allowance	Education-I	0.255
13	Recovery of deputation allowance	Education-I	0.226
14	Recovery of allowances	CAA-II	0.095
15	Recovery of allowances	CAA-II	7.862
16	Recovery of allowances	CAA-II	0.642
17	Irregular payment of Special Relief allowance	Education-V	0.016
18	Payment of medical reimbursement over and above assessed by Medical Board	Pension-IV	1.614
19	Payment of salary to employee after death	Health-III	0.140
20	Payment of salary to employee after retirement	Education-VI	0.636
21	Recovery of allowances	Agriculture	0.024
22	Recovery of allowances	Agriculture	0.050
23	Recovery of allowances	Agriculture	0.080
Total			22.867

Significant excess payment of expenditure may lead to understatement of net surplus or deficit in the Statement of Cash Receipts and Payments and may affect the audit opinion.

It is recommended that transactions should be scrutinized in detail before they are booked and a strong internal audit function should prevail throughout the government machinery so that public finance may be accurately and transparently reported.

1.1.13 Excess retirement/employees related benefits - Rs7.792 million

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

During the audit of Government of Sindh for the financial year 2014-15, it was observed that in following pre-audit sections GP Fund payment and leave encashment has not been appropriately pre-audited by the sections of AG Sindh and certain deviations from their calculations of employee related expenses have been determined by audit. Detail is tabulated below:

(Rupees in million)		
Particulars	Section	Amount
Excess transfer of GP Fund balance against actual	PF-III	0.019
Doubtful payment of GPF Rs1,642,486 and ID # 10791869 created in FY 2014-15	PF-V	1.642
Doubtful payment of GP Fund	PF-V	6.071
Excess amount paid on account of Leave Encashment	Education-V	0.020
Excess amount paid on account of Leave Encashment	Education-V	0.040
Total		7.792

Significant excess payment of expenditure may lead to understatement of net surplus or deficit in the Statement of Cash Receipts and Payments.

It is recommended that transactions should be scrutinised in detail before they are booked and a strong internal audit function should prevail throughout the government machinery, so that public finance may be accurately and transparently reported.

1.1.14 Non-production of record - Rs5.684 billion

According to Section 14 (2) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, states that 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. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During the audit of Government of Sindh at AG Sindh Office for the financial year 2014-15, various records of Rs5.684 billion were not produced to audit for verification and scrutiny. Detail is tabulated below:

(Rupees in million)		
Section	Particulars	Amount

(Rupees in million)		
Section	Particulars	Amount
WAD-VII	Record pertaining to various Divisions of works	3,140.872
Health-III	Payment to SIUT	1,520.000
WAD-II	Record pertaining to various Divisions of works	401.970
CAA-I	Record pertaining to Grant in Aid	238.000
CAA-IV	Record pertaining to Grant in Aid	227.938
EDU-III	Record pertaining to Grant in Aid	65.000
Pension-IV	Record pertaining to Medical re-imbursement	33.090
WAD-VI	Record pertaining to Miscellaneous Public Works Advances	26.853
AC-I	Record pertaining to various bills & releases	13.184
EDU-III	Record pertaining to L.P.C, Service Books & CNIC	9.228
CAA-II	Record pertaining to Secret Service & Hiring of vehicles	5.277
DEV-II	Record pertaining to Cost of Financial Proposal	2.015
EDU-VIII	Record pertaining to appointment	0.527
CAA-V	Record pertaining to payment of utilities	0.215
Pension Special Cell	Record pertaining to Pension	0.201
EDU-VI	Record pertaining to pay & Allowances	*
EDU-I	Record pertaining to FO-2 & FO-1	*
DPU	Non-production of record of DPU Section	*
Pension-II	Record pertaining to Pension	*
EDU-VII	Record pertaining to appointment	*
WAD-VII	Record pertaining to various Division	*
WAD-VI	Record pertaining to various Division	*
WAD-I	Record pertaining to various Division	*
WAD-V	Record pertaining to various Division	*
CAA-VI	Record pertaining to appointment	*
Total		5,684.370
* The section are not payment sections.		

Non production of record before audit is a deviant act in the eyes of law and results in serious repercussions and implications for person(s) at fault.

It is recommended that record not produced must be made available.

1.1.15 Variation in figures of opening & closing balances, AG / bank or departments

As per para 6.1.1.6 of the Accounting Policies and Procedures Manual, the following key internal controls must be observed in the bank reconciliation processes:

- There shall be a one-to-one relationship between the DAO/AG and a designated branch of either SBP or NBP referred to as the Main Designated Branch.
- All receipt vouchers shall be sequentially numbered by the bank.
- The DAO/AG shall check the bank scroll with the payment advice note on a daily basis.
- The DAO shall prepare a monthly reconciliation statement for receipts and expenditures.
- The Accountant General shall prepare a consolidated monthly reconciliation statement for each government bank account.

During the audit of Government of Sindh at AG Sindh Office for the financial year 2014-15, variations between opening and closing balances, DAOs and banks were noticed. The detail of such instances is tabulated as under.

(Rupees in million)			
Sr. #	Name of section	Particulars	Amount
1.	WAD-III	Opening & closing balance of Education Works	415.837
2.	AC-I	Variation of payment on wheat subsidy above budget	2,122.982
3.	CBC	Closing & opening balance of non food account	448.089
4.	CBC	Variation in figure of DAO payment and bank	68.000
Total			3,054.908

Lack of implementation controls established in all above mentioned mandatory policy manuals may not ensure establishment of sound accounting and financial management system and use of established public practices in government sector. These lapses on recurring basis will cause an effect of losing control over the system or total collapse of system.

We recommend that all above mentioned control issues should immediately be brought to the notice of executing authorities and proper measures should immediately be taken to ensure their compliance.

1.1.16 Payment through DDO account

As per Rule 303 of 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 the audit of Government of Sindh at AG Sindh Office for the financial year 2014-15, it was observed that payments were made to unconcerned payees i.e, DDO instead of actual payees;

(Rupees in million)			
Sr. #	Internal Control Weakness	Section	Amount
1	GP Fund final payment through DDO instead of cross cheque to payee	PF-IV	21.152
2	Pension through DDO instead of cross cheque	CA-VI	0.895
3	Payment of compensation without complete documentation	CA-VI	14.00
4	Payment of POL through DDO instead of cross cheque	CA-VI	0.243
5	Payment of various head of accounts through DDO instead of cross cheque	Health-II	0.623
6	Payment of cash award through DDO instead of cross cheque	CA-III	4.850
7	Payment through DDO instead of cross cheque	Police-I	160.973
8	GP fund final payment through DDO instead of cross cheque	PF-V	8.814
9	Payment through DDO instead of cross cheque	Police-II	9.009
10	GP fund final payment through DDO instead of cross cheque	PF-IV	1.561
11	GP fund final payment through DDO instead of cross cheque	PF-I	1.360
12	Payment of leave encashment through DDO instead of cross cheque	Educ-V	0.000
Total			223.480

Lack of implementation controls established in all above mentioned rules may not ensure establishment of sound accounting and financial management system and use of established public practices in government sector. These recurring lapses will cause losing control over the system.

Audit recommends that all the above mentioned control issues should immediately be brought to the notice of executing authorities and proper steps should immediately be taken to ensure their compliance.

1.1.17 Payments without budget provision

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 the audit of Government of Sindh at AG Sindh Office for the financial year 2014-15, it was observed that payments were made without observing codal formalities.

(Rupees in million)			
Sr.#	Particulars of payments	Sections	Amount
1	Project allowance without budget provision	CAA-III	0.050
2	Honoraria without budget allocation	CAA-III	0.128
3	Expenditure on various heads of account prior to release	Edu. II	0.107
4	Pay & Allowance without budgetary provision	Edu.VIII	882.139
5	Various head of accounts prior to release	Police-II	7.893
Total			890.317

Lack of implementation of controls established in the above mentioned rule may not ensure establishment of sound accounting and financial management system and use of established public practices in government sector. These recurring lapses will cause adverse effect on control over system.

Audit recommends that all the above mentioned control issues should immediately be brought to the notice of executing agencies, besides taking proper measures immediately to ensure their compliance.

1.1.18 Reconciliation process not carried out - Rs10.149 billion

As per Rule 34 of Sindh Financial Rules, Volume-I, the D.D.O. is responsible to conduct the reconciliation of figures of receipt/expenditure with concerned treasury, so as to authenticate the figures.

During audit of the various offices of the Government of Sindh, it was noticed that expenditure/receipts reconciliation process from District Account Offices of Sindh was not carried out in time. Result of test checking on this account in various offices is reproduced below:

(Rupees in million)				
Sr. #	Name of Department	Financial Year	Amount	
A. Receipt			Total	
1	Agriculture, Supply & Prices	2012-13 & 2013-14	66.040	
2	Auqaf, Religious Affairs, Zakat & Ushr	2012-13	113.130	
3	Board of Revenue	2012-13 & 2013-14	90.660	
4	Energy Department	2012-13 & 2013-14	37.360	
5	Excise & Taxation	2012-13 & 2013-14	2,726.520	3,033.710
B. Expenditure			Total	
6	Sports & Youth Affairs	2013-14	1.970	
7	Home Department	2010-11 to 2013-14	6,684.220	
		2010-11 & 2013-14	149.570	
8	Livestock and Fisheries	2012-13	169.630	
9	Social Welfare	2012-13	58.400	
10	Transport & Mass Transit	2013-14	52.020	7,115.810

Audit recommends timely reconciliation of receipt/expenditure in order to have authenticated position in the financial statements.

1.1.19 Misclassification of expenditure - Rs10.997 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 the following offices of the Finance Department, Government of Sindh for the financial year 2013-14, it was observed that District Accounts Offices passed various bills amounting Rs 10.997 million in which expenditure of one head of account was charged to another head of account without approval of re-appropriation; resulting into misclassification of expenditure.

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	DAO Kambar	14	0.322
2	Sindh Board of Investment Karachi	01	0.413
		25	10.262
Total			10.997

The irregularities were pointed out to the department in the month of October 2014 and January 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the responsibility may be fixed on the person(s) at fault.

DEPARTMENT OF CULTURE, TOURISM & ANTIQUITIES

1.1.20 Irregular expenditure against Grants-in-aid - Rs26.500 million

According to Para 208 of General Financial Rules, Volume-I “Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such report statement etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report as the case may be will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.”

In the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities Department, Karachi, for the year 2013-14, it was observed that an amount of Rs26.500 million drawn for different payees was irregular as:

- (i) The Utilization Report and its detailed vouchers were not produced.
- (ii) The amount was sanctioned by the Finance Department in anticipation of budgetary provision stating that “the expenditure will be met either by way of re-appropriation of funds or by obtaining supplementary grant in due course of time”. However, the amount was neither provided by re-appropriation nor by obtaining supplementary grant, as no evidence was provided to audit.

The sanction by Finance Department and drawl by Secretary, Culture Rs26.500 million under the head of account Grants-in-aid, without budgetary provision, is irregular.

The irregularity was pointed out to the department in July 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#29, 44 & 48)

DEPARTMENT OF EXCISE & TAXATION

1.1.21 Blockage of Government Revenue by National Bank of Pakistan Rs275.005 million

In term of Sub Rule (V) of Rule-77 of Federal Treasury Rule, the head of the office making payment into the treasury of bank should compare the bank's receipts in the challans with the entry in the cashbook and satisfy himself that the amount have been actually into the treasury of bank. After the end of each month he should obtain from the treasury a consolidated receipt for all remittances made during the month which should be compared with the posting in the cashbooks.

During scrutiny of accounts of office of the Excise & Taxation Officer (CMDI) Infrastructure Cess, Airport, Karachi for the financial year 2013-14, it was observed from monthly verified statements of A.G. Sindh, that a huge amount of

Infrastructure Cess Rs275.005 million was deposited late by National Bank of Pakistan in State Bank of Pakistan resulting into blockage of government revenue:

(Rupees in million)

Sr.#	Particulars	Amount
1	Total amount recovered as per departmental collection as per treasury verified statement for the year 2013-14	1,176.948
2	Total amount realized by NBP for the year 2013-14	1,451.954
Blocked amount		275.005

The matter was pointed out to the department in the month of April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires the above irregularity may be justified besides fixing responsibility on person(s) at fault.

(AIR#01)

BOARD OF REVENUE

1.1.22 Misclassification of expenditure – Rs2.568 million

According to the Notification issued by the Government of Sindh Finance Department Karachi vide # B/2 (63)/78 part-II/20 dated 30th November 1981, “the funds allocated for one unit of appropriation cannot be utilized for another unit without prior approval of the competent authority (Finance Department)”.

During audit of following offices of Board of Revenue, Government of Sindh for the years 2013-14 & 2014-15, it was observed that a cumulative expenditure of Rs2.568 million was incurred on various heads of account, but the expenditure was charged to irrelevant heads of account. This resulted into misclassified expenditure of Rs2.568 million.

(Rupees in million)

Sr. #	Name of office	Correct head of account	Head of account wrongly charged	AIR Para #	Amount
1	Deputy Commissioner Umerkot	Transport, POL	Others	8	0.848
2	Deputy Commissioner, Badin	Repair of transport, Hardware	“Others” & “Printing”	15	1.166
3	Deputy Commissioner, Thatta	Hire of vehicle	Others	15	0.449

4	Deputy Commissioner, Kashmore @ Kandhkot	Repair of transport	Unforeseen	3	0.105
Total					2.568

The matter was pointed out to the management during November 2014 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

DEPARTMENT OF HEALTH

1.1.23 Misclassification of expenditure – Rs2.261 million

According to Rule 12 of GFR Vol.-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 against which the money was provided.

During audit of following offices of Health Department for the year 2014-15, it was observed that expenditure of Rs2.261 million was incurred by way of misclassifying head of account.

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
1	District Health Officer Tharparkar, @ Mithi	Various items	01	0.199
2	M.S Peoples Medical College Hospital, Shaheed Benazirabad	Purchase of air conditioners	12	1.035
3	District Health Officer, Badin	Payment POL from the head of Medicines	01	0.102
		Payment of Medicines from Repair of transport		0.925
Total				2.261

The irregularity was pointed out to the management during August and September 2015. The DAC meeting was held on 18-02-2016. The management of the offices at Sr. No.1 and 2 clarified that expenditure was incurred on need basis and relevant record was available. The DAC directed them to produce record to Audit for

verification. Due to no reply of the office at Sr. No.3, the DAC decided to call its explanation at the level of Health Department to ensure response for discussion in the next meeting. However progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

HOME DEPARTMENT

1.1.24 Misclassification of expenditure – Rs5.488 million

According to Rule 12 of GFR Vol.-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, for which the money was provided.

During audit of following offices of Home Department, Government of Sindh, it was observed that expenditure of one head of account was charged to another head of account resulting into misclassification of expenditure of Rs5.488 million. The details are as under:

(Rupees in million)						
Sr. #	Name of Institution	AIR Para #	Financial Year	Head charged	Actual head to be charged	Amount
1	Principal Police Training Centre, Hyd. @ Ganjo Takar	02	2013-14	Others	Salary	3.630
2	SSP Sanghar	10	2014-15	Printing, Others & Repair-M & E	Stationery & Machinery Equipment	1.107
3	SSP Traffic Zone-II, Karachi	4	2013-14	Secretariat allowance	Governor / CM house allowance	0.311
		6	2013-14	Telephone charges	other offices	0.115
4	SSP West, Karachi	01	2014-15	Others Misc.	Feeding Charges	0.300
5	SSP Ghotki	9	2013-14	Rates & Taxes	Rent	0.025
Total						5.488

The irregularity was pointed out to the management during November 2014 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification of misclassification, besides taking remedial measures.

1.1.25 Misclassification of expenditure in different cost centres- Rs2.984 million

According to Rule-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.

During audit of the following offices of Home Department for the Financial Year 2014-15, it was observed that a variation of Rs2.984 million was found in reconciliation statements duly verified by DAOs and expenditure amount as per bills/vouchers. In addition, expenditure of one cost centre was charged to some other cost centre.

(Amount in Rupees)					
Sr. #	Name of offices	AIR Para #	Expenditure as per Statement	Expenditure as per bills	Variation
1	SSP Sanghar	12	8,200,493	7,802,247	1,959,718
2	Principal Police Training Centre Badin @ Hyderabad	19	711,753	1,735,869	1,024,116
Total					2,983,834

The irregularity was pointed out to the department during November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

DEPARTMENT OF LAW, PARLIAMENTARY AFFAIRS & HUMAN RIGHTS

1.1.26 Misclassification of expenditure – Rs1.340 million

According to Rule 12 of GFR Vol.-I, “Controlling officer is responsible to watch that the funds allotted to the spending units are expended in the public interest upon the object, for which the money was provided”.

During audit of following offices of Law, Parliamentary Affairs & Human Rights Department, for the financial year 2013-14, it was observed that expenditure of one head of account was charged to another head of account resulting into misclassification of expenditure of Rs1.340 million.

(Rupees in million)						
Sr. #	Name of Office	AIR Para #	Year	Actual Head	Charged To	Amount
1	Secretary, Law, Parliamentary affairs & Human Rights, Karachi.	05	2013-14	Training	Others(A03970)	1.186
2	Advocate General Sindh, Karachi.	08	2013-14	TA/DA	Others(A03970)	0.157
Total						1.340

The matter was reported to the department during November 2014 to January 2015. The management of Advocate General Sindh, Karachi in reply stated that it is presently function of pre-audit to check the proper classification of each kind of expenditure passed from Accountant General Sindh Karachi as per Chart of Accounts. After passing of payment by the Accountant General Sindh, misclassification observation does not deemed to be proper. However, according to Rule quoted above a Controlling Officer is responsible to watch that the funds allotted to the spending units are expended correctly. The reply is not tenable as per above rule. Moreover the reply in respect of Secretary, Law, Parliamentary Affairs & Human Rights, Karachi was not given.

Despite efforts, no DAC meeting was convened by the PAO.

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

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, timely supply of seeds, fertilizers and pesticides, imparting training and to boost-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.

Agricultural Statistics of Sindh Province

➤ Total Area	14.09 Million Hectare
➤ Cultivated Area	4.87 Million Hectare (35%)
➤ Un-cultivated Area	6.77 Million Hectare (48%)
➤ Forest Area	1.03 Million Hectare (7%)
➤ Cultivable Wasteland	1.42 Million Hectare (10%)

Agricultural Products of Sindh

➤ Rice	36 % of National Production
➤ Sugarcane	29 % of National Production
➤ Cotton	34 % of National Production
➤ Wheat	15 % of National Production

Source: www.sindhagri.gov.pk

2.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 105 formations (DDOs), out of which 22 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
10,252.677	5,350.000	(2,328.873)	13,273.804	11,417.231	1,856.573

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs1,856.573 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
350.000	350.000	102.000	248.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs248.000 million was observed.

2.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Agriculture, Supply and Prices Department were discussed by the PAC on 26-02-2015. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
8	3	0	3	0

2.4 AUDIT PARAS

2.4.1 Non-production of record – Rs4.370 billion

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

- (2) The officer 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the following offices of the Agriculture, Supplies and Prices Department, Government of Sindh for the years 2013-14 and 2014-15, it was observed that auditable record of Rs4.370 billion was not produced to audit.

(Rupees in million)					
Sr.#	Name of Office	Particulars	Financial Year	AIR Para #	Amount
1	Cane Commissioner, Hyderabad	Subsidy cheques issued to owners of sugar mills	2013-14 2014-15	1	3,898.801
2	Director On Farm Water Management, Hyderabad	Progress report	2014-15	15	431.000
3	Secretary, Agriculture Supply & Prices	Contingency	2014-15	1	11.435
4	Secretary, Agriculture Supply & Prices	Contingency	2014-15	21	19.249
5	Director, Agriculture Engineering Sindh, Hyderabad	Documents	2014-15	3	9.086
6	Vegetable Specialist, Onion Research Station, Husri at Hyderabad	Record	2013-14	06	0
Total					4,369.571

The matter was reported to the department during August 2015 to November 2015. The DAC meeting was held on 04 February 2016. The management of the offices under audit observation clarified that the record was available. The DAC directed the management to produce record for Audit. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

2.4.2 Irregular payment without obtaining delivery challans-Rs99.023 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 the audit of the following offices of the Agriculture, Supply & Prices Department, Government of Sindh, for the year 2014-15, it was observed that amount of Rs99.023 million was incurred on purchase of machinery & equipments, but the delivery challans were neither available on record nor produced on demand. Due to non-availability of delivery challans, the audit could not authenticate procurements.

(Rupees in million)					
Sr. #	Name of Office	Financial Year	Head of Account	AIR Para #	Amount
1	DG Agriculture Engineering & Water Management Sindh, Hyderabad.	2014-15	Machinery & Equipments	04	45.000
2	“ADP Scheme Replacement of Earth Moving Machinery in Sindh (Phase-II)”, Hyderabad.	2014-15	Machinery & Equipment	02	25.000
3	Director, Agricultural Engineering Sindh, Hyderabad.	2014-15	Agricultural Implements	02	22.919
4	DG, Agriculture Research, Tando Jam.	2014-15	Machinery & Equipments	07	5.327
5	Wheat Botanist, Agriculture Research, Tando Jam.	2014-15	Fertilizers/ farmyard	02	0.777
Total					99.023

The irregularities were pointed out to the department during August 2015 to October 2015. The DAC meeting was held on 04 February 2016. The management of all offices under audit observation clarified that the procured items pointed out in the Para had been duly received from the suppliers and the record in this regard was available. The DAC directed the management to produce the record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

2.4.3 Irregular expenditure of subsidy without obtaining Form-07 from the Beneficiary Farmers - Rs17.530 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 record of scheme Subsidy Assistance on Agricultural Implements for Farm Mechanization in the office of the Director Agricultural Engineering Sindh Hyderabad for the Financial Year 2014-15, it has been observed that a cumulative amount of Rs17.530 million paid on account of subsidy on Agricultural Implements (under the Scheme Subsidy Assistance on Agricultural Implements for Farm Mechanization) was irregular as the same was incurred without obtaining the Form-07, which shows entitlement to land ownership of the beneficiary farmers.

(Rupees in million)				
Sr.#	Supplier	Bill		Amount
		No	Date	
01	M/S Jamal Industries Mian Channu	30	23.02.2015	1.715
02	M/S National Industries Hyderabad	NAI/51/15	20.02.2015	1.013
03	M/S Amjad Brothers Faisalabad	AB/HD/1916/15	23.01.2015	4.987
04	M/S Supreme Agr: Faisalabad	SAI/63/15	27.01.2015	5.861
05	Millat Farm Machinery Nawabshah	MFm/86/15	16.02.2015	3.954
Total				17.530

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 04 February 2016. The management clarified that the Form-07 was available. The DAC directed the management to produced record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#04)

2.4.4 Under-utilization of working strength of staff and available bulldozers - Rs16.200 million

Agriculture Engineering Workshops in Sindh, provide bulldozers on a rental basis to local farmers. In order to ensure full utilization and prevent misuse, the Directorate of Engineering Workshops Sindh, Hyderabad had fixed a target for each bulldozer as @ 125 hours per month (66,000 hours per year for all the 44 available bulldozers and 71 operators & 92 Greasers).

In the office of the Agriculture Engineer, Agriculture Engineering Workshop, Sukkur, during the course of audit for the year 2014-15, the bulldozers were utilized for 47,140 hours only against the target of 66,000 hours fixed by the Directorate. Due to under utilization of bulldozers, the government realized an amount of Rs10.260 million only against the targeted revenue of Rs26.460 million as per revised budget estimates and an average performance of 664 hours was performed by the bulldozers operators.

Furthermore, four (04) posts of borers were available in the Directorate, but they provided no service during the year under audit, as the local office did not provide any record of their utility.

The irregularity was pointed out to the department in September 2015. The DAC meeting was held on 04 February 2016. The management clarified that the bulldozers were old and had outlived their lives; hence, the targets could not be achieved. Audit pointed out that in such case targets should have been fixed on the basis of the real strength of the bulldozers. The management clarified that the targets were fixed by the Finance Department, Government of Sindh. The DAC directed the management to approach the Finance Department for revision of the targets and submit progress to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#01)

2.4.5 Unjustified allowing of hiring of Bulldozers to farmers at subsidized rates without obtaining relevant documentary evidence - Rs10.143 million

The department of Agriculture Government of Sindh vide notification No. 4(15)SO(MECH)2008 dated 28-03-2013 has fixed subsidised rates for hire charges of bulldozers for Agricultural purpose in Province of Sindh, on the production of various documents such as form-VII of land, pass book and weekly log sheets, etc from the farmers, who hire bulldozers.

During the course of audit of office of the Agriculture Engineer, Agriculture Engineering Workshop, Sukkur, for the year 2014-15, it was observed that the various bulldozers were allowed on hire charges for an amount of Rs10.143 million at the subsidized rates, but the necessary evidence as stated above were not obtained from the farmers/subordinate offices.

In the absence of above record, the authenticity of usage of bulldozers for agriculture purposes could not be ascertained by audit.

The irregularity was pointed out to the department in September 2015. The DAC meeting was held on 04 February 2016. The management clarified that the record pointed out in the audit observation was available. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#03)

2.4.6 Unauthorized deposit/payment into DDO account – Rs8.431 million

As per Rule-303 of 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 the audit of the following offices of Agriculture, Supply and Prices Department, Government of Sindh, it was observed that expenditure of Rs8.431 million was incurred on account of various heads, but the payment was made through DDO instead of direct payment to concerned vendor/supplier.

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
01	Director Information, Agriculture Extension Sindh, Hyderabad	07	2.223
02	Plant Pathologist, Agriculture Research Institute, Tandojam	05	1.496
03	Vegetable Specialist, Onion Research Station, Husri at Hyderabad	05	1.276
04	Chemist, Soil Agriculture Research Institute, Tandojam	03	1.132
05	Vegetable Specialist, Onion Research Station, Husri at Hyderabad	03	0.850
06	Agronomist, Agriculture Research Institute, Tandojam	03	0.827
07	Vegetable Specialist, Onion Research Station, Husri at Hyderabad	01	0.627
Total			8.431

The matter was reported to the department in the month of February 2015. The DAC meeting was held on 04 February 2016. The management of the office at Sr.1 (Director Information Agriculture Extension Sindh, Hyderabad) clarified that despite several times submission of Form 'FO2' in respect of six employees under audit observation, the payment was being made by the DAO, Hyderabad through DDO account. The DAC directed the management to take up the matter with AG Sindh about non-computerization of salary of the employees under audit observation and submit the progress to Audit for verification.

The DAC was not satisfied with the reply of the management of the office at Sr.No.2 (Plant Pathologist Agriculture Research Institute, Tando Jam) and directed them to submit a revised reply giving proper justification.

The management of the offices at Sr. No. 3 to 7 clarified that the expenditure was petty nature and DAO had issued the cheque in favour of DDO; hence, the payment was made through DDO account. The DAC directed the management of the concerned offices to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

2.4.7 Irregular refund of token money to farmers - Rs.7.500 million

The Government of Sindh had launched a scheme of sale of tractors on subsidized rates to farmers/growers. To qualify for inclusion in balloting of this scheme the prospective growers had to deposit token money of Rs25,000/- in the bank. In case of successful applicants, the token money amount was to be utilized on the expenses of registration of Tractors with the Excise and Taxation Department. The token amount was to be refunded to unsuccessful applicants only.

During the audit of the office of the Directorate General Agriculture Engineering & water management Sindh Hyderabad, for the year 2014-15, it was observed that an amount of Rs.7.500 million was irregularly refunded to the successful growers. As per PC-1, this amount had to be utilized for registration of tractors in the name of growers and to avoid misuse of the subsidized scheme by unconcerned persons.

(Rupees in million)			
Particulars	No.	Rate Rs.	Amount
Irregular refund of token money to successful applicants	300	25,000	7.500

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 04 February 2016. The DAC was not satisfied with the reply of the management and directed them to submit a revised reply along with evidence to Audit for verification to the effect that the token money of Rs25,000 had been utilized in registration of the tractors on behalf of successful farmers. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#01)

2.4.8 Irregular Expenditure by splitting without inviting open tender – Rs2.862 million

Rule 12 (1) of SPPR 2010, provides that, 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) *ibid* provides that Procurements over one hundred thousand rupees and upto 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 the rules.

During the audit of the office of the Deputy Director/Rice Botanist, Rice Research Station, Thatta, for the year 2013-14, it was observed that expenditure was incurred on account of purchase of computers, machinery and equipment of Rs2.862 million without calling open tenders as required under the rules of SPPRA.

The matter was reported to the department in November 2014. The DAC meeting was held on 04 February 2016. The management clarified that the procured items were below the range of Rs100,000; hence, tendering was not required. They added that quotations were obtained as per rule. Audit pointed out that split-up of procurement had been made to avoid calling tender. The DAC was not satisfied with the clarification of the management and directed them to submit a revised reply giving proper justification along with supporting record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#02)

2.4.9 Loss on account of cultivation of land - Rs1.952 million

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

During the audit of the office of the Plant Pathologist, Agriculture Research Institute, Tando Jam, for the years 2009-10 to 2014-15, it was observed that an expenditure amounting to Rs2.645 million on account of input material (Purchase of DAP and Pesticides) was incurred for cultivation of land, but the value desired

from sale of output (crop) was Rs0.693 million which resulted into loss of Rs1.952 million. Therefore, the activity of cultivation is not giving desired results on either purpose i-e cultivation and research on enhancement of yield of crop. The outcome of research was also not provided to audit.

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 4 February 2016. The DAC was not satisfied with the reply of the management (office of the Plant Pathologist, Agriculture Research Institute, Tando Jam) and directed to submit a revised reply giving proper justification along with record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 01)

2.4.10 Un-authorized retention of government money in DDO Account–Rs1.044 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 the audit of the following offices of Agriculture, Supply & Prices Department, Government of Sindh for the year 2013-14, it was observed that an amount of Rs1.044 million was drawn from government account and kept into DDO bank account till close of the financial year.

(Rupees in million)

Sr. #	Name of Office	DDO Bank Account No.	AIR Para #	Financial Year	Amount kept in DDO A/c
1	Deputy Director, Agriculture Extension, Karachi	03287-5	02	2013-14	0.838
2	Horticulture Training Project, Khairpur	0102-105109-1000	18	2013-14	0.206
Total					1.044

The matter was reported to the department during December 2014 to June 2015. The DAC meeting was held on 04 February 2016. The management of office at Sr.No.1 (Deputy Director Agriculture Extension, Karachi) clarified that the payment of Rs800,000 was received in DDO account against financial assistance to widow of a deceased employee and crossed cheque dated 30-06-2014 was issued to her which was cleared by the beneficiary on 08-07-2014 as per bank statement. The DAC settled the para subject to verification to the extent of Rs800,000 and directed the management to submit a revised reply regarding remaining amount of Rs37,698 along with supporting record to Audit for verification.

The DAC was not satisfied with the reply of the management of office at Sr.No.2 (Horticulture Training Project, Khairpur) and directed them to submit a revised reply along with supporting record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

2.4.11 Non-recovery of outstanding amount against seed supplied on credit to various seed companies - Rs7.980 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 the audit of the office of Director General, Agriculture Research Sindh, Tando Jam for the year 2014-15, under the scheme “Development and Promotion of Quality Seed through Public Private Partnership in Sindh”, it was observed that the local office supplied seeds on credit amounting to Rs7.980 million to various seed companies, which is still outstanding.

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 04 February 2016. The management clarified that the recovery of Rs4.588 million had been made; whereas, the recovery of balance amount Rs3.393 million would be made during the current financial year 2015-16. The DAC directed

the management to produce the record to Audit against the recovered amount to reduce the amount of the para to the extent of verified recovery. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#03)

2.4.12 Non-recovery of outstanding dues – Rs6.531 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 the audit of the following offices of the Agriculture, Supply & Prices Department, Government of Sindh for the financial years 2013-14 to 2014-15, it was observed that an amount of Rs6.531 million was still outstanding, and no effort was taken to recover the said amount.

(Rupees in million)					
Sr#	Name of the Offices	Description	Financial Year	AIR Para#	Amount
1	Executive Engineer, Agriculture Engineering Workshop, Larkana.	Rental charges of Bulldozers	2014-15	02	4.892
2	Horticulturist, Date Palm Research Station, Kotdigi, District Khairpur	Auction of Date Palm for Rs.0.605 Mn, paid only Rs.0.200 Mn	2013-14	01	0.405
3	Deputy Director, Agriculture Extension, Hyderabad.	Motor Cycles allotted to 24 employees on instalments since 1993 to 2014	2013-14	01	1.234
Total					6.531

The matter was reported to the department in December 2014 to August 2015. The DAC meeting was held on 04 February 2016. The management of the office of Executive Engineer, Agriculture Engineering Workshop, Larkana clarified that the bulldozers were provided on demand during flood emergency 2014-15. The DAC directed the management to make efforts for recovery/book adjustment through

Finance Department, Government of Sindh and submit the progress to Audit for verification. The management of the office of Horticulturist, Date Palm Research Station, Kotdigi District Khairpur Mirs clarified that pursuant to the audit observation, the recovery had been made. The DAC directed the management to produce the record to Audit for verification. The management of the office of Deputy Director, Agriculture Extension, Hyderabad was directed by the DAC to submit a revised reply along with supporting record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#02)

2.4.13 Non-recovery of 50% share of farmers and irregular expenditure on purchase of agricultural equipment - Rs4.221 million

As per PC-I of the Scheme “Subsidy Assistance on Agricultural Implements for Farm Mechanization” 50 per cent share is required to be obtained from farmers to allow the subsidy on Agricultural Equipment.

During scrutiny of record of scheme “Subsidy Assistance on Agricultural Equipment for Farm Mechanization” in the office of the Director, Agricultural Engineering Sindh, Hyderabad for the Financial Year 2014-15, it was observed that an amount of Rs8.442 million was paid on purchase of Agricultural Equipment without obtaining 50per cent share from farmers. This resulted into irregular expenditure for Rs4.221 million.

(Rupees in million)			
Sr.#	Supplier	Amount paid	50% Share not received
01	M/S Supreme Agriculture, Faisalabad	4.675	2.337
02	M/S Amjad Brothers, Faisalabad	1.884	0.942
03	M/S I.K Enterprises, Hyderabad	1.883	0.941
Total		8.442	4.221

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 04 February 2016. The management clarified that 50% farmers’ share was obtained in advance before the purchase of agricultueal implements. The

DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#01)

2.4.14 Non-recovery of stamp duty – Rs1.568 million

According to Para-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 paisa per hundred rupees of the value of the agreement or against tender cost.”

During audit of following offices of Agriculture, Supplies & Prices Department for the years 2013-14 to 2014-15, it was observed that stamp duty of Rs1.568 million was not recovered from the contractors for fixing of stamps on contract agreement in violation of above rule.

(Rupees in million)					
Sr#	Name of office	Description	Financial Year	AIR Para#	Amount
1	Director, On Farm Water Management, Sindh, Hyderabad.	Total amount of contract Rs431 million	2013-14 to 2014-15	09	1.293
2	“ADP Scheme Replacement of Earth Moving Machinery in Sindh (Phase-II)”, Hyderabad.	Replacement of earth moving machinery Phase-II Rs91.623 million	2014-15	01	0.275
Total					1.568

The irregularity was pointed out to the department during the month of August 2015. The DAC meeting was held on 04 February 2016. The management of the offices under audit observation clarified that the stamp duty had been recovered by affixing on the contract agreements. The DAC directed the management to produce the record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

CHAPTER-3

AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT

3.1 Introduction

Department 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* for the performance of religious rites at shrines and mosques,
3. Construction of *musafir khanas*, *langar khanas*, lavatories, etc. at the shrines/*dargahs* to facilitate *zaireen*,
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 conduct 'Seerat Conferences' at provincial level,
6. To arrange 'Hifz-o-Qir'at Competitions' at the district and provincial levels, every year,
7. To assist and coordinate districtwide Hajj trainings to group leaders and the intending pilgrims,
8. To promote Islamic Ideology and the Life & Thoughts of prominent saints through the Shah Waliullah Research Academy,
9. To eradicate the menace of anti-social activities, to nip in the bud the sectarian issues arising in the mosques and shrines,
10. The Auqaf Department is a self-income-generating department,
11. To extend welfare / financial assistance out of its self-generated funds to orphans, destitute and disabled persons on yearly basis,
12. Sometimes, special grant is received for the beautification of main shrines/mosques,
13. The Auqaf Department also maintains agriculture land and property as *Waqf* properties.

3.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 26 formations (DDOs), out of which 02 formation was selected and audited during the Audit Year 2015-16. The accounts for

the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
528.123	0.000	(81.567)	446.557	484.099	(37.543)

The department was unable to control the expenditure as per allocated budget, as a result, excess expenditure of Rs37.543 million was observed.

3.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

3.4 AUDIT PARAS

3.4.1 Non-production of record – Rs5.295 million

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, provides 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of office of the Chief Administrator Auqaf, Hyderabad, Auqaf, Religious Affairs, Zakat & Ushr Department for the Financial Year 2013-14, it was observed that an amount of Rs5.295 million was paid on account of pay & allowances to the employees who are appointed at fixed pay. Following irregularities were observed;

- i. The appointment orders, terms and conditions of service of employees were not shown to Audit.
- ii. As per sanctioned / working strength 789 employees were working in the department, whereas the salary is paid to total 739 employees, including 154 on fixed salary.

The irregular expenditure was pointed out to the department during February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the record to be provided to audit, besides fixing responsibility on the person(s) at fault.

(AIR#05)

3.4.2 Irregular payment without supporting vouchers – Rs9.243 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 the vouchers setting forth full and clear particulars of claim."

During audit of the office of Chief Administrator Auqaf, Hyderabad, Government of Sindh, for the year 2013-14, it was observed that the Drawing and Disbursing Officer had drawn Rs9.243 million without supporting vouchers.

(Rupees in million)

Sr. #	Cheque No	Date	Suppliers Name/Payee	Amount
1	4714412	03-03-2013	Manager, NBP, Shahbaz Building Branch, Hyd	1.600
2	4701149	10-07-2013	Manager, NBP, Shahbaz Building Branch, Hyd	1.350
3	4701189	26-07-2013	Manager, NBP, Shahbaz Building Branch, Hyd	0.293
4	4700428	16-08-2013	Manager, NBP, Shahbaz Building Branch, Hyd	1.853
5	4707217	22-10-2013	AA Karachi (Urs Ghazi)	0.150
6	4707218	22-10-2013	CMO Auqaf, Hyderabad (Urs Ghazi)	0.118
7	4707219	24-10-2013	Manager, NBP, Shahbaz Building Branch, Hyd	1.678
8	4707274	18-11-2013	Manager, NBP, Shahbaz Building Branch, Hyd	0.600
9	4707109	02-12-2013	Manager, NBP, Shahbaz Building Branch, Hyd	1.600
Total				9.242

This resulted into irregular expenditure for Rs9.242 million.

The irregular expenditure was pointed out to the department during February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification of drawl of money without supporting vouchers, besides fixing responsibility on the person(s) at fault.

(AIR#01)

3.4.3 Un-justified expenditure on various events/Urs Celebrations – Rs6.993 million

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

During audit of office of the Chief Administrator Auqaf, Hyderabad for the financial year 2013-14, it was observed that an expenditure of Rs6.993 million was incurred on purchase of various goods/material from various suppliers on cash basis during various events and celebrations. As the urs celebration is a yearly affair,

various purchases should be planned and procurement should be made in accordance with SPPRA Rules. The following irregularities were noticed:-

- (i) No tender was invited
- (ii) Adjustment account for various payments not shown to audit.
- (iii) Detail of purchase was not produced to the audit.

The irregular expenditure was pointed out to the department in February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#18)

3.4.4 Irregular development expenditure without calling tender in violation SPPRA 2010 - Rs2.114 million

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 office of the Chief Administrator Auqaf Hyderabad, for financial year 2013-14, it was observed that a cumulative expenditure of Rs2.114 million was incurred from development and paid to various Managers Auqaf and some contractors for development work without inviting tender, which renders the expenditure irregular **Annex-1**.

The irregular expenditure was pointed out to the department in February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#09)

3.4.5 Loss to government due to non-recovery of revenue collectibles – Rs32.881 million

According to Rule 41 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 office of the Chief Administrator Auqaf, Hyderabad for the financial year 2013-14, it was observed that a cumulative amount of Rs32.881 million was to be collected from various contractors on account of shoe contract, flower contract, animal contract, car parking, etc from 16 Circles of Auqaf in Sindh. Due to non-recovery of outstanding dues, government has sustained the loss, which indicates weakness of internal control.

The issue of non-recovery was pointed out to the department in February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires to recover the amount from the defaulting contractors, besides fixing responsibility on the person(s) at fault.

(AIR#03)

CHAPTER – 4

BOARD OF REVENUE

4.1 Introduction

The Board of Revenue was established in 1970 and is 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.

4.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 76 formations (DDOs), out of which 19 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
5,500.864	446.318	(582.304)	5,364.878	3,247.495	2,117.383

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs2,117.383 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
62,928.000	59,100.000	59,253.000	(153.000)

4.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of Board of Revenue was reported in that Report.

4.4 AUDIT PARAS

4.4.1 Doubtful expenditure on suspicious cash memos – Rs8.477million

As per probity, the Rule-88 of Sindh Financial Rules, Volume-I, states “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”.

In the office of the Deputy Commissioner Badin, Board of Revenue, Government of Sindh for the year 2014-15, it was observed that an expenditure of Rs8.477 million was incurred on purchase of various articles, repair of vehicles, etc by photocopying or printing blank cash memos having no machine affixed serial numbers and without any date, which tentamounts to doubtful payment. The same handwriting was noticed on different suppliers’ cash memos, which matched with those on departmental papers. In the presence of the above, the audit was unable to authenticate the genuineness of cash memos / invoices. **Annex-1.**

The matter was reported to the management in August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#01)

4.4.2 Doubtful expenditure from head of account Unforeseen – Rs7.904 million

According to Para 88 of Sindh Financial Rules, Vol-I, “Every public officer should exercise same vigilance in respect of expenditure from government revenue as a person of ordinary prudence would exercise from his own money and drawing officer is responsible that the expenditure is within the available appropriation”.

During audit of following offices of Board of Revenue, Government of Sindh for the year 2014-15, it was observed that an expenditure of Rs7.904 million was incurred from head of account ‘Unforeseen’.

(Rupees in million)					
Sr. #	Name of office	Cost Centre	Particulars	AIR Para #	Amount
1	Deputy Commissioner, Thatta	(A03921)	Disaster preparedness (Nilofar hurricane)	01	3.440
		(A03940)	Unforeseen	02	1.964
Subtotal					5.404
2	Deputy Commissioner, Karachi East	(A03921)	Abstract bill request letter No.DC/KCE/Acctt. Br/99/2014 dated 10-10-14 cheque # 1867327 dt 23-10-14	03	1.000
			Abstract bill request letter No.DC/KCE/Acctt. Br/98/2014 dated 10-10-2014 cheque # 1867328 dt 23-10-2014		1.500
Subtotal					2.500
Grand total					7.904

Following shortcomings were noticed;

- i. An amount of Rs2.500 million was drawn through abstract bill without obtaining approval of Finance Department. Moreover, the adjustment accounts against the fund drawn were not produced to audit for scrutiny.
- ii. Whole payment of Rs5.404 million was drawn from District Accounts Office, Thatta in the name of DDO (i.e., DC Thatta) instead of actual payees. The whole amount drawn was paid by the DDO to his Accountant through open cheques for cash disbursement/payment. No further record of disbursement to beneficiaries was made available to audit.
- iii. Supply orders were not issued and contract agreements were not executed.
- iv. No record regarding establishment of camps, quantity of food, detail of affected persons accommodated in the camps was provided.

The matter was taken up with the management in August 2015 and September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry in the matter and fixing responsibility on the person(s) at fault.

4.4.3 Non-production of record - Rs401.756 million

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

(2) The officer 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of following offices of Board of Revenue, Government of Sindh for the year 2014-15, the auditable record involving financial impact of Rs401.756 million was not produced to audit for detailed scrutiny. Details at **Annex-2**.

The matter was pointed out to the management during August 2015 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record, besides fixing responsibility on the person(s) at fault.

4.4.4 Un-authorized retention of funds by DDO – Rs47.334 million

According to Para-290 of Treasury Rules, volume-I, “No money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants”, let alone retention of funds in DDO account.

During audit of following offices of Board of Revenue, Government of Sindh for the year 2014-15, it was observed that an amount of Rs47.334 million was lying in DDO's bank account as on June 30, 2015. The record about utilization of the amount was not made available to Audit.

(Rupees in million)					
Sr. No	Name of office	Account #	Branch	AIR Para #	Amount
1	Secretary /Senior Member Board of Revenue Hyderabad	4002730750	NBP, Shahbaz Building, Hyderabad	10	43.483
2	Deputy Commissioner, Karachi (East)	006374-1	NBP, District Council, Gulshan-e-Iqbal Br, Karachi	4	3.851
Total					47.334

The irregularity was pointed out to the management during August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry in the matter for fixing responsibility on the person(s) at fault, besides dispensing with the practice in future.

4.4.5 Non-invitation of open tender in violation of SPPRA 2010 – Rs39.732 million

As per Rule 17 of Sindh Public Procurement Rules, 2010, Procurements over one hundred thousand rupees and upto 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 following offices of Board of Revenue, Government of Sindh for the years 2013-14 & 2014-15, it was observed that a cumulative expenditure of Rs39.732 million was incurred on various heads of accounts without inviting open tender.

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
1	Director, Settlement Survey, Hyderabad	Other Services Rendered, Paid to M/S R2V in various areas	01	29.651
2	Deputy Commissioner, Thatta	Development of Geo-database Management System with baseline digital mapping	9	3.464
		Transportation charges	21	1.020
3	Deputy Commissioner,	Misc purchases	10	2.914

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
	Badin	Hiring of excavator work	11	1.307
4	Secretary, Land utilization, Hyderabad	Stationery & Printing	02	1.376
Total				39.732

The matter was pointed out to the management during August 2014 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

4.4.6 Unauthorized and doubtful payment through DDO account instead of cheque payment – Rs28.378 million

As per Rule 303 of 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 office of Deputy Commissioner, Thatta, Board of Revenue, Government of Sindh for the year 2014-15, it was observed that a cumulative expenditure of Rs28.378 million was incurred and payments were made through DDO, and not directly to the beneficiary.

(Rupees in million)		
Name of office	AIR Para #	Amount
Deputy Commissioner, Thatta	5	15.461
	1, 2, 6 & 9	12.917
Total		28.378

Following irregularities were noticed:

- i. The cumulative expenditure of Rs.12.917 million was incurred but the payment was made through DDO account by drawing 20 cheques ranging Rs1.469 million to Rs0.231 million instead of direct payment to payees.
- ii. Funds amounting to Rs15.461 million were drawn through 21 cheques in favour of the accountant of the same office. The record of utilization / acknowledgement of payment and justification of drawl of funds was not available on record.

The matter was taken up with management in September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing of responsibility on the person(s) at fault, besides taking remedial measures to avoid recurrence.

4.4.7 Irregular expenditure without supporting vouchers - Rs16.329 million

According to Rule-23 of SFR Volume-I, “Every payment including repayment of money previously lodged with Government of whatever purpose must be supported with vouchers setting forth full and clear particulars of the claims”.

During audit of accounts record of the following offices of Board of Revenue Government of Sindh, for the year 2013-14, it was observed that a cumulative amount of Rs16.329 million was incurred on account of purchase of various articles without supporting vouchers.

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
01	Deputy Commissioner, Tando Allahyar	Purchase of Bitumen	07	13.838
02	Assistant Commissioner, Rohri	POL	03	0.191
03	Assistant Commissioner, Rohri	Electricity charges	05	0.300
04	Commissioner, Karachi	Arrangements for Election 2013	04	2.000
Total				16.329

The irregularity was pointed out to the department in August to December 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires looking into the irregular payment without vouchers, to provide justification of the above irregularity, besides fixing of responsibility at the person(s) at fault.

4.4.8 Irregular splitting up of purchases to avoid calling tender – Rs1.395 million

As per Rule 12 “Limitation on Splitting or Regrouping of Proposed Procurement” of Sindh Public Procurement Rules, 2010, “(1) Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11, 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 Board of Revenue, Government of Sindh for the year 2014-15, it was observed that a cumulative expenditure of Rs1.395 was incurred on purchase / repair works by splitting up of the work orders to avoid invitation of open tenders.

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
1	Deputy Commissioner, Matiari	Repair of machinery & equipment	4	0.927
2	Deputy Commissioner, District Central, Karachi	Lifting / dumping garbage (5 days)	2	0.218
3	Deputy Commissioner, Dadu	Purchase of furniture & fixture	3	0.250
Total				1.395

The matter was reported to the management during August 2015 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

4.4.9 Irregular expenditure without the approval - Rs1.280 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%”.

In the office of the Deputy Commissioner, District Central, Karachi (Pak MDGs Community Development Program 2014-15), it was observed that an amount of Rs1.280 million was paid to a firm, M/s Saba Enterprises on account of execution of work over and above the sanctioned estimate without approval of revised one.

(Rupees in million)					
Name of work: Improvement / rehabilitation of Road & Sewerage System & CC Flooring in Sector 7-D,1,2,3,4 North Nazimabad Zone DMC-(Central) Karachi (NA-245)					
Cheque No. & Date	W.O. No. & Date	Sanctioned Estimate	Actual Expenditure	Difference Amount	Percentage Difference
2102862/ 15-6-2015	714/ 5-6-2015	3.700	4.980	1.280	25.69%

The irregularity was pointed out to the management in September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification and rationale of the expenditure over the approved estimate, revision of the estimates by the competent authority, besides fixing responsibility on the person(s) at fault.

(AIR#11)

4.4.10 Irregular expenditure under head electricity charges – Rs1.194 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 of Deputy Commissioner (DC) Kashmore @ Kandhkot for the financial year 2014-15, it was observed that the payment of electricity charges was made for Rs1.194 million for residential flats, quarters and office of District Government occupied by those officers who were not even belonging to the office of the DC. Moreover, the paid bills also did not show meter reading of consumption. The payment by the local office was irregular and is recoverable from the residents.

The irregularity was pointed out to the management in November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#02)

4.4.11 Non-recovery of outstanding government dues – Rs36.773 million

Under Section 113 to 115 of the Land Revenue Act 1967, any sum of outstanding government dues referred to a revenue officer is required to be recovered as arrears of land revenue.

During audit of following offices of Board of Revenue, Government of Sindh for the years 2013-14 & 2014-15, it was observed that outstanding arrears of revenue receipts amounting to Rs36.773 million were not recovered.

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
1	Deputy Commissioner, Thatta	Water rate, local cess, land revenue and land tax	16	22.871
2	Deputy Commissioner, Matiari	Land tax, water tax, water rates, local cess and land revenue	10	9.759
3	Assistant Commissioner, Rohri	Conveyance & HRA	01	0.173
4	Sub-Registrar, Shah Faisal Town, Karachi	Capital Value Tax	03	2.149
5	Sub-Registrar-II, Clifton Town, Karachi	Capital Value Tax	04	1.745
6	Sub-Registrar, Shah Faisal Town, Karachi	Capital Value Tax	04	0.076
Total				36.773

The non-recovery was pointed out to the management in August 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

4.4.12 Non-recovery of unadjusted advances– Rs7.407 million

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

During audit of following offices of Board of Revenue, Government of Sindh for the year 2014-15, it was observed that a cumulative amount of Rs7.407 million was paid as advance for various purposes, but the same were not adjusted either by submission of detailed account or by actual recovery upto June 2015.

(Rupees in million)				
Sr. #	Name of office	Particulars of advance	AIR Para #	Amount
1	Deputy Commissioner, Karachi (East)	Payment for Operational Polio Camps	1	5.407
2	Deputy Commissioner, Kashmore @ Kandhkot.	Payment on account of flood	4	2.000
Total				7.407

The matter was pointed out to the management in August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

4.4.13 Non-deduction of income tax at source – Rs2.667 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.

In the office of Secretary, Land utilization, Hyderabad, Government of Sindh during the year 2013-14, it was observed that an amount of Rs2.667 million was not deducted as income tax from the bills of following lawyers.

(Amount in Rupees)			
Sr.#	Name of Lawyers	Amount paid	Due Tax not deducted
1	Mr. G. N. Qureshi	4,460,000	825,100
2	Mr. Akhtar Ali	960,000	86,400
3	Mr. M. Ahmed Pirzada	4,223,000	781,255
4	Mr. Iqbal Mohammad	4,870,000	974,000
Total			2,666,755

The irregularity was pointed out to the department in September 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Due income tax may be recovered from the lawyers and deposited into Government treasury, if they quit the job then amount be recovered from the person who made the payment besides fixing responsibility.

(AIR#05)

4.4.14 Recovery of non-deducted sales tax – Rs1.803 million

According to Sub Rule 3 of rule 3 of Sales Tax Special Procedure (Withholding) Rules, 2011 issued vide notification No. SRB 3-4/1/2011, dated 24th August, 2011, “A withholding Agent, having Free Tax Number (FTN) or National Tax Number (NTN) and falling under clause (a), (b) (c), (d) or (e) of Sub Rule (2) of Rule 1, shall on receipt of taxable services from unregistered Person, deduct Sales

Tax at the applicable rate of the value of taxable services provided or rendered to him from the payment due to service provider, and, unless otherwise specified in the contract between the service recipient and the service provider”.

During audit of following offices of Board of Revenue, Government of Sindh for the years 2013-14 & 2014-15, it was observed that sales tax @ 16 % & 17% amounting to Rs1.803 million was not deducted from the suppliers on account of taxable supply made or services rendered in violation of the above rule. Hence the government sustained a revenue loss of Rs1.803 million.

(Rupees in million)						
Sr. #	Name of office	Name of firm	AIR Para #	Rate	Amount Paid	Sales Tax Due
1	Deputy Commissioner, Thatta	M/s Zafar-ul-Jameel	18	17%	1.964	0.334
		M/s Pakwan Centre			3.440	0.585
		M/s Spatsol Technologies			3.464	0.588
2	Director, Settlement Survey, Hyderabad	M/s Multicon Services	3	16%	1.848	0.296
Total					10.716	1.803

The matter was pointed out to the management in December 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

CHAPTER - 5

CHIEF MINISTER'S SECRETARIAT

5.1 Introduction

The province has a Governor, a council of ministers headed by a Chief Minister appointed by the Governor, and a 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.

Chief Minister's Secretariat includes following wings. Each one among these is separate public entity performing its own functions as defined in Sindh Rules of Business, 1986.

- (a) Chief Minister's Secretariat
- (b) Universities & Boards
- (c) Sindh Technical Educational & Vocational Training Authority (STEVTA)

Each entity as mentioned above, excluding Universities & Boards, is allocated with separate budget. The Universities & Boards under administrative control of Chief Minister's Secretariat are financially autonomous entities; however, these are financially supported with specific grants by the Provincial Government as well as Higher Education Commission (HEC).

5.2 Comments on the Budget and Accounts (Variance Analysis)

The CM's Secretariat consists of 29 formations (DDOs), out of which 21 formations were selected and audited during the Audit Year 2015-16. The accounts for the financial year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
1,622.251	198.208	(318.436)	1,502.022	1,489.557	12.465

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs12.465 million was observed which was not surrendered in time.

5.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Chief Minister's Secretariat were discussed by the PAC on various dates. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
27	18	1	17	6

5.4 AUDIT PARAS

5.4.1 Loss to university by unjustified migration of four self-finance students and nine fee concessions – Rs2.180 million

According to Rule of Migration Para-14.1(i) of mentioned in prospectus 2013-14 the following categories of students shall not be allowed migration:

- a. Reserved seats
- b. Special seats
- c. Self-finance seats

As per Para-13.7 of Prospectus 2013-14, fees payment rules sons/daughters of regular employees of Shaheed Mohtarma Benazir Bhutto Medical University (SMBBMU) shall be charged 50% of the total fees including UEAP (Local self-finance, overseas and foreign nationals) for undergraduate courses.

During audit of self-financing scheme of SMBBMU Larkana, for the years 2012-13 & 2013-14, it was noticed that four students of that scheme were allowed migration in violation of the above rule. Furthermore, nine students were allowed 50% discount without verification of sons/daughter of employees of SMBBMU.

The matter was reported to the department in May 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#10)

5.4.2 Non-production of record - Rs7.528 million and irregular purchase of car - Rs1.034 million

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

- (2) The officer 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

In the office of Principal, Government College of Technology Larkana, under Principal Secretary to Chief Minister's Secretariat, Government of Sindh for the year 2013-14, it was observed that an amount of Rs1.034 million was paid for purchase of a car Suzuki Cultus from non-government funds collected by the college from students. There was no provision in relevant head of account in budget for purchase of a car, for which approval of the Finance Department had to be obtained. Moreover the record showed that the college had a balance of Rs7.528 million under the non-government fund account, for which no detailed record was shown to audit.

(Rupees in million)				
Name of office	F.Year	AIR Para #	Particulars	Amount
Government College of Technology, Larkana (STEVT A)	2013-14	07	Non-production of record of non-govt. account	7.528
		04	Purchase of car from non-government funds	1.034

The matter was reported to the department during December 2014 to July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of relevant record and justification of irregularity besides fixing responsibility on the person(s) at fault.

5.4.3 Non-production of record - Rs225.189 million

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

- (2) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for

information in as complete a form as possible and with reasonable expedition.

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

During audit of various offices under administrative control of Secretary, Universities / Boards for the financial years 2012-13 to 2014-15, the auditable record of Rs225.189 million was not produced to audit. (**Annex-1**)

The matter was reported to the department during December 2014 to December 2015. Reply was only received from the office of Dow University of Health Sciences, Karachi.

The management of DUHS replied that appointments were made as per clause 6 & 7 of statutes of DUHS Act, 2004, but in support of reply, relevant record such as copy of advertisement, appointment procedure, copy of character certificates and copies of verified degrees were not provided with reply. Hence reply was not convincing.

Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of relevant record besides fixing of responsibility on the person(s) at fault.

5.4.4 Non-utilization of funds to train youth - Rs533.014 million

As a matter of prudence the set targets for training of youth need to be achieved for success of the project.

During audit of various institutions under administrative control of Principal Secretary, Chief Minister's Secretariat (STEVTA), Government of Sindh, it was noticed that an amount of Rs533.014 million was allocated for training of youth for the year under audit but management of the project failed to achieve targets for

training to youths and an amount of Rs533.014 million was found unutilized/lapsed. This resulted into non-achievement of targets.

(Rupees in million)						
Sr. #	Name of office	F. Year	AIR Para #	Allocated	Utilised	Lapsed
1	Project Management Unit, Livestock & Fisheries Wing (BBSYDP), Hyderabad	2013-14	09	224.424	80.677	143.757
2	Project Management Unit, Manpower & Training Wing (BBSYDP) Sindh, Karachi	2013-14	08	177.687	41.490	136.197
3	Provincial Coordination Unit, (BBSYDP) Sindh, Karachi	2013-14	10	285.200	48.570	236.630
			06	500.000	483.570	16.430
Total				1187.311	654.307	533.014

The matter was reported to the department during December 2014 to February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.5 Less deposit of fee into relevant account - Rs134.878 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 under administrative control of Secretary, Universities/Boards for the financial years 2012-13 & 2014-15, it was observed that the office collected an amount of Rs600.747 million on account of following fees, but an amount of Rs134.878 million was less deposited into relevant account.

(Rupees in million)

Sr. #	Name of office	Year	Particulars	AIR Para #	Amount Received	Amount Deposited	Less Deposit
01	Board of Intermediate & Secondary Education, Hyderabad	2014-15	Enrollment fee SSC I&HSCI	06	54.227	47.491	6.736
			Exam fee HSC I&II	09	116.050	93.862	22.188
			Exam fee SSC I&II	10	129.510	110.981	18.529
02	Sindh Agriculture University Tandojam	2014-15	Prospectus fee	14	6.032	1.400	4.632
03	Sindh University, Jamshoro	2012-13	Exam fee (college side)	60	294.928	212.135	82.793
Total					600.747	465.869	134.878

The irregularity was pointed out to the department in during March to December 2015, but neither department replied nor DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires deposit of fee in relevant account, besides holding inquiry and fixing of responsibility on the person(s) at fault.

5.4.6 Irregular payment of allowances – Rs94.296 million

As per Revised Pay Scales, 1987, vide Finance Department Office Memorandum No. FD (SR-IV)1/43/87 dated 17th May, 1987, “All employees not provided with government accommodation and posted at Karachi, Hyderabad including Kotri and Jamshoro are entitled to **house rent allowance** @ 45% of the minimum of basic pay scale. For all other places, this allowance will be allowed @ 30%”.

According to Government of Sindh notification # SP (Band E-V)9/2000/ 01 dated 23-01-2002, house rent @ **5% of basic pay** is to be **deducted** from the salary of the employees to whom government accommodation was provided.

According to Notification of Finance Department, Government of Sindh No FD (SR-IV) (12)/77 dated 13.05.1977 read with Para-7(a) of Finance Division (Regulation wing) OM No.I(I)imp/2008 dated 30-6-2008. The office cum residence **conveyance allowance** is an allowance to facilitate Government officers/officials to reach the office and not admissible to those officer/officials who have been provided with government transport facility or residing within work premises.

As per notification of Finance Department No.FD (SR-III)5/22-85 dated 10.02.1986 and subsequent letter No. FD (SR-II)5/16-2001 dated 17/1/2008 it has been clearly communicated that “No **Orderly Allowance** shall be allowed to the officers other than who are working in the Sind Secretariat, as per this Department Circular letter” furthermore “Orderly allowance of officers, others than BS-20 officers of the Sindh Secretariat may be stopped forthwith and to recover the amount for the period they have drawn orderly allowance while serving outside the Secretariat be effected immediately even from the retired Government servants out of their pension.

During audit of following offices under administrative control of Secretary, Universities/Boards for the financial years 2012-13 to 2014-15, it was observed that an amount of Rs94.296 million was paid to the officers/officials on account of house rent allowance, Conveyance allowance and Orderly allowance without observing the above rules. (**Annex-2**)

The matter was reported to the department during March to July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.7 Excess payment of electricity to HESCO – Rs3.929 million

“Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from the Government revenues, as a persons of ordinary prudence would exercise in respect of expenditure of his own money”, as per Rule-88

of Sindh Financial Rules, Volume-I.

During audit of accounts record of the office of Vice Chancellor, University of Sindh, Jamshoro, Government of Sindh for the financial year 2012-2013, it was observed that an amount of Rs3.929 Million was paid in excess to HESCO on account of billed units of electricity, as compared to consumed units as per meter reading:

(Rupees in million)					
Account #	Units billed as on June, 2013	Consumed Units as per meter reading	Excess Units	Rate	Excess amount paid
243722220060550	246260	21477	224783	15.7	3.388
GST @ 16%					0.541
Total					3.929

The matter was reported to the department in March, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification for excess payment of electricity to HESCO besides fixing responsibility on the person(s) at fault.

(AIR#11)

5.4.8 Non-credit of collected amount – Rs1.718 million

As per Rule 26 of GFR, “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 audit of following institutions under administrative control of Secretary, Universities / Boards, it was observed that an amount of Rs1.718 million was collected from different sources, but the same was not deposited into bank account.

(Rupees in million)					
Sr. #	Name of office	F. Year	AIR Para #	Particulars	Amount
1	Benazir Bhutto Shaheed	2013-14	10	Tender fee	0.086

	University Lyari, Karachi		04	Security deposit	0.352
2	Peoples University of Medical & Health Sciences for Women Shaheed Benazirabad	2013-14	04	Call deposit	1.280
Total					1.718

The matter was reported to the department during February to May 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.9 Un-authorized retention of government funds in DDO Account - Rs73.021 million

As per Clause-I Expenditure 4) Use of petty cash fund of Sindh Skill - Development Project, Operational Guidelines – Component II issued by Sindh Technical Education and Vocational Training Authority (STEVTA) dated 07-03-2011, Managing Director shall sanction an amount of Rs25,000 as petty cash to be paid to Project Coordinator and who incurs expenditures from the petty cash fund and maintain a petty cash account in accordance to lay down procedure. A petty cash book must be maintained by the project coordinator. Original vouchers must be produced to support the claim for reimbursement. These accounts shall be subject to audit at any time. Petty cash will be issued / reimbursed through crossed cheque in the name of project coordinator.

During audit of following institutions under administrative control of Principal Secretary, Chief Minister's Secretariat, Government of Sindh for the year 2013-14, it was observed that an amount of Rs73.021 million was drawn and credited into DDO account instead of crediting to the actual concern payee in violation of above rule.

(Rupees in million)			
Sr.#	Name of Office	AIR Para #	Amount
1	Provincial Coordination Unit, (BBSYDP), Sindh	01	39.603
2	PMU, Technical Education Wing(BBSYDP), Karachi	01	32.140
3	Livestock& Fisheries wing (BBSYDP), Hyderabad	07	0.736
4	PMU, Manpower & Training Wing (BBSYDP), Karachi	01	0.542

	Total	73.021
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The matter was reported to the department in February 2015. The office at Sr. # 2 replied that 1st installment amounting to Rs3.294 million was released in March 2015 and 2nd installment of Rs29.410 million was released /credited on 25-06-2014. Amount was required to be disbursed to the concerned offices/institutes after completion of all codal formalities, which was not made upto 30-06-2014 due to late start of program in April 2014. Reply is not tenable as the amount was drawn only to avoid lapse of budget and same was retained in DDO account.

Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.10 Irregular expenditure on repair of building – Rs31.639 million

Para-170 of Public Works Department Manual, volume-I, states that “tenders, which should always be sealed, should invariably be invited in the most open and public manner possible, whether by advertisement in the Government gazette or local newspapers or by notice in English and the vernacular posted in public places, and tenderers should have free access to the contract documents”.

According to Rule-23 of Sindh Financial Rules Volume-I, every payment including repayment of money previously lodged with Government for whatever propose, must be supported by sub-vouchers setting forth full and clear particulars of the claim.

During audit of University of Sindh, Jamshoro for the financial year 2012-13, it was observed that accumulative expenditure of Rs31.639 million was incurred on repair of various buildings.

Following observations were noticed;

1. The repair were splited to avoid calling tender,
2. Estimates were not sanctioned,

3. Technical committee was not constituted,
4. MBs were not available,
5. progressive reports were not available,
6. Work was carried out from the non-technical persons/officers instead of technical officers i.e. Project Director, Engineering wing,
7. Detailed sanction estimate of the work was also not available/produced to audit for verification,
8. Administrative approval/Technical sanction was not available on record,
9. The payment was made to contractor without check measurement,
10. Income tax/sales tax was not deducted.

The irregularity was pointed out to the department in March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#02&29)

5.4.11 Expenditure without inviting tender – Rs31.127 million

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 following offices under administrative control of Secretary, Universities/Boards for the financial years 2012-13&2013-14, it was observed that expenditure was incurred on various works of Rs31.127 million without calling tenders in violation of SPPRA rules.

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
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(Rupees in million)

(Rupees in million)					
Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
1	Peoples University of Medical & Health Sciences for Women, Shaheed Benazirabad	2013-14	10	Construction of Physiotherapy Institute at New Site of PUMHSW	0.882
2	University of Sindh, Jamshoro	2012-13	21	Repair and maintenance of building	2.282
			23	Const: of Main gate, bathrooms & pathways	0.400
			32	Repair of bathrooms @ Shah Latif Hostel	1.045
			35	Purchase of sanitary items	0.540
			68	Repair and maintenance of building	25.978
Total					31.127

The matter was reported to the department during December 2014 to March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.12 Non-utilization of sports fee - Rs14.137 million

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order.

During the audit of the office of Secretary, Board of Intermediate and Secondary Education Sukkur for the financial year 2014-15, it was observed that sports fee amounting to Rs15.254 million was collected from the students, but the Board failed to utilize that amount fully on the sports activities. Detail is as under:

(Rupees in million)

Fee collected	Expenditure on sport activities	Non- utilization
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15.254	1.117	14.137
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The irregularity was pointed out to the department in the month of December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(AIR # 02)

5.4.13 Irregular expenditure on stipend to trainees – Rs2.301 million

Benazir Bhutto Shaheed Youth Development Program [BBSYDP] was initiated in the year 2008 which has trained 275,000 (Approx) educated, semi literate, uneducated youth [18 to 35 Years] in 389 trades of 89 employable sectors with an objective to facilitate them for employment and curtail poverty. As per Para 1.10 of Benazir Bhutto Shaheed Human Resource Research and Development Board Guidelines (Version-VIII); To provide stipend to various categories of unemployed youth, with a view to provide them some income.

During audit of the office of Project Management Unit, Livestock & Fisheries (BBSYDP), Karachi, for the financial year 2013-14, it was noticed that an amount of Rs2.301 million was paid to trainees on account of stipend. In this regard following irregularities were noticed:

1. Trade-wise and centre-wise completion reports for each centre, duly signed by Principal, were not produced.
2. Monthly progress report of each centre was not produced.
3. Copies of CNIC, acknowledgement of payment, list of trainees, status of left/dropped trainees were not provided.

The matter was reported to the department in February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification of above irregularities, besides maintenance of auditable record.

(AIR#03)

5.4.14 Irregular expenditure on account of repair of vehicles - Rs2.250 million

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

During audit of Sindh Agriculture University Tandojam, for the year 2014-15, it was observed that an expenditure of Rs2.250 million was incurred on repair of vehicles. The following irregularities were noted:

1. Requisitions from concerned drivers or vehicle holders for repair of vehicles were not provided to audit.
2. Vehicle No. was not mentioned on the bill to ascertain whether the bill pertained to same vehicle for which it had been claimed.
3. Repair history was not maintained.
4. Satisfactory work completion certificate was not obtained.
5. New as well as old replaced parts were not accounted for in relevant stock register.

The irregularity was pointed out to the department in the month of November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#07)

5.4.15 Unauthorized payment on execution of extra work - Rs1.497 million

As per Para-711 Public Works Department Manual, “The officer competent to sanction tender can also accord sanction to the execution of extra items of work not provided in the tender, subject to the condition that the amount of the extra items

together with the amount of the tender does not exceed the amount of the sanctioned estimate plus such excess as the officers concerned is competent to sanction”.

During audit of following institutions under administrative control of Secretary, Universities / Boards, for the year 2013-14, it was observed that an expenditure of Rs1.497 million was incurred on extra items of work without sanction of revised estimate.

(Rupees in million)			
Sr. #	Name of office	AIR Para #	Amount
1	Peoples University of Medical & Health Sciences for Women, Shaheed Benazirabad	06	1.137
2	Institute of Clinical Psychology University of Karachi	15	0.360
Total			1.497

The matter was reported to the department during April to May 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.16 Irregular payment for gratuity over 30 years of service – Rs1.412 million

According to Board of Intermediate & Secondary Education, Hyderabad Sindh circular No.BISE/AC-Meeting/1445 dated: 30-09-1986, the Rule No.4(b) of the Board Rules was amended from the existing rule that “No gratuity shall accrue for any year over 30 years of service.”

During the course of audit of accounts of Board of Intermediate and Secondary Education Hyderabad for the financial year 2014-15, it was observed that retired employees were allowed gratuity beyond 30 years of service in violation of the above rule as well as without the approval of Finance Department, Government of Sindh:

(Rupees in million)						
Sr.	Name M/S.	Qualifying	Basic	Paid Rs.	Payable Rs.	Excess

#		service	pay Rs.			paid
1	A. Ghani Shaikh	41 years	41,600	$41,600/30*80*41$ = 4,548,267	$41,600/30*80*30$ =3,328,000	1.220
2	Faiz Muhammad	37 years	10,250	$10,250/30*80*37$ =1,011,333	$10,250/30*80*30$ =820,000	0.192
Total						1.412

The irregularity was pointed out to the department in November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(AIR#05)

5.4.17 Unjustified recovery of sports fee – Rs1.034 million

According to Article 84 of Audit Code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appear 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 Secretary Sindh Board of Technical Education, Karachi for the financial year 2013-14, which is an examining body of technical institution having no student on its roll. However, it was observed that an amount of Rs1.034 million was unauthorizedly collected from students on account of sports fee.

The matter was reported to the department in March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification for collection and utilization of sports fee besides fixing of responsibility on the person(s) at fault.

(AIR#09)

5.4.18 Irregularity on account of investment of funds

According to University Statue 03(1) of 2007 of Dow University of Health Sciences, Karachi, the money so realized shall be invested by the syndicate so as to

yield the maximum possible profit and considering the security of the invested money.

During audit of office of Dow University of Health Sciences, Karachi for the financial year 2014-15, it was observed that an amount of Rs304.275 million was kept idle in the accounts upto June, 2015 and was not invested as required under the above clause. The matter is more important because the university has to pay to its employees on account of the following from its own funds:

(Rupees in million)			
Funds	Amount	Investment	Balance not invested
GP Fund	162.803	160.649	2.154
Group Insurance	13.777	0	13.777
Benevolent Fund	24.997	1.8	23.197
Pension	410.16	145.013	265.147
Total	611.737	307.462	304.275

It was also observed that:

- (i) Detail of investment was not available on record
- (ii) Minutes of the meetings regarding investment of funds was not provided
- (iii) The statement of account did not reflect the earnings from investment

The irregularity was pointed out to the department in November 2015. The management replied that investment of 50% fund was made and remaining 50% fund was kept in hand for claimants. Reply of the management was not convincing as non-investment of funds upto 50% was not supported by any rule.

Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing of responsibility on the person(s) at fault.

(AIR#03)

5.4.19 Irregular promotion of Assistant Professors

According to the criteria of appointment of associate professor in the university the applicants should have Ph.D in the relevant field and 10 years

teaching/research experience in HEC recognized University and 08 research publications (with at least 02 publications during last 5 years) in Journals of National and International repute.

Further Vide Letter No. 12-2/CHR/HEC/06/3397 dated December 14th, 2006 having subject “Up-gradation of the posts of the university teachers”, it was clearly communicated that “It may be noted that persons who do not have a Ph.D degree cannot be appointed/upgraded to posts of Associate Professors as they are not “eligible” (except for persons in clinical medical sciences, law, studio arts and design, architecture).”

During audit of University of Sindh, Jamshoro, for the year 2012-2013, it was observed that 37 number of selected Assistant Professors who did not have Ph.D degree were promoted/upgraded as Associated Professor in contravention of prescribed policy of University.

The matter was reported to the department in the March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification for irregular promotion of Assistant Professor besides fixing responsibility on the person(s) at fault.

(AIR#88)

5.4.20 Non-recovery of outstanding dues – Rs1.284 billion

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 University of Sindh, Jamshoro for the financial year 2012-14, it was observed that a cumulative amount of Rs1.284 billion was outstanding against various agencies, which need to be recovered.

(Rupees in million)			
Sr. #	Particulars	AIR Para #	Amount

(Rupees in million)			
Sr. #	Particulars	AIR Para #	Amount
1	Cost of land from allottees of SBB SU cooperative housing society	13	862.500
2	Cost of land from RBOD	04	373.062
3	Electricity charges from residential colony	06&70	32.265
4	Electricity charges for ACs	80	9.450
5	Electricity charges from teachers hostel	08	5.944
6	POL	96	0.507
7	Electricity charges from central canteen	07	0.405
8	Gas charges from canteens	67	0.157
Total			1,284.290

The matter was reported to the department in March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of dues besides fixing of responsibility on the person(s) at fault.

5.4.21 Non-adjustment of advances – Rs61.655 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”.

During audit of various institutions under administrative control of Secretary, Universities / Boards, it was observed that advances of Rs61.655 million were granted for various purposes, but the same were not adjusted. (**Annex-3**)

The matter was reported to the department during February to March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.22 Non-recovery of self-financing/admission fee – Rs19.325 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 institutions under administrative control of Secretary, Universities/Boards for the financial years 2012-13 to 2014-15, it was observed that an amount of Rs19.325 million on account of self-financing/admission fee was not recovered from the students.

(Rupees in million)				
Sr. #	Name of office	AIR Para #	Particulars	Amount
1	Self-Finance Scheme of Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	01	Short recovery of self-financing fees	13.203
2	Sindh Agriculture University Tandojam	13	Non recovery of admission fees	6.122
Total				19.325

The matter was reported to the department during March to December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of dues besides fixing of responsibility on the person(s) at fault.

5.4.23 Non-collection of rent from commercial banks – Rs10.800 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 accounts of the office of Vice Chancellor, University of Sindh, Jamshoro, Government of Sindh for the financial year 2012-2013, it was observed that the management had not collected rent and utility charges from various commercial banks i.e., two branches of Habib Bank Limited, one branch of National Bank of Pakistan and one branch of United Bank Limited operating within the premises of University. It was informed verbally that the banks were not charging any fee for their services, therefore the university was not charging rent from those commercial banks. The explanation was unreasonable/unreliable because the banks were un-officially charging 5 rupees per challan deposited by students and if that was a prime condition, then it would have been documented in proper agreements/regular contracts with the banks. Thus, an estimated amount of Rs10.800 million may be recovered from the banks as per detail below @ Rs50,000 per month.

(Rupees in millions)			
Sr. #	Name of Bank	Period	Amount
1	National Bank of Pakistan.	01-07-2009 to 31-12-2013=54 Months	2.700
2	United Bank Limited	01-07-2009 to 31-12-2013=54 Months	2.700
3	Habib Bank Limited	01-07-2009 to 31-12-2013=54 Months	2.700
4	Habib Bank Limited	01-07-2009 to 31-12-2013=54 Months	2.700
Total			10.800

The matter was reported to the department in March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(AIR #66)

5.4.24 Non/Short-deduction of taxes – Rs4.620million

According to Rule 2 (2) of S.R.O. 660(I)/2007 dated 30th June, 2007, 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 supplier and make payment of the balance amount to him.

According to Section 153(a) & (b) of the Income Tax ordinance, 2001, “Income Tax @ 7% for rendering professional Services is required to be deducted at source and deposited into Government account”.

According to Para-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 paisa per hundred rupees of the value of the agreement or against tender cost.”

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that an amount of Rs4.620 million was not/short recovered on account of income & sales tax and stamp duty from the bills of contractors/suppliers at source. Thus government sustained loss of Rs4.620 due to short/non-recovery of taxes.

(Rupees in million)

(Rupees in million)					
Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
1	Peoples University of Medical & Health Sciences for Women, Shaheed Benazirabad	2013-14	01	Non-recovery of stamp duty	1.051
2	Self-Finance Scheme of Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2013-14	03	Less deduction of GST	1.686
3	Sindh Board of Technical Education, Karachi	2013-14	07	Non-deduction of sales tax	0.850
4	University of Sindh, Jamshoro	2012-13	15	Less deduction of income tax	0.909
			18		0.042
			28		0.059
			38		0.023
Total					4.620

The matter was reported to the department during December 2014 to May 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of taxes and duty besides fixing of responsibility on the person(s) at fault.

5.4.25 Excess payment of conveyance & house rent allowances – Rs5.254 million

According to Notification of Finance Department, Government of Sindh No FD (SR-IV) (12)/77 dated 13.05.1997 read with Para-7(a) of Finance Division (Regulation wing) OM No.I(I)imp/2008 dated 30-6-2008. The office cum residence **conveyance allowance** is an allowance to facilitate Government officers/officials to reach the office and not admissible to those officer/officials who have been provided with government transport facility or residing within work premises.

According to Government of Sindh notification # SP (Band E-V)9/2000/ 01 dated 23-01-2002, **house rent** @ 5% of basic pay is to be **deducted** from the salary of the employees to whom government accommodation was provided.

According to SR-7 Para-8.18 “a **conveyance allowance** to which the obligation of maintain a motor vehicle or other animal is not attached or not admissible during leave or temporary transfer”.

“All employees not provided with government accommodation and posted at Karachi, Hyderabad including Kotri and Jamshoro should be entitled to **house rent allowance** @ 45% of the minimum of basic pay scale. For all other places, this allowance will be allowed @ 30%”, as per revised pay scale 1987 vide Finance Department letter dated 17th May, 1987.

During audit of Government College of Technology, Khairpur, under Principal Secretary to Chief Minister’s Secretariat, Government of Sindh, it was observed that an amount of Rs5.254 million was paid in excess on account of conveyance allowance and house rent allowance to those officers/officials who have been provided Government accommodation and residing within work premises or on leave or have been provided facility of transport. As such they were not entitled to draw the conveyance allowance and house rent allowance.

(Rupees in million)					
Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
1	Government College of Technology,	2013-14	18	5% service maintenance charges	0.192
			17	House rent allowance	1.909
			16	Conveyance allowance	1.970

	Khairpur		02	Conveyance allowance during vacation	0.327
		2014-15	02	Conveyance allowance during vacation	0.350
			11	Conveyance allowance	0.506
Total					5.254

The matter was reported to the department during March to December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

5.4.26 Non-recovery of outstanding dues – Rs2.016 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 Government College of Technology, Khairpur, under Principal Secretary to Chief Minister’s Secretariat, Government of Sindh, it was observed that an amount of Rs2.016 million was not recovered from allottees of government quarters for consumed electricity from main meter (details as under) which needs to be recovered.

Amount in Rupees)					
Sr. #	Grade	Period	No. of quarters	Approx. utility bill	Amount
1	BPS-18	48 months (4 years)	03	Rs3,000 X 48 months = Rs144,000	432,000
2	BPS-17	48 months (4 years)	01	Rs3,000 X 48 months = Rs144,000	144,000
3	BPS-14	48 months (4 years)	03	Rs3,000 X 48 months = Rs144,000	432,000
4	BPS-10	48 months (4 years)	02	Rs3,000 X 48 months = Rs144,000	288,000
5	BPS-06	48 months (4 years)	05	Rs3,000 X 48 months = Rs144,000	720,000
Total			14		2,016,000

The matter was reported to the department during March to July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of dues besides fixing of responsibility on the person(s) at fault.

(AIR#13)

CHAPTER – 6

CULTURE, TOURISM & ANTIQUITIES DEPARTMENT

6.1 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 development of 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 these are Heritage, Conservation and Archaeology. The head office is situated in Karachi, with sub offices in Thatta, Shikarpur, Jamshoro, Hyderabad and Sukkur.

6.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 56 formations (DDOs), out of which 07 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
1,259.421	0.000	(661.715)	597.706	535.324	62.382

The department was unable to spend the allocated budget in time. As a result, of savings of Rs62.382 million was observed, which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
478.72	204.18	46.14	158.04

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs158.04 million was observed.

6.3 Brief comments on the compliance of PAC directives

The Public Accounts Committee (PAC) discussed the Audit Report 2009-10 during the financial year 2014-15; however, no para in respect of Culture, Tourism & Antiquities Department was reported in that report.

6.4 AUDIT PARAS

6.4.1 Doubtful payments out of Grants-in-aid – Rs1.432 million

According to Para 4.12.1.7 of Accounting Policies and Procedure Manual, “Where the grant is to be provided by a series of recurring payments, a separate claim shall be approved and submitted by the delegated authority, for each payment, along with the necessary documentation to show the conditions of grant have been met. The delegated authority who approved the grant shall maintain a schedule of payments made for each grant made under his/her authority.”

During audit of the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities department, Karachi, for the year 2013-14, it was observed that an amount of Rs2.500 million was drawn from the office of the AG Sindh vide cheque No. 1563580 dated 06-11-2013 on account of Grants-in-aid for strengthening of Culture, Tourism & Antiquities Department. However, most of the payments through 52 cheques were made to beneficiaries amounting to Rs1.432 million before 06-11-13, which seems that payments were doubtful.

The irregularity was pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The DAC was not satisfied with reply of the management and directed them to submit a revised reply along with supporting record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#10)

6.4.2 Non-production of record – Rs321.405 million

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

- (2) The officer 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 the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

Various offices of Culture, Tourism & Antiquities Department, Government of Sindh, did not produce the auditable record of Rs321.405 million to audit for examination (**Annex-1**).

The irregularity was pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The management of the offices under audit observation clarified that the record pointed out in the Para was available. The DAC directed the management to produce the record for audit. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

6.4.3 Irregular 2nd revision of schemes -Rs186.075 million

According to O.M No. 21(40) /PIA/PC/200 Government of Pakistan Planning & Development Division dated 26th May 2007. It is added that the 15% permissible limit is allowed only in respect of original approved cost and not revised cost of the scheme.

During audit of the office of the Director, Planning Development, Monitoring & Implementation Cell, Culture, Tourism & Antiquities Department, Government of Sindh, for the year 2014-15, it was observed that three different works were approved, their original estimates were revised twice at exorbitant rates. Therefore, an amount Rs186.075 million was irregularly incurred on schemes.

(Rupees in million)						
Sr. #.	Scheme	Original Cost	Revised Cost	Irregular 2 nd Revision	Difference	Percentage
1	Construction of Auditorium & Conference Hall at Liaquat Memorial Library, Karachi	19.852	79.377	142.906	123.054	620%
2	Establishment of Makhdoom Khuhra Museum & Library at Dargah Makhdoom Khuhra Taluka Gambat, District Khairpur	15.883	32.255	47.297	31.414	198%
3	Strengthening of Planning, Development, Monitoring, Implementation and Evaluation Cell in Culture & Tourism Department, Karachi	17.752	18.000	49.359	31.607	178%
Total		53.487	129.632	239.562	186.075	

The irregularity was pointed out to the department in October 2015. The DAC meeting was held on 10 February 2016. The management clarified that schemes were re-revised as per site requirements and approved by the competent forum. The minutes of the PDWP, technical sanctions, administrative approval issued by the P&D Department and input-wise detailed estimates were available. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#05)

6.4.4 Unauthorized expenditure on Gorakh Hill Development Authority - Rs20.000 million

According to Para 208 of General Financial Rules, Volume-I “Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such report statement etc., in respect of the expenditure from the grant as may be

considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report as the case may be will either include a certificate that the conditions attached to the grant have been or are being fulfilled or will give details of the breaches of those conditions.”

During audit of the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities Department, Karachi for the year 2013-14, it was observed that an amount of Rs20.000 million drawn from A.G Sindh as Grants-in-aid for Gorakh Hill Development Authority to meet various expenditures was unauthorized because:

- (i) Utilization report dated 25-11-13 of the 1st quarter shows that the expenditure was utilized for salary purpose only, while the certificate dated 03-12-13 shows that the funds have also been utilized for POL; however, bills of salary and POL were not provided to audit.
- (ii) The relevant vouchers for the above expenditure were not available.

(Rupees in million)			
Quarterly releases	AG Cheque No. & Date	Secretary Culture Cheque No. & Date	Amount
1 st	1512196 Dated 07-10-13	2847548 dated 10-10-13	5.000
2 nd	1623830 dated 19-02-14	5650730 dated 20-02-14	5.000
3 rd	1698940 Dated 16-05-14	2847562 Dated 19-05-14	5.000
4 th	1786297 Dated 25-06-14	2847572 Dated 30-06-14	5.000
Total			20.000

The irregularity was pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The management clarified that the record was available. The DAC directed the management to produced record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#36)

6.4.5 Irregular expenditure on major repair of Rest House - Rs20.000 million

According to Para 208 of General Financial Rules, Volume-I “Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such report statement etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report as the case may be will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.”

During audit of the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities Department, Karachi for the year 2013-14, it was observed that an amount of Rs20.00 million was drawn vide cheque No. 1695809 dated 07-05-2014 from AG Sindh in favour of defunct District Government Badin, sanctioned as one time special grant for major repairs of Lal Shahbaz Rest House, Sehwan Sharif and paid to the M.D, Sindh Tourism Development Corporation by Secretary, Culture, Tourism & Antiquities Department vide cheque No. 928262 dated 28-05-2014 and cheque No. 9228276 dated 04-06-2014 for Rs.10.000 million each. Following irregularities were noticed:

- (i) The relevant vouchers for the above expenditure were not available.
- (ii) The sanctioned estimates, BOQ, etc for the civil work for major repair were not available.
- (iii) The comparative statement and other relevant documents including certificates of FBR / SRB were not provided to authenticate the process of tendering.
- (iv) It was shown that the financial proposal was prepared by the consultant M/s S. Hasan Ahmed & Co, but the documents pertaining to hiring of consultant were not provided to audit.

In view of the above observations, the expenditure on major repair of rest house at Sehwan for Rs20.000 million is held irregular, because the payment of grant

is made to defunct District Government, Badin, this amount is credited in National Bank of Pakistan, current account No. 7247 at Income Tax Building, Karachi, which is operated by Secretary, Culture, Tourism and Antiquities Department and cheques of payment to MD, Sindh Tourism Development Authority are issued by Secretary. The onward payment to the contractor was not shown to audit.

The irregularity was pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The management clarified that detailed vouchers/running bills, the sanctioned estimates and BOQ are available; and the comparative statements of financial & technical proposals and other relevant documents are also available.

The DAC directed the management to produce record to Audit in support of above clarification as well as submit revised reply of audit observation at Sr.No.(iv) above along with supporting record for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#33)

6.4.6 Irregular expenditure on events' celebrations – Rs19.952 million

According to Para 208 of General Financial Rules, Volume-I “Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such report statement etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report as the case may be will either include a certificate that the conditions attached to the grant have been or are being fulfilled or will give details of the breaches of those conditions.”

During audit of the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities department, Karachi for the year 2013-14, it was observed

that an amount of Rs 19.952 million was spent on the occasion of various events that is kept under observations due to following reasons:

- (i) The vouchers of the above expenditure were not available
- (ii) An amount of Rs 2.0 million was allocated/released for annual urs of Hazrat Sachal Sarmast held on 25th July 2013. The amount was paid in two parts and Rs0.5 million was separately provided from another head of account, which is not justified.
- (iii) The vouchers of prior expenditure of Rs502,770 incurred before Urs dated 25-07-2013 were not provided to audit.
- (iv) Evidence of participation of writers from out of the province was not available on record, therefore expenditure on tickets, transportation & accommodation of Rs200,000 was irregular.
- (v) Evidence of expenditure on performance fees Rs200,000 and payment to scholars & poets Rs350,000, accommodation in Karachi & Khairpur Rs100,000 was not provided to audit.
- (vi) Disbursement account and acknowledgments were not provided.

(Rupees in million)			
Sr. #	Name of event	AIR Para #	Amount
01	Promotion of cultural activities	32	7.500
02	Urs of Hazrat Shah Abdul Latif Bhitai	38 & 42	7.001
03	Urs of Hazrat Lal Shahbaz Qalandar	14 & 15	4.305
04	Urs (Death Anniversary Commemoration) of Hazrat Sachal Sarmast	13	0.485
05	2 nd Excellence Award	49	0.297
06	Youth Festival, Khairpur	37	0.204
07	Musical Program	31	0.160
Total			19.952

The irregularity was pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The management in respect of audit observation at Sr.No.(i), (ii), (v) to (xi) clarified that the codal formalities in respect of the expenditure had been observed and record/evidence were available. As regards audit observation at Sr.No.(iii), the management clarified that expenditure of Rs0.500 million over and above the budget allocation was met from the block allocation of

budget under the head “Promotion of Cultural Activities”. Moreover as regards audit observation at Sr. No.(iv), the management clarified that the post-facto approval of the expenditure incurred prior to *Urs* was sought on 25-01-2014. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

6.4.7 Irregular retention of funds in DDO Account - Rs17.468 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 the audit of the following two (02) offices of the Culture, Tourism & Antiquities Department, Government of Sindh, for the financial year 2014-15, it was observed that a cumulative amount of Rs17.468 million was lying in D. D. O accounts on 30th June, 2015, which should have been disbursed before the close of financial year for the purpose the amount was drawn. The drawl of money resulted into irregular retention of funds to avoid surrender/lapse of funds.

(Rupees in million)			
Sr #	Name of office	AIR Para #	Amount
01	Secretary, Culture	04	16.297
02	Director, Planning Development, Monitoring & Implementation Cell	13	1.171
Total			17.468

The irregularity was pointed out to the department in October 2015. The DAC meeting was held on 10 February 2016. The DAC was not satisfied with the reply of the management and directed them to submit revised reply along with record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

6.4.8 Irregular expenditure on purchase of various articles - Rs17.192 million

As per Rule-113 of Sindh Financial Rules, 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 the audit in the following three (03) offices of Culture, Tourism & Antiquities Department, Government of Sindh for the years 2013-14 & 2014-15 , it was observed that an expenditure for Rs17.192 million was incurred on account of purchase of machinery, furniture, printing material & various articles but that were not accounted for in the relevant stock registers.

(Rupees in million)					
Sr. #	Name of Office	Financial Year	particulars	AIR Para#	Amount
01	Director General, Gorakh Hill Development Authority, Dadu @ Karachi	2013-14	Machinery Equipment, furniture & printing material.	04,07.08, 10.11,12, 13,14	9.327
02	Secretary, Culture, Tourism & Antiquities, Karachi	2013-14	Publication, Cost of other store items and uniform & liveries	10,12,14 &19	6.447
		2014-15	Various articles	20	1.418
Total					17.192

The irregularity was pointed out to the department in May 2015 and July 2015. The DAC meeting was held on 10 February 2016. The management of the offices under audit observation clarified that the procured items have been accounted for in the relevant stock registers. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

6.4.9 Irregular withdrawal of cash from bank through open Cheque – Rs16.420 million

As per Rule 303 of 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, Culture, Tourism & Antiquities Department, Government of Sindh for the years 2013-14 and 2014-15, it was observed that a total amount of Rs16.420 million (Rs0.781 million and Rs15.639 million respectively) was withdrawn from bank through open cheques instead of issuing crossed cheques to the vendors.

The irregularity was pointed out to the department in July 2014 and July 2015. The DAC meeting was held on 10 February 2016. The DAC was not satisfied with reply of the management and directed them to submit a revised reply along with supporting record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR Para#4,7&27)

6.4.10 Non-deposit of income tax & withholding tax deducted from contractors and receipt of sale of books into government account – Rs13.087 million

According to Rule 40(a) of Sindh Financial Rules, Volume-I, “The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury”.

During the audit of the following two (02) offices of Culture, Tourism & Antiquities Department, Government of Sindh, for the year 2014-15, it was observed that the department deducted income tax and withholding charges amounting to Rs13.087 million from contractors bills & sale of books; but the same were not deposited into the government treasury which resulted in un-authorized retention of government funds. The management failed to deposit the government revenue hence chance of misuse of government funds cannot be ruled out.

(Rupees in million)			
Sr. #	Name of office	AIR Para #	Amount
1	Director, Planning, Development, Monitoring & Evaluation Cell, Karachi	08	11.489
2	Director General, Culture, Karachi	03	1.598
Total			13.087

The irregularity was pointed out to the department in October 2015. The DAC meeting was held on 10 February 2016. The management of the offices under audit observation clarified that the due income tax had been deposited into government treasury. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

6.4.11 Irregular procurement without inviting tenders – Rs6.916 million

According to Rule-17 (1) of the Sindh Public Procurement Rules, 2010, “Procurements over one 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 the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities department, Karachi, for the year 2013-14, it was observed that an amount of Rs 6.916 million was incurred, but the tenders were not invited to obtain most economical rates for the expenditure. This resulted into serious violation of SPPRA.

(Rupees in million)			
Sr. #	AIR Para #	Particular	Amount
01	16	Transportation, fabrication, dinner	1.302
02	21	Event management	1.340
03	24	Purchase of stationery	0.466

04	25	Purchase of uniforms	0.211
05	40	Decoration charges and foods items	1.710
06	41	Decoration charges, foods items, Transportation and purchase of awards	1.887
Total			6.916

The irregularity was pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The management clarified that all the expenditure was incurred through inviting open tenders except the expenditure mentioned at Sl.No.03 and 04 of the audit observation pertaining to procurement of stationery and uniforms as the expenditure ranged below the limit of Rs100,000; hence, tendering was not required. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

6.4.12 Irregular issuance of secured advance - Rs5.880 million

As per Para-228 (a) central public works account code stated cases in which a contractor whose contract is for furnished work, require as advance on the security of material brought to sight. Divisional Officer may in such case sanction advance up to 75% the value of such material provided that they are of imperishable in nature and that the formal agreement is drawn with the contractor under which government secures a line on materials. Provided that payment of such advances is made subject to a certificate from concerned Sub-Divisional Officer that the quantities of materials for which the advances are made have actually been brought to site as per the specifications.

During the course of audit of office of Director General, Gorakh Hills Development Authority, Dadu at Karachi for the year 2013-14, it was observed that Security Advance amounting to Rs5.880 million allowed to various contractors was irregular because:

- (i) Bank guarantees submitted by the contractors/suppliers against secured advance was not obtained.

- (ii) A formal agreement was not signed with the contractor under which Government secures a lien on the materials and is safeguarded against losses due to the contractor postponing the execution of the work or due to shortage or misuse of the materials, and against the expense entailed for their proper watch and safe custody.
- (iii) Payment of such advances was made without certificate from Sub-Divisional Officer.

The irregularity was pointed to the department in May 2015. The DAC meeting was held on 10 February 2016. The management clarified as under:

- (i) The indenture bond against the secured advance has been obtained from the contractors;
- (ii) The indenture bond contains the clauses to secure the interest of the government against default of the contractor; and
- (iii) The certificates pointed out by audit have been recorded against the paid advances.

The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#01)

6.4.13 Irregular expenditure on account of Grants-in-aid – Rs4.000 million

According to Para 208 of General Financial Rules, Volume-I “Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such report statement etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report as the case may be will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.”

During audit of the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities department, Karachi for the year 2013-14, it was observed that an amount of Rs4.000 million was drawn on account of Grants-in-Aid. Following observations were noted:

- (i) The Utilization report and its detailed vouchers were not provided.
- (ii) The funds were received from A.G Sindh in September 2013, while released for utilization in February 2014; which shows that the funds were unduly retained for about 5 months.
- (iii) The acknowledgement of management of Arts Council was also not available.

The irregularity was pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The management clarified that the record pointed out in audit observation at Sr.No.(i) and (iii) was available. As regards the audit observation at Sr.No.(ii) above, the management clarified that now the payment is directly made to the Arts Council; however, the arrangement for production of record against the utilized amount by the Arts Council Larkana were being made for production to Audit. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#43&45)

6.4.14 Unauthorized expenditure on cultural programs – Rs4.597 million

According to Para 208 of General Financial Rules, Volume-I “Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such report statement etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report as the case may be will

either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.”

During audit of the office of the Secretary to Government of Sindh, Culture, Tourism & Antiquities Department, Karachi for the year 2013-14, it was observed that an expenditure Rs4.597 million was incurred on account of programme to pay tribute to Faiz Ahmed Faiz and Lok Mela 2014 as detailed below.

(Rupees in million)				
Sr.#	AIR Para #	Event	Observation	Amount
1	18	Tribute to Faiz Ahmed Faiz	<ul style="list-style-type: none"> An amount of Rs0.896 million was paid directly to the DDO of Director General, Culture vide cheque No.9481198 dated 30-06-2014 instead of vendor. Detailed vouchers for Rs 708,604 were not available Evidence of participation of singers, musicians was not available on which expenditure of Rs1.041 million were incurred. 	3.097
2	3	Lok Mela 2014	<ul style="list-style-type: none"> The payment was made to DDO of DG Culture vide cheque No. 9262517 dated 10-04-2014 before the drawl of funds from AG Sindh vide cheque No. 1703000 dated 26-05-2014. The quotations for Panaflex and sound system were not obtained. An amount of Rs 958,566 was paid for fabrications of stalls, stage etc, but the tenders were not invited. 	1.500
Total				4.597

The irregularities were pointed out to the department in July 2014. The DAC meeting was held on 10 February 2016. The DAC in respect of the audit observation at Sr.No.1 on the expenditure incurred on the event of “Tribute to Faiz Ahmed Faiz”, decided to hold a fact finding enquiry at the level of Additional Secretary, Culture, Tourism & Antiquities Department with particular reference to the recorded remarks of then Secretary Culture, Tourism & Antiquities Department as reproduced below:

“The function of Faiz A. Faiz did not cost such three million, I am witness to it”.

As regards the audit observation at Sr.No.2 above on the expenditure incurred on the event of “Lok Mela” the management clarified that the funds were used from the block budget allocation under the head, “Promotion of Cultural Activities in Sindh”. They added that all codal formalities were observed and the record in this regard was available. The DAC directed the management to produce record to Audit for verification.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

6.4.15 Unauthorized expenditure on account of procurement of non-schedule items-Rs3.668 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 accounts record of office of the Director General, Gorakh Hills Development Authority, Dadu at Karachi, for the financial year 2013-14, it was observed that an expenditure Rs3.668 million was incurred on non-scheduled items without approval of competent authority. Besides, details and justification of rates was not available.

The irregularity was pointed to the department in May 2015. The DAC meeting was held on 10 February 2016. The management clarified that due to peculiar locality of the Gorakh Hill, the normal schedule rates were not applicable in respect of the execution of works by the Authority. The DAC directed the management to produce record in support of the clarification to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#02)

6.4.16 Recovery of unadjusted advances – Rs1.688 million

As per para-668 of 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".

During audit on the accounts of the office of Secretary Culture, Tourism & Antiquities Department, Government of Sindh, for the financial year 2014-15, it was observed that a total amount of Rs1.688 million was paid to DG Culture for participation in the event of Pakistan Day - 23rd March at Lahore, but adjustment account was not produced till close of financial year.

The non-adjustment of advance was pointed out to the department in July 2014 and July 2015. The DAC meeting was held on 10 February 2016. The management clarified that the adjustment account supported with relevant vouchers was available. The DAC directed the management to produce the record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR Para#21)

6.4.17 Irregular drawal of conveyance allowance despite getting conveyance facility – Rs1.684 million

As per Government of Sindh S & GAD Notification No. PA-DS (G)/41133/76 dated: 27-07-1977 and No. SO (INSP) S& GAD VI (3) /79 dated: 20-07-1979, "The conveyance allowance is an allowance paid to employees to enable them to reach the office. The conveyance allowance is not required to be paid to those officers, who have been provided with government transport facilities and / or have gone on vacations".

During the audit of the following two (02) offices of the Culture, Tourism & Antiquities Department, Government of Sindh, for the financial year 2014-15, it was observed that an amount of Rs 1.684 million was drawn on account of conveyance allowance by the officers who were already availing facility of government vehicles.

(Rupees in million)			
Sr. #	Name of office	AIR Para #	Amount
01	Secretary, Culture	22	1.419
02	Director, Planning Development, Monitoring & Implementation Cell.	20	0.265
Total			1.684

The irregularity was pointed out to the department in July 2015 and October 2015. The DAC meeting was held on 10 February 2016. The DAC directed the management to make recovery of the amount pointed out in audit observation and submit the record of recovery to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

CHAPTER – 7

EDUCATION AND LITERACY DEPARTMENT

7.1 Introduction

Education Department is responsible for the overall development of educational infrastructure and policy planning and implementation. The department looks after the educational affairs within the province and coordinates with the Federal government and donor agencies regarding promotion of education in the province. Education Department is strategically run by elected representatives of the public and administratively controlled by the bureaucracy. Being the primary concern sector for any government this sector is controlled by a secretary at the province level.

Core functions of the department include:

1. Coordination of schemes for higher studies abroad,
2. Copyright,
3. Education of handicapped children, specially deaf, dumb and blind,
4. General education,
5. Primary education,
6. Secondary education,
7. University education; except agricultural education,
8. Grant of scholarships,
9. Promotion of scientific research,
10. Production and distribution of education and scientific films,
11. Technical education and research, including agriculture and engineering colleges, polytechnic and vocational schools, but excluding medical colleges and law colleges.

The attached or sub-ordinate Departments to the Education Department are;

- (i) Bureau of Curriculum and Extension Sindh
- (ii) Literacy and Non-Formal Education Sindh

7.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 520 formations (DDOs), out of which 84 formations were selected and audited during Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
140,021.389	510.677	(12,230.417)	128,301.649	112,065.170	16,236.479

The department was unable to spend the allocated budget in time. As a result, savings of Rs. 16,236.479 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
546.000	348.000	305.000	43.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs43.000 million was observed.

7.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15, which continued in subsequent year 2015-16 till finalization of this report. The Paras in respect of Education Department were discussed by the PAC on 06-01-2016. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
18	11	0	11	0

7.4 AUDIT PARAS

7.4.1 Irregular receipt of profit and its non-accountal – Rs94.922 million

According to Section 14 (2) & (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, states that 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. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During the audit of Sindh Education Foundation (SEF), Education & Literacy Department, Government of Sindh, Karachi for the financial year 2013-14, it was observed that there were 24 DDO bank accounts, out of which seven account statements showed profit of Rs94.922 million credited therein. The accountal of this receipt was neither available in statement of account of SEF nor shown to audit.

The matter was reported to the department in December 2014. The DAC meeting was held on 22nd January 2016. The management clarified that as per Clause-14(3) (vii) of SEF Act 1992, the income received from investment is part of the SEF Fund. They added that the funds were invested by keeping in a scheduled bank and deposit in different accounts on which profit was received and the same funds have been utilized in accordance with clause 14(4) of the SEF Act 1992 for carrying out the aims and objectives of the Foundation. They added that all record in this regard was available.

The DAC directed the management to produce record to audit within 15 days for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR#09)

7.4.2 Irregular procurement– Rs4.245 million

According to Rule-23 of General Financial Rules, Volume-I, every Government officer should realized fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his

part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of the following offices of the Education & Literacy Department Government of Sindh, it was noticed that irregular expenditure on procurement of various items worth Rs4.245 million was incurred.

(Rupees in million)					
Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
1	Sindh Education Foundation, Karachi	2013-14	31	2.160	Rate variation for purchase of school bags
2	District Education Officer, Shikarpur	2013-14	01	2.085	Non-supply of the books by the supplier.
Total				4.245	

The matter was reported to the department during December 2014 to February 2015. The DAC meeting in respect of Sindh Education Foundation, Karachi was held on 22nd January 2016. The management in respect of AIR Para-31 (Rs2.160 million) clarified that the firm, M/s BIMITCO offering the lowest price did not technically qualify as per recommendation of procurement committee. The DAC directed the management to produce the record to Audit within 15 days for verification. However, the progress was awaited till finalization of this report.

No reply was received in respect of District Education Officer, Shikarpur. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.3 Doubtful expenditure through cash payment – Rs8.379 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 the following offices of the Education & Literacy Department Government of Sindh, it was observed that an amount of Rs8.379 million was drawn from Bank Accounts by presenting open cheques instead of crossed cheques. In addition the following irregularities were also noticed:

- i. Payee’s acknowledgments were not available.
- ii. Fidelity / Surety bond of persons who drew money from bank accounts were not shown to audit.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Taluka Education Officer, Primary (Male), Badin	2014-15	03	1.946
2	Director Schools Education, Sukkur	2013-14	01 to 03, 06 & 08	1.943
3	Government Degree Boys & Girls College, Science, Arts & Commerce, Murad Memon Goth, Malir, Karachi	2011-12 to 2013-14	05	1.037
4	Director General (Colleges) Sindh, Karachi	2013-14	03	0.815
5	Program Director (PMIU), USAID Sindh Basic Education Program, Karachi	2012-13 & 2013-14	16	0.620
6	Taluka Education Officer, Primary (Female), Badin	2013-14 & 2014-15	04 & 06	0.550
7	District Education Officer, Naushahero Feroze	2014-15	04	0.454
8	Government Boys Degree College, Daharki	2013-14	01	0.319
9	Government Islamia Arts & Commerce College, Larkana	2013-14	06	0.256
10	Government Girls College, KN Shah	2013-14	07	0.230
11	Government Islamia Arts & Commerce College, Sukkur	2013-14	15	0.122
12	District Education Officer, Shikarpur	2013-14	09	0.058
13	Government Islamia Arts & Commerce College, Razzakabad Bin Qasim, Karachi	2013-14	02	0.029
Total				8.379

The matter was reported to the department during December 2014 to June 2015. The DAC meeting in respect of Program Director (PMIU), USAID Sindh Basic Education Program, Karachi at serial No.5 above was held on 22nd January

2016. The management clarified that the amount of Rs0.620 million pointed out in audit observation pertained to the petty cash expenses incurred during two financial years, 2012-13 and 2013-14. The management further added that in view of requirement of the petty cash expenditure under the SBEP, the Finance Department in consultation with AG Sindh has approved an enhanced imprest of Rs50,000. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Reply from remaining offices was not received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.4 Irregular expenditure against improper quotations – Rs1.210 million

According to Rule-23 of General Financial Rules, Volume-I, every Government officer should realized 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.

In the office of the Program Director (PMIU), USAID Sindh Basic Education Program, Education & Literacy Department Government of Sindh for the years 2012-13 & 2013-14, it was observed that an expenditure of Rs1.210 million was incurred on account of purchase of various articles against computer made quotations having same pattern of writing and matter. Details are at **Annex-1**.

The matter was pointed out to the Department in February 2015. The DAC meeting in respect of Program Director (PMIU), USAID Sindh Basic Education Program, Karachi at serial No.5 above was held on 22nd January 2016. The management clarified that the procurement was genuinely made by proper receiving the procured items. They added that stock register/consumption account for the procured items was duly maintained. They further added that authentication from

respective vendors in respect of the vouchers under audit observation has been obtained for record. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR # 20)

7.4.5 Non-production of record – Rs3.919 billion

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

- (2) The officer 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the various offices of the Education & Literacy Department Government of Sindh, it was observed that auditable record of Rs3.919 billion was not produced to audit for audit scrutiny. Details are at **Annex-2**.

The matter was reported to the department during December 2014 to August 2015. The DAC meeting in respect of Sindh Education Foundation (SEF), Karachi and Program Director (PMIU), USAID Sindh Basic Education Program (SBEP), Karachi (at serial No.1 and 6 of the Annex-2 respectively) was held on 22nd January 2016. The management of SEF assured that all record was available for audit scrutiny. The DAC directed the management to produce record to audit within 15 days. The management SBEP clarified that appointment of personnel for the Program was made on open competition basis after advertisement in leading newspapers, They added that except the matter of degrees' verification, all the record pointed out by Audit in the Para was available, which can be verified, As regards degrees' verification, the management stated that the recruitment was on contract basis; hence, it was not required. Moreover, the management with reference to audit observation on procurement of vehicle on pre-receipted bill without permission of Finance

Department, clarified that the procurement was made as per approved PC-I and budget release was made by Finance Department. The DAC directed the management to get the degrees of the contract employees verified directly from respective universities. As regards the clarification by the management in respect of remaining points, the DAC directed production of record to Audit for verification. However, the progress was awaited till finalization of this report.

Reply from remaining offices was not received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record besides fixing of responsibility on the person(s) at fault.

7.4.6 Irregular payment without supporting vouchers – Rs9.311 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 the various offices of the Education & Literacy Department Government of Sindh, it was observed that the Drawing and Disbursing officers drew cash Rs9.311 million from various head of accounts without supporting vouchers. Details are at **Annex-3**.

The irregularity was pointed out to the department during October 2014 to September 2015. The DAC meeting in respect of Sindh Education Foundation (SEF), Karachi (at serial No.3 of the Annex-3) was held on 22nd January 2016. The management clarified that all supporting vouchers were available. The DAC directed the management to produce record to audit within 15 days. However, the progress was awaited till finalization of this report.

Reply from remaining offices was not received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.7 Un-authorized retention of government money – Rs6.999 million

According to Rule 290 of Treasury Rules Volume-I, “no money shall be drawn from Government Treasury until and unless it is required for immediate disbursement or need.

During audit of the following offices of the Education & Literacy Department Government of Sindh, it was observed that an amount of Rs6.999 million was drawn from government treasury and kept into DDO bank account till close of the financial years, which resulted in blockage of government money.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Government Islamia Arts & Commerce College, Sukkur	2013-14	06	4.887
2	Directorate of Inspection & Registration of Private Institutions Sindh, Karachi	2011-12 to 2013-14	02	1.341
3	Government Islamia Arts & Commerce College, Larkana	2013-14	02	0.435
4	Government Degree College, ThariMirwah	2013-14	03	0.336
Total				6.999

The matter was reported to the department during December 2014 to July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.8 Unauthorized transfer of funds – Rs704.180 million

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

During audit of office of Chairman, Sindh Textbook Board, Jamshoro, for the financial years 2012-13 & 2013-14, it was observed that an amount of Rs704.180 million was transferred from main account to other accounts for investment purpose without any justification and approval of competent authority.

The matter was reported to the department in the month of November 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry in the matter for fixing responsibility on the person(s) at fault.

(AIR#04)

7.4.9 Irregular expenditure without inviting tenders – Rs242.467 million

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 the various offices of the Education & Literacy Department Government of Sindh, it was observed that an expenditure of Rs242.467 million was incurred without inviting tender. Details at **Annex-4**.

The matter was reported to the department in during December 2014 to October 2015. The DAC meeting in respect of Sindh Education Foudation (SEF), Karachi (at serial No.1 of the Annex-4) was held on 22nd January 2016. The management clarified that procurement has been made under the Procurement Rules of the World Bank as per agreement of loan from the World Bank for Sindh Education Sector Reform Program (SERP-2) in the form of budgetary support mechanism. They added that they had No Objection Letter (NOL) from the World Bank. The DAC directed the management to produce the agreement with World

Bank and NOL to audit within 15 days for verification. However, the progress was awaited till finalization of this report.

The management of the office at Sr. # 06 (Cadet College Petaro) replied that the expenditure was incurred on electricity bills not on purchase of Electric items and that same will be verified to next audit. The reply was not satisfactory as evidence in support of reply was not produced for verification.

No reply was received from other offices. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.10 Irregular payment on Human Resource Cost - Rs210.712 million

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 the audit of accounts of Sindh Education Foundation (SEF), Education & Literacy Department, Government of Sindh, Karachi for the financial year 2013-14, it was observed that an expenditure of Rs210.711 million was incurred under the head “Human Resource Cost” as detailed below:

(Rupees in million)		
Sr.#	Name of Program	Amount released
1	Sindh Education Foundation (SEF)	115.150
2	Early Learning Program (ELP)	11.009
3	Integrated Early Education Learning Program (IELP)	44.451
4	Rural Based Community Schools (RBCS)	18.304
5	Promoting Private Schooling in Rural Sindh (PPRS)	21.798
Total		210.712

Following irregularities were noticed:-

01. The appointment was made in current and last years, but degrees / testimonials and other documents were not got verified.
02. Medical fitness certificates were not obtained before joining, which means that employees were not medically examined, prior to joining duty.
03. Approved sanctioned /working strengths were not produced to audit.
04. Statement showing excess/shortage of the posts was not furnished.
05. No letter/order of any competent authority, either by executive committee or Board of Governors, was produced to authenticate the present status/number of employees.

The matter was reported to the department in December 2014. The DAC meeting was held on 22 January 2016. The management clarified that letters to the incumbents were issued to get the degrees verified and several employees' verified degrees were produced to audit and the remaining verified degrees would be produced in due course. They added that medical fitness certificates were not obtained owing to contract employment. They further added that HR budget for the financial year 2013-14 contain the position of posts including vacancies and the same budget was approved by the Board of Governors. Audit pointed out that arranging verification of the degrees through the beneficiary will not serve the purpose, as it would remain doubtful. The DAC directed the management to get the degrees verified independently without any role of the employed officials. The DAC also directed the management to get the medical fitness certificates of the contract employees verified and also directed to prepare HR Policy. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 76)

7.4.11 Unauthorized utilization of government funds over releases – Rs135.964 million

According to Para-88 of General Financial Rules (GFR) Volume-I,” The authority administering a grant is ultimately responsible for watching the progress of expenditure on public service under its control and for keeping the expenditure within the grant”.

During the audit of Sindh Education Foundation (SEF), Education & Literacy Department, Government of Sindh, Karachi, for the financial year 2013-14, it was observed that SEF utilized an amount of Rs135.964 million over and above the funds released by Finance Department, Government of Sindh, Karachi on four of its programmes. The source of excess funds was not provided to audit.

Rupees in million)					
Sr. #	Name of Program	Amount Released	Utilization	Excess	% Excess
1	Sindh Education Foundation	75.000	132.919	57.919	77
2	Early Learning Program (ELP)	45.000	52.794	7.794	17
3	Integrated Early Education Learning Program (IELP)	500.000	532.378	32.377	06
4	Promoting Private Schooling in Rural Sindh (PPRS)	800.000	837.874	37.874	05
Total		1,420.000	1,555.965	135.964	

The matter was reported to the department in December 2014. The DAC meeting was held on 22 January 2016. The management clarified that due to short release of funds against the allocated budget i.e. funds released to the extent of Rs1,507.500 million against the budget allocation of Rs2,215.000 million, the inevitable expenditure was made by utilizing the savings of preceding years as the Foundation runs various schools and the operations cannot be delayed for want of budget release. Audit pointed out that in such case, revised budget estimates should have been prepared identifying the funds used to meet the shortfall against budget allocation. The management clarified that SEF was not a pure government office; therefore, the formalities of revision of budget were not applicable. The DAC directed the management to prepare revised budget estimates and obtain the post facto approval from the Board of Governors (BoG) and furnish the same to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 04)

7.4.12 Unauthorized sanction of advance - Rs103.960 million

According to Para 2 (vi) of Revised Procedure for Operation of Assignment Accounts circulated by Controller General of Accounts, Islamabad vide letter No.AC-II/1-39/08-Vol-V/632 dated 24-09-2014, “the officers holding Assignment Accounts will ensure that no money is drawn from these accounts unless it is

required for immediate disbursement. Moneys 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) of this procedure. The cheques for payments on account of purchases/supplies will be drawn in the name of contractor/supplier”.

According to Rule 170-B (8) of Treasury Rules “It shall not be permissible to draw the whole amount authorized or part thereof and to place it in a separate account at the treasury or in a commercial bank”.

According to instructions contained in endorsement below the letter No.A.A.Cell/Authority/2013-14/1649 dated 14-04-2014 issued by Accountant General Sindh, Karachi regarding transfer of funds into the lapsable Assignment Account with the title Sindh Education Foundation, “the authorization made in the above letter is subject to the condition that no moneys would be drawn from the assignment account unless they are required for immediate disbursement. No cash shall be drawn from an Assignment Account except for imprest and in such limit as will be sanctioned by the Finance Department, and ensured that all required codal formalities are fulfilled before utilization of above funds”.

During the audit of Sindh Education Foundation (SEF), Education & Literacy Department, Government of Sindh, Karachi, for the financial year 2013-14, the advances amounting to Rs103.960 million were sanctioned without observing the following codal formalities:

- i. The sanction of advances was not permissible under procedure of Assignment Account referred to above.
- ii. The documents pertaining to sanction of advance were not produced to audit.
- iii. As per procedure of assignment accounts, payment was to be made to the vendors through assignment account directly, but huge amount was irregularly paid to DDO account for onward expenditure in cash.
- iv. Amount from assignment account is to be drawn for immediate disbursement, but the withdrawn amount was not disbursed immediately.
- v. The record pertaining to adjusted amount of advances of Rs80.535 million was not produced.
- vi. Since the amount was disbursed to individuals for expenditure therefore violation of codal formalities i.e. SPPR and other rules cannot be ruled out.
- vii. The adjustment bills of Rs23.425 million were not produced to audit.

The matter was reported to the department in December 2014. The DAC meeting was held on 22 January 2016. The management clarified that advances were issued to SEF employees under the SEF Rules 2003. The DAC directed the management to produce the record to Audit within 15 days for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 62, 63 & 64)

7.4.13 Irregular execution of works without supervisory committees - Rs24.217 million

As per letter issued by Works & Services Department, Government of Sindh, Karachi vide # B/1-4/ 2004 dated 19-06-2004, “active participation and monitoring of the School Management Committee is required to be made in the construction of schools.” Further read with Para3 (vii), (ix) & (x) ibid, “School Management Committees were the final authority for acceptance of tenders, payment to be released after verification of measurement by the School Management Committees, funds to be placed at the disposal of School Management Committees and cheques to be issued to contractors by the School Management Committees.”

During audit of office of the Executive Engineer, Education Works Division, Dadu, Education & Literacy Department, for the financial year 2014-15, it was observed that an expenditure of Rs24.217 million was incurred on execution of various works of Schools and College without consultation with School Management Committees (SMCs) and College Management Committees (CMCs) as no consultation report was found available on record.

(Rupees in million)

Sr.	Particulars	Amount
1	Establishment of (B/G) Degree College in Sindh (23 Units) 2010-11 Program, (Provincial) at Govt: Boys Degree College Wahi Pandi (C/R Portion) Taluka: Johi by M/s Mumtaz Ali Leghari - RA# 7 th	15.015
2	Construction of Shelterless (2C/R) i/c C/Wall, Lav: Block P.S @ GBPS PirBux Khoso, Taluka: Dadu by M/s Ali Nawaz Panhwar. - RA# 6 th	3.476
3	Rehabilitation of Primary School of UC Dadu III & IV UC Patt Shareef Prog: at GBPS Tagga, Taluka: Dadu by M/s Rustam Solangi - RA# 8 th	3.125
4	Construction of Shelterless (2C/R) I/C C/Wall , Lav: Block P.S @ GBPS Tawankali Lund, Taluka: Dadu by M/s Ali Nawaz Panhwar - RA# 4 th	1.053
5	Provision of lacking facilities in Existing P.S (Add: of classroom) @ GBPS Chakar Lund, Taluka: Dadu by M/s Maqbool Ahmed Panhwar - RA# 2 nd	0.865
6	Rehabilitation /Reconstruction & Provision of lacking facilities in Existing Schools @ GBPS Ali SherJamali, Taluka: Johi- M/s Mir Hassan Lund -RA# 4 th .	0.683

	Total	24.217
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The matter was reported to the department in December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR # 11)

7.4.14 Irregular drawl of Funds in the name of officers instead of actual payees – Rs21.442 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 Project Director, Sindh Elementary Teachers Training Project (CIDA), Karachi, Education & Literacy Department, Government of Sindh for the years 2011-12 to 2013-14, it was observed that an amount Rs21.442 million was drawn under the head of account of Training-Domestic in the name of different officers (District Education Officers) instead of actual payee.

The matter was reported to the department in June 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(ML # 4.2.1)

7.4.15 Irregular payment of escalation charges on various works – Rs11.313 million

According to Para 6 of Schedule of Rates, Volume-(Part-II) 5th Edition, 2004 “if any national Education Works / Agency wants to allow the difference in cost of

material such as cement, steel or bricks, they have to refer the matter to the Standing Rates Committee Sindh for its consideration / approval.

During audit of the following offices of the Education & Literacy Department, Government of Sindh, Karachi, it was observed that escalation on the quoted rates against various works was allowed to different contractors and total amount of Rs11.313 million was paid without making escalation chart and approval thereon from the competent authority.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	XEN, Education Works Division, Tharparkar	08	2013-14	4.592
2	XEN, Education Works Division, Larkana	09	2014-15	4.410
3	XEN, Education Works Division, Tando M. Khan	04	2013-14	2.311
Total				11.313

The irregularity was pointed out to the management during October to November 2014 & November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.16 Non-crediting of revenue into government account – Rs10.813million

As per Rule 41 (a) of Sindh Financial Rule Volume-I, the departmental controlling officer 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 following offices of the Education & Literacy Department, Government of Sindh, it was observed that revenue of Rs10.813 million was realized under various heads of receipts but the same was not credited in government account.

(Rupees in million)					
Sr. #	Name of Office	Financial Year	Head of Account	AIR Para #	Amount
1	XEN, Education works Division-II Karachi	2013-14	Income tax	01	6.270
2	XEN, Education works Division Shikarpur	2013-14	Income tax, professional tax & stamp duty	01	1.429
3	XEN, Education works Division	2013-14	Income tax & Professional	02	1.269

(Rupees in million)					
Sr. #	Name of Office	Financial Year	Head of Account	AIR Para #	Amount
	Kandhkot		tax		
4	Principal Government Boys Degree College, Dadu	2014-15	Tuition fees & Admn fees etc.	01	0.752
5	XEN, Education works Division Mirpurkhas	2013-14	Income tax & Professional tax	02	0.592
6	XEN, Education Works Division, Dadu	2014-15	Income tax, Professional tax & Misc. Revenue	01	0.501
Total					10.813

The matter was pointed out to the department during July to October 2014 & September to December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.17 Irregular expenditure over & above PC-1 Provision – Rs10.720 million

“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”, according to Para-88 of Sindh Financial Rules Volume-I.

During audit of following offices of Education & Literacy Department, Government of Sindh, for the financial year 2014-15, it was observed that an expenditure of Rs10.720 million was incurred without observing PC-1 provisions. The payments were made over and above the budgeted amount fixed in PC-1.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Secretary, Education & Literacy Department, Karachi – purchase of furniture	2014-15	15	6.044
2	Program Director (PMIU), USAID Sindh Basic Education Program, Karachi – purchase of transport	2012-13 & 2013-14	06	4.676

	Total	10.720
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The irregularity was pointed out to the department during October 2014 to September 2015. The DAC meeting in respect of Program Director (PMIU), USAID Sindh Basic Education Program, Karachi at serial No.2 above was held on 22nd January 2016. The management clarified that procurement of two Toyota Corolla cars and one Suzuki Swift car was made as per cost provided in the respective Sub PC-1/PC-I and as per released budget. They further added that the two Toyota Altis cars were not purchased but received as donation. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Reply from remaining office was not received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.18 Irregular refund of security deposits – Rs10.611 million

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

During audit of following offices of the Education & Literacy Department, Government of Sindh, it was observed that an amount of Rs10.611 million was refunded to the contractors as Security Deposit. However, neither starting and completion dates of works were mentioned on the bills nor any record of requisition from contractors regarding refund of Security Deposit was produced to audit. It was apprehended either unauthorized payments from security deposit was made or refunds before three months of work completion were made.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	XEN, Education Works Division, Mithi	01	2013-14	6.792
2	XEN, Education Works Division, Badin	09	2013-14	2.111
3	XEN, Education Works Division, Shikarpur	02	2013-14	0.529
4	XEN, Education Works Division, Kamber	06	2013-14	0.450
5	XEN, Education Works Division, Larkana	11	2014-15	0.407
6	XEN Education Works T.M Khan	08	2013-14	0.322
Total				10.611

The irregularity was pointed out to the Department in July 2014 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.19 Irregular payment on account of hiring of office premises – Rs7.169 million

According to Rule-23 of General Financial Rules, Volume-I, every Government officer should realized 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.

In the office of the Program Director (PMIU), USAID Sindh Basic Education Program, Karachi, Education & Literacy Department Government of Sindh, for the financial years 2012-13 & 2013-14, it was noticed that the program management incurred an expenditure of Rs7.169 million on hiring of office premises. The following observations were noticed:

- (a) The rent of Rs0.200 million per month in 2014 was being paid by the sister concern project office at Clifton Block-1 (in a newly constructed building). In

contrast the local office paid Rs0.342 million per month in 2014, resulting in loss of Rs2.674 million (for 22 months).

- (b) The tenders were not invited. The office premises were hired on too much higher rates than competitive rates prevalent in the local vicinity.
- (c) The commission of Rs0.300 million was paid to Parekh Estate Karachi on hiring of the office premises, which could be avoided if tenders invited.
- (d) The management paid Rs0.659 million on account of payment of income tax on behalf of the owner of the bungalow instead of deducting at source from the payments of rent.
- (e) Rent of office premises, against which the premises was hired for Rs0.342 million.

The matter was reported to the department in February 2015. The DAC meeting in respect of Program Director (PMIU), USAID Sindh Basic Education Program, Karachi was held on 22nd January 2016. The clarification of the management in respect of each point raised in the para was as under:

- (a)&(b) Hiring of the premises was made after inviting bids/EOI published in leading English and Urdu newspapers and the offer of lowest bidder was accepted which was competitive; hence, no loss has occurred. The complete bidding record was available for verification.
- (c) Commission was part of the lowest bid: therefore, its payment after acceptance of the bid was not a loss. They added that the Law Department had vetted the agreement containing provision of commission.
- (d) The amount of tax pointed out by Audit has been recovered from the landlord and deposited with FBR.
- (e) The management clarified that the rent charges were in accordance with provision of modified PC-I.

The DAC directed the management to produce record to Audit in support of above clarification against each of the Paras for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR # 03, 06, 07, 14, &15)

7.4.20 Non-adjustment of advances – Rs6.659 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”.

During audit of Cadet College, Petaro, Jamshoro, for the financial year 2013-14, it was observed that advances of Rs6.659 million were granted to Purchase committee & contractors but the same were not adjusted.

(Rupees in million)			
Sr. #	Particulars	AIR Para #	Amount
1	Secured Advances paid to various contractors	07	5.000
2	Advances to purchase committee	05	1.659
Total			6.659

The matter was reported to the department during October 2014. In response to para # 07 above, the management stated that advance was given to the contractor against work done and that it has been fully recovered/adjusted and will be verified to next audit. In response of para # 05 above, department stated that advances were issued to purchase committee & staff. The same is adjusted on completion of work and will be verified to next audit. The reply was not satisfactory as evidence of adjustment / recovery was not produced to audit.

Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.21 Excess execution of work without sanction of revised estimate – Rs6.379 million

As per Para-532 of Public Works Department Manual, “A revised estimate containing the facts and causes of revision must be submitted when sanctioned

estimate is likely to exceed by more than 5% either rising from the rate being found insufficient or from other cause whatsoever.”

During audit of the following offices of the Education & Literacy Department, Government of Sindh, it was observed that excess execution of work costing Rs6.379 million was made without approval of revised estimates.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	XEN Education Works Division-III Karachi	04	2014-15	3.538
2	XEN Education Works Division Larkana	12	2014-15	1.352
3	XEN, Education Works Division, Mirpurkhas	08	2013-14	1.147
4	XEN, Education Works Division Tando M Khan	05	2013-14	0.342
Total				6.379

The irregularity was pointed out to the management during September, November 2014 & September & November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

7.4.22 Irregular payment to employees – Rs4.550 million

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

During audit of following offices of the Education & Literacy Department Government of Sindh for year 2013-14, it was observed that double payment of Rs4.550 million on account of GP Fund/Pension/Commutation was made to various officials/officers without observing following codal formalities:

1. The payment of GP Fund was made through bank account as well as through DDO account. In most of the cases, the payment was made into two bank accounts of same employee opened in one bank.
2. The calculation of GP Fund was not provided to audit, such calculations were required to be mad through SAP R/3.
3. No personal data of retired officials/officers were available on record.
4. The adjustments were not made from the final claims of officials/officers on account of HBA Car/Motor Cycle and GP Fund advance.
5. No certificate of heir ship was obtained even from the single employee.
6. In case of deceased cases, no any death certificate was available in record.
7. In most cases, original appointment letters were not available in the service books.
8. The details of employee, its entitlement, pay slips showing allowances, calculation of commutation was not available in pension / commutation cases.
9. Service books/personal file, LPC, CNIC of employee, sanctioned & working strength at the time of retirement, service verification statement from the A.G. Sindh was not obtained.

(Rupees in million)				
Sr.#	Name of Office	Particular	AIR Para #	Amount
1	District Education Officer, Jamshoro	Pension/Commutation	08	1.993
2	Assistant District Officer Education (Male), Badin	GP Fund	01 & 09	1.151
3	District Officer Education Elementary, Hyderabad	Pension/Commutation	04	1.149
4	District Officer Education Elementary (Male), Karachi	GP Fund	02	0.257
Total				4.550

The matter was reported to the department in January 2015 to August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires an inquiry in the matter besides fixing responsibility on the person(s) at fault and recover the amount where applicable.

7.4.23 Unauthorized drawal of salary from two accounts simultaneously – Rs4.099 million

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 the audit of accounts of Sindh Education Foundation (SEF), Education & Literacy Department, Government of Sindh, Karachi for the financial year 2013-14, it was observed that Ms. Haseen Fatima, a Junior Schools Teacher (BPS-11) of Education Department, Government of Sindh was appointed as Assistant Director (head of complaint cell). She was paid salary of Rs4.099 million (7/2010 to 11/2014) by SEF. The following irregularities were noticed:

01. Appointment was made without obtaining NOC from Education Department.
02. On appointment, applicant obtained leave from the Education Department for six months and 1 year respectively without pay on private affairs. Thus, the employment in SEF was obtained without permission while keeping both employments in hand.
03. Above employee was engaged by SEF since last more than 40 months but she obtained leave for only 18 months.
04. Letters/ orders of leave from Education department seem to be doubtful as the letters born different signatures and one letter does not bear machine readable bar coding as being practiced by Education Department.
05. LPC in respect of above employees was neither available nor produced to audit.
06. Degrees and other documents of the incumbent were not got verified from the quarters concerned.

07. Parent department i.e. Education department did not take any steps to verify the double employment and status of the salary after allowing the applicant to proceed on Extra Ordinary Leave (EOL).
08. It was disclosed from the Payroll System of office of the Accountant General Sindh, Karachi that the salary of the officer concerned was stopped either by the management or by the incumbent herself. Thus an amount of Rs1.618 million was drawn fraudulently from the Government exchequer (in addition to Rs4.099 million from SEF).

(Rupees in million)

Salary from Education Department				Salary from Sindh Education Foundation (SEF)			
Designation	Period	Salary	Total	Designation	Period	Salary	Total
Junior School Teacher	July 2010 to June 2012	20,799 & 21,625	0.509	AD, Head of complaint cell	July 2010 to June 2012, July 2012 to March 2014	70,000	3.150
Lecturer	July 2012 to November 2014	35,315 & 40,301	1.109		22-04-2014 to 30-11-2014	130,000	0.949
Total			1.618	Total			4.099

The matter was reported to the department in December 2014. The DAC meeting in respect of Sindh Education Foundation (SEF), Karachi was held on 22nd January 2016. The management clarified that the incumbent worked on contract in SEF for 18 months as per approval of leave without pay. They added that order sanctioning leave issued by Education & Literacy Department was checked and found genuine. They further added that the LPC is required in case of transfer; whereas, in the instant case EOL was taken by the incumbent for the contract appointment. The DAC directed the management to produce the record to Audit

within 15 days for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR # 73 &74)

7.4.24 Irregular expenditure by splitting up purchase to avoid tender–Rs1.796 million

Rule 12 (1) of SPPR 2010 provides that 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) *ibid* provides that Procurements over one 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 the rules.

During audit of the following offices of the Education & Literacy Department Government of Sindh, it was observed that an expenditure of Rs1.796 million was incurred on supply of various items without inviting open tenders and whole procurement was done through splitting of the sanction orders to avoid open tenders.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Program Director (PMIU), USAID Sindh Basic Education Program, Karachi	2012-13 & 2013-14	21	1.472
2	District Education Officer, Sukkur	2013-14	05	0.324
Total				1.796

The matter was reported to the department during February 2015 to May 2015. The DAC meeting in respect of Program Director (PMIU), USAID Sindh Basic Education Program, Karachi at Sl. No.1 above was held on 22nd January 2016. The management clarified that PMIU was established in February 2013, therefore, during 2012-13 being the first year of its operation, only four months were left as such the condition of the preparation of a procurement plan in beginning of the same year was not possible. The management added that since 2013-14 onwards, the

procurement plan was being prepared and followed. They further added that no split-up of the procurement were made as those were made on various dates as per requirement of the office. The DAC directed that the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Reply from remaining office was not received. Despite efforts, no DAC meeting was convened by the PAO.

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

7.4.25 Non- recovery of outstanding dues – Rs34.563 million

According to Rule 41 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 various offices of the Education & Literacy Department Government of Sindh, it was observed that the government dues amounting to Rs34.563 million were outstanding against various parties on account of penalty, excess payment, conveyance allowance, house rent, recovery of income tax, teaching allowance, excess of basic pay, orderly allowance etc., which need to be recovered. Details are at **Annex-5**.

The irregularity was pointed out to the department during December 2014 to August 2015. The management of the office at Sl. 4 (Director General, Provincial Institute of Teachers Education “P.I.T.E” Sindh, Shaheed Benazirabad / Nawabshah) stated that the tenders were invited and work orders were issued to successful bidders. The tax was deducted and deposited in Government treasury. The reply was not satisfactory as the complete record was not produced to audit for verification. The tax challan deposited for Rs150,015 was of financial year 2012-13, which has no concern with recovery pointed out in audit observation.

No reply was received from other offices. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires immediate recovery and fixing of responsibility on the person(s) at fault besides taking remedial measures.

7.4.26 Non-recovery of stamp duty – Rs1.740 million

According to Para-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 paisa per hundred rupees of the value of the agreement or against tender cost.”

During audit of the following offices of the Education & Literacy Department Government of Sindh, it was observed that stamp duty of Rs1.740 million was not recovered from the contractor for fixing of stamps on contract agreement in violation of above rule.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	XEN, Education Works Division, Larkana	04	2014-15	0.769
2	XEN, Education Works Division, Kandhkot	09	2013-14	0.209
3	Cadet College, Larkana	04	2011-12 to 2013-14	0.155
4	XEN, Education Works Division, Shikarpur	03	2013-14	0.116
5	Cadet College Petaro Jamshoro	03	2013-14	0.093
6	XEN, Education Works Division, Tharparkar	09	2013-14	0.083
7	XEN Education Works Division-III Karachi	11	2014-15	0.071
8	XEN Education Works Division Matiari	09	2014-15	0.069
9	XEN, Education Works Division, Tando M Khan	02	2013-14	0.061
10	XEN, Education Works Division-I, Karachi	10	2014-15	0.058
11	XEN, Education Works Division, Badin	04	2013-14	0.056
Total				1.740

The matter was pointed out to the department during February 2015 to May 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery from the defaulters and fixing of responsibility on the person(s) at fault besides taking remedial measures.

7.4.27 Non-deduction of sales tax – Rs1.276 million

As per Section 3(1) of the Sales Tax Act, 1990 “There shall be charged, levied and paid a tax known as sales tax @ 16% 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 the District Education Officer, Jamshoro, Education & Literacy Department Government of Sindh for the financial year 2013-14, it was observed that sales tax was not deducted at appropriate rate from supplier not registered in Sales Tax Department causing loss to government of Rs1.276 million.

The matter was pointed out to the department in March 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of taxes besides fixing of responsibility on the person(s) at fault.

(AIR#10)

CHAPTER - 8

ENERGY DEPARTMENT

8.1 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.

8.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 09 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
-	-	2.963	2.963	2.963	-
AS per SAP					
-	-	-	23,312.225	19,124.782	-

* The Coal portion of the Mines and Mineral Department was assigned to Energy Department and budget shifted during Financial Year 2014-15.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
2,020.000	9,808.000	80.000	9,728.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs9,728.000 million was observed.

8.3 Brief comments on the compliance of PAC directives

No Para in respect of Energy Department was reported in the Audit Report for the year 2009-10, because the department was established on 13-11-2013.

8.4 AUDIT PARAS

8.4.1 Misprocurement - Rs11.494 billion

As per rule- 15(2)a of SPPRA International Competitive Bidding shall be the default method of procurement for all procurements with an estimated cost equivalent to US \$ 10 million or above.

As per Rule 10 of SPPRA-2010 “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement public through hoisting on the Authority’s website as well as on procuring agency’s website, if the procuring agency has such a website”.

In accordance with Rule 2 (x), “Misprocurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made thereunder or any other law in respect thereof, or relating to, public procurement”.

During the course of audit of accounts of office of the Director General, Sindh Coal Authority of FY: 2014-15, it was observed that procurement amounting to Rs11.494 billion was made without calling international tender which is violation of above rule. Furthermore neither evaluation report nor contract agreement was hoisted on website of both authority and department.

Audit is of the view that deviation from above rules tantamount to Misprocurement.

The matter was reported to the department in October 2015. The DAC meeting was held on 28th January 2016. The management before giving viewpoint read out the SPPRA Rule-15(b) (iii) as under:

“a procuring agency may opt for National Competitive Bidding for procurements with an estimated cost equivalent to US \$ 10 million or above, where the procuring agency is convinced that it is the most economical and timely way of procuring goods, works or services which, by their nature or scope are unlikely to attract foreign competition. Provided that the Head of the Department of the procuring agency, while making decision to opt for the National Competitive Bidding shall record reasons and justifications for his decision”.

The management clarified that in the instant case, the head of department had allowed to opt for National Competitive Bidding for the work, “Construction of 50-cusecs Drainage of Waste Water and Effluent Channel / Pipeline from Mining area of Thar Coalfield Unit No,2” after being convinced that this is the most economical and timely way of procurement.

Audit did not agree with the contention of the management and pointed out that the quoted rule provide the option of National Competitive Bidding for procurement above US \$ 10 million with the condition that the tender is unlikely to attract foreign competition; whereas, the management in its reply in the working paper has not justified that the tender would not attract foreign competition.

The DAC directed the management to submit revised reply containing the requisite justification supported with record for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR#03& 09)

8.4.2 Excess payment on account of Operation and Maintenance of Reverse Osmosis plants - Rs6.876 million

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

During the course of audit of accounts of office of the Director General, Sindh Coal Authority of FY: 2014-15, it was observed that the management made payment to the Pak Oasis on account of O&M of RO Plants but while scrutiny that 2 RO Plants installed at “SobharoSama, Nagarparkar” and “MokhaiTheba, Nagarparkar” were non-operational as per physical verification report Director General (MEC) of Planning & Development Department, Sindh letter No.(MEC)/P&D/SCA(ROP)/2013/1329 dated 8th January 2014.

Due to the negligence on the part of management, an excess payment of Rs6.876 million was made to the contractor.

The matter was reported to the department in October 2015. The DAC meeting was held on 28th January 2016. The management clarified that no payment was made against non-functional RO Plants as the payment for the non-functional period was deducted from the bill of the contractor. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR#19)

8.4.3 Non-production of record – Rs6.240 billion

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

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

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

During audit of the following offices of Energy Department, Government of Sindh for the financial years 2012-13 to 2013-14& 2014-15, the auditable record of Rs6.240 billion was not produced to audit.

(Rupees in million)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
01	Director General Sindh Coal Authority Hyderabad	Rate Analysis of various works	2014-15	04	6,228.000
02	Water Works Division, Executive Engineer Thar Coal Hyderabad	Detail of installed articles i.e., make and model of the articles	2012-13 to 2013-14	01	12.500
03	Director Alternative Energy, Energy Department, Government of Sindh, Karachi	Cash Book, Internal Audit Report	2013-14	01	-
Total					6,240.500

The matter was reported to the department during May 2015. The DAC meeting was held on 28th January 2016. The management of the office at Sr. No.1 (Director General Sindh Coal Authority Hyderabad) clarified that the Engineer's Estimates were prepared on CSR-2009 of NHA. They added that the quoted rates in the tenders submitted by the bidders were compared with Engineer's Estimates and the same were recommended by the Procurement Committee for approval of competent authority; hence, rate analysis was not necessary. The DAC directed the management to produce the record to Audit for verification.

The management of the office at Sr. No.2 (XEN, Thar Coal Waterworks Division, Hyderabad) clarified that the procurement could not be entered in the register as the contractor, M/s. Madani Engineering Construction Company supplied 12 pumps for the capacity of 2.0 cusecs each as per advice of the consultants for installations at RO plants under the project, "Installation of 20 Nos. new Tube-wells of 2 cusecs each – construction of Pump House complete with all respects". The management added that after resistivity survey, it was observed that requirement of pumps was for 0.5 cusec each. They further added that the matter was under consideration to replace the pump by 0.5 cusec capacity.

Audit pointed out that by procuring pumps of higher capacity, the expenditure at higher side has been incurred; whereas, in case of assessment of correct requirement before tendering process, the expenditure would have been on lower side. The management clarified that the supplier will replace the pumps with necessary reduction in the cost which will be negotiated with them. Audit observed that the objective of competitive rates had not been achieved due to the faulty procurement. Audit also required that the delivery of the already received pumps should be accounted for as pending replacement. The DAC directed the management to submit progress of replacement of pumps including adjustment in the cost to Audit for verification.

The management of the offices at Sr. No.3 (Director Alternative Energy, Energy Department, Government of Sindh, Karachi) clarified that the record under audit observation was available. The DAC directed the management to produce record to Audit for verification.

However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

8.4.4 Expenditure without inviting tenders - Rs93.358 million

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 the office of Executive Engineer, Thar Coal Water Works Division, Hyderabad, Energy Department, Government of Sindh for the financial years 2012-13 & 2013-14, it was observed that an amount of Rs93.358 million was incurred without inviting tender/hoisting N.I.T. (Notice Inviting Tender) on SPPRA's website in violation of above rule.

The matter was reported to the department during May 2015. The DAC meeting was held on 28 January 2016. The management clarified that the tenders had been invited and all requirements were fulfilled. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 6)

8.4.5 Non-formation of board of governors to avoid monitoring & control on management

As per section 6 of Sindh Coal Authority Act-1993, general directions and administration of the Authority shall vest in the Board constituted under section 7 [Minister for Mineral Development-Chairman, ACS (Dev.), P&D-member, Secretary, Industries-member, Secretary, Finance-member, DG SCA-member & Secretary & two non-official members] appointed by government.

During the course of audit of accounts of office of the Director General, Sindh Coal Authority of FY: 2014-15, it was revealed that there has been no existence of Board of Governors since 2011 which is violation of above act.

Audit is of the view that existence of a financial governing board provides important oversight function and plays an important role in ensuring effective internal control. It constructively challenges management's planned decisions (e.g., strategic objectives, strategic initiatives and major transactions) and probe for explanations of past results (e.g., budget variances) and should meet regularly to set policies and objectives, review the entity's performance, and take appropriate actions. It also meets privately with the chief financial/ and or accounting officers, internal auditors, and external auditors to discuss the reasonableness of the financial reporting process, the system of internal control, significant comments or recommendations, and management's performance, and takes action (e.g., issue directives to management) as a result of its findings. Authority without governing board is like a ship without rudder which floats in deep sea without objectives and goals.

Non-formation of governing board since 2011 seems a deliberate action to avoid independent oversight control to check management's weaknesses and non-compliances on the one hand, and concentration of all powers in the hands of Director General and administrative head of authority on the other hand.

The matter was reported to the department in October 2015. The DAC meeting was held on 28th January 2016. The management informed that the point raised by Audit has been noted for future compliance. The DAC directed the management to submit a revised reply indicating the steps taken in this regard for verification by Audit. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR#01)

8.4.6 Non-deduction of Sales Tax & Income Tax on services/supplies Rs130.344 million

As per Chief Minister Instructions vide letter No. DS (Staff)/CMS/12/01/2012 dated 29.11.2012 wherein all Administrative Secretaries and their respective DDOs/Officers of all institutions/departments to comply with provision of SST Special Procedure (Withholding Rule, 2011) which states that 'the accounting office responsible for making payment shall deduct and withhold the tax amount and shall transfer the same amount, so deducted at source during a month to Sindh Government's head of account "B-02384"---Sindh Sales Tax on Services".

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 the Income Tax Ordinance 2001, 3.5 per cent income tax is required to be deducted at source while making payment to Suppliers contractors; Tax on salary is to be deducted at the rates prescribed in I.T Ordinance and through finance bill amended from time to time; Deduction of 6 per cent withholding tax is to be made from payment for contractual services.

During the audit of the various offices of Energy department for the financial years 2013-14 & 2014-15, it has been observed that an amount of Rs1115.665 million was incurred on various supplies made by suppliers & services rendered by consultants, employees, but the income tax & sales tax on services/supplies was not deducted at source which is amounting to Rs130.344 million. Details at **Annex-1**.

The matter was reported to the department in April & October 2015. The DAC meeting was held on 28th January 2016. The management informed that various contractors approached the High Court of Sindh for non-deduction of Sales Tax which is under Constitutional Petition No.6782 of 2015. They added that the Finance Department Government of Sindh through a letter dated 21-08-2015 has conveyed that the burden of Sindh Sales Tax on service is to be borne by the service recipients but not by the services providers. They added that except the court cases, all taxes have been recovered. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

8.4.7 Non-recovery of excess payment to HESCO electricity charges Rs2.373 million

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

During the course of audit of accounts of office of the Director General, Sindh Coal Authority of FY: 2014-15, it was observed that the management made payment of electricity bills to Hyderabad Electric Supply Company of Rs 2.373 million. While scrutiny of record, it was observed that the payment was made for three electricity meters wherein two meters were having defective status, for which, HESCO authority charged units at its own discretion. The functional meter having sanctioned load of 77 kw/h was charged with 156,897 units for 13 months whereas the other meters, despite having same sanctioned load were charged with 629,578 and 444,330 units for the 13 months respectively.

It seems that HESCO authorities took advantage of negligence of management for not getting defective meters replaced, had charged maximum units and obtained irregular excess payments accordingly. Audit is of the opinion that due to the negligence on the part of management an excess payment of Rs 2.373 million was made to HESCO, which is recoverable.

The matter was reported to the department in October 2015. The DAC meeting was held on 28th January 2016. The management clarified that utilization in respect of both defective meters was higher than the running meter due to huge requirement of water at city areas. They added that the HESCO meters had shown the excess reading; whereas, the bills have been paid according to the corrected bills and the meters have now been changed. The DAC directed the management to produce record of reconciled actual consumption and adjustment of payment with HESCO to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR#17)

CHAPTER – 9

EXCISE & TAXATION DEPARTMENT

9.1 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.

9.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 50 formations (DDOs), out of which 07 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
1,893.826	229.476	(563.369)	1,559.934	1,450.801	109.133

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs109.133 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
39,477.000	38,205.000	34,782.000	3,423.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs3,423.000 million was observed.

9.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

9.4 AUDIT PARAS

9.4.1 Non-production of record – Rs71.520 million

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

(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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

In the office of the Excise & Taxation Officer CSMDI, Airport Karachi auditable record pertaining to Bank guarantees for the year 2013-14 involving Rs71.520 million, was not produced for scrutiny.

The matter was taken up with department in the month of April 2015, the draft paras were issued to the PAO during October 2015 and January 2016, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of the auditable record, besides fixing responsibility on the person(s) at fault.

(AIR # 09)

9.4.2 Non-imposition of surcharge & penalty – Rs10.929 million

According to section-15 of Property Tax Act. 1958, read with rules of property tax Rule 1958. Where a person fails to pay the tax by the date prescribed under the section 12 he shall, in addition to the amount of tax, be liable to pay a surcharge, not exceeding ten percent of the tax due, as may be prescribed within a period of thirty days from the prescribed date.

Under Sub-Section-2 of Section-15 of Property Tax Act. 1958, where the tax and the surcharge are not paid as provided in sub-section (i), the prescribed authority may, after giving the defaulter an opportunity of being heard, impose upon him a penalty not exceeding the amount of the tax.

During audit of accounts of following offices of the Excise & Taxation Department, Government of Sindh, Karachi for the financial year 2013-14, it was observed that various assesseees did not pay the Government dues (Arrear + Current) amounting to Rs 10.929 million on account of property tax, and they consciously defaulted. But the authority neither recovered surcharge nor imposed any penalty on them, and failed to enforce the above provision of law, as a result government dues remained un-realized.

This omission resulted into non realization of surcharge and penalty on property tax amounting to Rs10.929 million.

(Rupees in million)			
Sr.#	Name of Office	AIR Para #	Amount
1	Excise & Taxation Officer, I-II- Division, Karachi	08	3.906
2	Excise & Taxation Officer, C-Division, Karachi	07	3.735
3	Excise & Taxation Officer, S-I- Division, Karachi	06	1.415
4	Excise & Taxation Officer, I-III- Division, Karachi	09	1.073
5	Excise & Taxation Officer, S-II- Division, Karachi	01	0.800
Total			10.929

The matter was pointed out to the department in the month of April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the above irregularity may be justified, besides fixing responsibility on person(s) at fault.

9.4.3 Non-issuance of demand notices of arrears & current property tax– Rs4.805 million

According to Rule-15 of the Sindh Urban Immoveable Property Tax Rules, 1958, “Every assessing authority has to maintain a tax demand and receipts register for each rating area in the prescribed form and issue demand notices for tax”.

During the audit of accounts of the following offices of the Excise & Taxation Department, Government of Sindh, Karachi for the financial years 2013-14 & 2014-15, it was observed that assessment of property tax of certain assesseees

was made during the years 2013-14 & 2014-15 but no demand notices of property tax for Rs4.805 million has been issued for realization of property.

(Rupees in million)				
Sr.#	Name of Office	AIR Para #	Amount	No. of assessees
1	Excise & Taxation Officer, I-I Division, Karachi	04	3.040	64
2	Excise & Taxation Officer, S-II Division, Karachi	09	0.299	58
3	Excise & Taxation Officer, K-I Division, Karachi	08 & 09	0.147	13
4	Excise & Taxation Officer, S-I Division, Karachi	01	0.105	03
5	Excise & Taxation Officer, H-I Division, Karachi	11	1.214	34
Total			4.805	172

The matter was pointed out to the department in the month of April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the above irregularity may be justified, besides fixing responsibility on person(s) at fault.

9.4.4 Irregular payment of conveyance allowance despite providing transport facility – Rs1.474 million

According to Notification of Finance Department, Government of Sindh No FD (SR-IV) (12)/77 dated 13.05.1977 read with Para-7(a) of Finance Division (Regulation wing) OM No.I(D)imp/2008 dated 30-6-2008. The office cum residence **conveyance allowance** is an allowance to facilitate Government officers/officials to reach the office and not admissible to those officer/officials who have been provided with government transport facility or residing within work premises.

During the audit of the record of Secretary Excise & Taxation department Karachi for the year 2013-14, it was observed that an amount of Rs 1.474 million was paid to various employees on account of conveyance allowance, while Secretary Transport & Mass Transit Department Karachi has already hired 35 buses for transport facility to non-gazatted employees of the Sindh Secretariat. These non-gazatted employees were also drawing conveyance allowance simultaneously. The dual benefits indicate financial indiscipline prevailing in the department which resulted in loss to Government.

(Rupees in million)							
Sr. #	Grade	No of Employees	Conveyance Allowance	Months	Amount of first 4 months	Amount of last 8 months	Total amount
1	1-10	51	1500/1840	4-8	0.306	0.751	1.057
2	11-15	14	2000/2720	4-8	0.112	0.305	0.417
Total							1.474

The matter was pointed out to the department in the month of April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of conveyance allowance besides fixing responsibility on person(s) at fault.

(AIR#02)

9.4.5 Short / Non-realization of Infrastructure Cess-Rs218.327 million

As per Section-9 of Sindh Finance Act 1994 as amended by Sindh Finance Act 2013, "Infrastructure Cess is levied and collected @ 0.90% to 0.95% on C&F Value of a consignment on the movement of goods entering the Province from outside the country through Air or Sea". Further according to instructions issued vide Government of Sindh, Gazette Notification No.S.Legis/I(33)/2006, dated 28th December, 2006, Cess for special maintenance and development of infrastructure @ 0.9% is levied and collected under Section-9 of the Sindh Financial Act, 1994.

During audit of accounts record of following offices of Excise & Taxation Department, Government of Sindh, Karachi for the financial years 2011-12 to 2013-14, it was observed that goods were imported in the Sindh Province through seaport and cleared by bill of entry, but Infrastructure Cess of Rs218.327 million was short/non-realized.

Sr. #	Name of Office	AIR Para#	Due	Recovered	Non-Realized
1	Deputy Director (Cess for Maintenance & Development of Infrastructure) KPT, Karachi	3	223.325	98.893	124.432
2	Excise & Taxation Officer (CMDI) Airport, Karachi	02	71.520	-	71.520
3		03	21.265	-	21.265
4		04	1.110	-	1.110
		Total	317.22	98.893	218.327

The matter was taken up with the management in April and August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires early recovery of the amount from concerned consignees, besides fixing responsibilities on the person(s) at fault.

9.4.6 Non-realization of professional tax – Rs24.698 million

According to seventh schedule of the Sindh Finance Act, 1989 the professional tax on professions, trades, and employment is recoverable from all persons engaged in activities mentioned in the schedule.

During audit of accounts record of following offices of Excise & Taxation Department, Government of Sindh, Karachi for the financial years 2011-12 to 2013-14, it was observed that some companies / contractors/ suppliers are running their business since long but neither any assessment nor recovery of professional tax was made. This resulted into loss of Government revenue amounting to Rs24.698 million.

(Rupees in million)			
Sr.#	Name of Office	AIR Para #	Amount
1	Excise & Taxation Officer, P-I- Division	02 & 03	24.024
2	Excise & Taxation Narcotics, Tando Muhammad Khan	04	0.674
Total			24.698

The matter was pointed out to the department in the month of December, 2014 & May 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the above irregularity may be justified besides fixing responsibility on person(s) at fault.

9.4.7 Short realization of Cotton Fee - Rs1.211 million

Cotton Cess is to be realized @ Rs. 10/- per hundred Kg of Cotton ginned in a ginning factory under Rule 12 (i) read with Rule-25 of the Sindh Cotton Control Rules 1966 as amended vide Notification No. 8(202)/SO/(Ext)./91 dated 17th February 1991.

During audit of office of the Excise & Taxation Officer, Tando Muhammad Khan for the financial year 2013-14, it was observed that cotton fee tax amounting to Rs1.211 million was not realized.

(Rupees in million)

Sr. No.	Financial Year	Cotton fee due	Cotton fee realized	Short realized	Percentage decrease
1	2013-14	2.435	1.224	1.211	49.73%

The matter was pointed out to the department in the month of April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the irregularity may be justified to audit, besides fixing responsibility on person(s) at fault.

(AIR#03)

CHAPTER – 10

FINANCE DEPARTMENT

10.1 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.

10.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 31 formations (DDOs), out of which 09 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
216,254.656	2,288.075	(34,366.050)	184,176.680	157,301.036	26,875.645

The department was unable to spend the allocated budget in time, as a result of, saving Rs26,875.645 million was observed, which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
555,535.000	486,654.000	463,400.000	23,254.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs23,377.000 million was observed.

10.3 Brief comments on the compliance of PAC directives

19 Paras in respect of Finance Department were reported in the Audit Report for the year 2009-10. The meeting of PAC as scheduled on 05-01-2016 was postponed by PAC. It has now been rescheduled on 14-03-2016.

10.4 AUDIT PARAS

10.4.1 Fraud in hiring cases of 28 appointments by misuse of SAP ID & Password – Rs6.287 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 the audit of the District Accounts Office Tando Muhammad Khan for the financial years 2013-14 & 2014-15, it was observed that the office had been using the ID & Password of an employee who has been suspended named Mr. Ghulam Qadir Memon and used the password for fake hiring of 28 employees for the post of Constable for the office of SP Tando Muhammad Khan for which Rs 6.287 million was paid on account of pay & allowances. Further it was observed that Mr. Abdul Jabbar, who had been given the password (GMEMON) was barred from using that ID via letter No. DAO/TMK/Admn/Work-dist/36 2013 Dated 06-07-2013. After 2 days, 08-07-2013 the ID was secretly used and 28 constables were fraudulently hired on SAP. Audit required the DAO to produce the FAO-1 form and manual salary bills of the said 28 new recruitments, so that audit could see the signature and dates of the office staff and DAO on it to verify who used the ID of Ghulam Qadir Memon, but they did not produce the record.

2013-14 (07/2013 to 06/2014)			
No. of employees	Monthly salary	Yearly salary	Source of data
28	Rs18,712	Rs6,287,232	SAP

The irregularity was pointed out to the department in the month of October 2014. The DAC meeting was held on 26 January 2016. The DAO, Tando Muhammad Khan was not present in the meeting to clarify the position. The DAC decided that the Finance Department shall take steps to ensure his presence in the next meeting. However, the progress was awaited till finalization of this report.

Audit recommends Controller General of Accounts and Accountant General to conduct an enquiry under E&D Rules and fix responsibility upon the person(s) at fault.

(AIR#02)

10.4.2 Fraudulent payment on purchase of medicines - Rs1.168 million

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

During the audit of the District Accounts Office Tando Muhammad Khan for the financial year 2013-14, it was observed that the office passed the bill of medical reimbursement amounting to Rs 1.168 million with fake non-availability certificates. Audit verified them from office of the Civil Surgeon Tando Muhammad Khan that the office confirmed that the signatures, stamps and outward numbers on letters were fake. Further it was observed that:

1. Issuance of no objection certificate (NOC) for Reimbursement for medical charges was split to avoid approval of higher authority (Medical board).
2. No vouchers were counter-signed by Civil Surgeon.

The fraudulent payment was pointed out to the department in the month of October 2014. The DAC meeting was held on 26 January 2016. The DAO, Tando Muhammad Khan was not present in the meeting to clarify the position. The DAC decided that the Finance Department shall take steps to ensure his presence in the next meeting. However, the progress was awaited till finalization of this report.

Audit requires an enquiry into the matter and fixing the responsibility on the person(s) at fault.

(AIR#01)

10.4.3 Non-production of Record – Rs1.749 billion

According to Section 14 (2) & (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, “The officer in

charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules”.

During the course of audit of the following offices of the Finance Department, Government of Sindh for the financial years 2013-14 & 2014-15, the auditable record amounting to Rs1.749 billion was not produced to audit.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	DAO Kambar	01	2013-14	45.785
2	DAO Umerkot	09	2013-14	0
3	DAO Shaheed Benazirabad	09	2013-14	0
4	DAO Tharparkar @ Mithi	08	2013-14	0
5	Sindh Board of Investment Karachi	20	2013-14	13.000
		29	2013-14	50.000
		30	2013-14	9.500
6	DAO Tando Allahyar	14	2013-14	0.209
		15	2013-14	1.239
7	DAO Tando Muhammad Khan	21	2013-14	0
		26	2013-14	2.580
		08	2013-14	0
8	Secretary, Finance Department	01	2014-15	5.000
9	DAO Matiari	01	2014-15	577.484
10	DAO Sukkur	17	2014-15	3.641
11	DAO Badin	04	2014-15	2.750
12	DAO Hyderabad	05	2014-15	1,000.000
13	DAO Dadu	14	2014-15	20.000
		19	2014-15	18.211
Total				1,749.399

The matter was reported to the department in October 2014 November 2014. The DAC meeting was held on 26 January 2016. The DAO, Kambar informed the DAC that the record had been sealed by Anti-Corruption Establishment (ACE). The DAC directed him to produce record for audit upon return of the same by ACE.

The DAOs, Shaheed Benazirabad, Tando Muhammad Khan, Badin, and Hyderabad were not present in the meeting to clarify the position. The DAC decided

that the Finance Department shall take steps to ensure their presence in the next meeting.

The management of offices Sindh Board of Investment and Secretary Finance Department respectively informed that the record pointed out in the para was available. The DAC directed them to produce record for audit.

The reply of offices of DAO, Umerkot, DAO, Tharparkar at Mithi, DAO, Tando Allahyar, DAO, Matiari, DAO, Sukkur and DAO, Dadu were not available in the working paper for DAC meeting. The same offices were directed by the DAC to submit reply of the relevant para to be discussed in the next DAC meeting and ensure availability of record for audit. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

10.4.4 Payment to DDO instead of vendors/actual payees - Rs558.890 million

As per 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 the audit of the following offices of the Finance Department, Government of Sindh for the financial years 2013-14 & 2014-15, it was observed that cheques were issued in favour of DDOs instead of vendors/actual payees amounting Rs 558.890 million. Thus, the chances of misappropriation cannot be ruled out.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	DAO Umerkot	2013-14	05	70.749
2	DAO Shaheed Benazirabad	2013-14	05	123.689
3	DAO Tando Allahyar	2013-14	18	0.558
4	DAO Shikarpur	2013-14	07	35.603
		2013-14	10	1.905
5	DAO Tando Muhammad Khan	2013-14	14	1.351
		2013-14	04	2.000
6	DAO Hyderabad	2014-15	08	13.529
		2014-15	12	40.865
7	DAO Dadu	2014-15	13	182.757

		2014-15	17	85.884
Total				558.890

The irregularities were pointed out to the department in the month of October 2014 to February 2015. The management of Finance Department clarified that remedial measures have now been taken to ensure payment to vendors instead of DDOs. The DAC directed the management to issue a policy guideline prohibiting payment to DDOs where imprest expenditure is not involved. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

10.4.5 Irregular purchase of medicines without proof of inspection Rs464.315 million

According to Rules 57 (1) of Sindh Public Procurement 2010, “Except for defect liability or maintenance by supplier, consultant for contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate, certificate of completion of deliverables, or taking over certificate which shall be issued within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the supplier or contractor to submit final bill and the procuring agency to carry out any inspection of goods, works or services related thereto, as provided in the contract agreement and auditors to do substantial audit”.

During the audit of the following offices of the Finance Department, Government of Sindh for the financial years 2013-14 & 2014-15, it was observed that bills of medicines valuing Rs 464.315 million were presented to the following DAOs for payment but inspection reports by procuring committee were not found attached to it. Thus the delivery of medicines could not be authenticated.

(Rupees in million)

S. No	Name of DAO	Office	Head of account	AIR Para #	Amount
1	Umerkot	DHO Umerkot	Purchase of medicines	04	91.718
2	Shaheed Benazirabad	Various offices	Purchase of medicines	02	372.597
Total					464.315

The irregularity was pointed out to the department in the month of October & November 2014. The DAC meeting was held on 26 January 2016. The DAO, Umerkot clarified that the inspection reports were available. The DAC directed him to produce record to Audit for verification.

The DAO, Shaheed Benazirabad was not available to clarify the position. The DAC decided that the Finance Department shall take steps to ensure his presence in the next meeting. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

10.4.6 Irregular passing of bills in the absence of tender - Rs424.557 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 the audit of the following offices of the Finance Department, Government of Sindh for the financial years 2013-14 & 2014-15, it was observed that the vouchers amounting Rs424.557 million were passed for payment, wherein requirement of calling tenders was not fulfilled.

(Rupees in million)						
Sr. No	Name of DAO	Cost Centre	Particulars	Fin. Year	AIR Para #	Amount
1	Umerkot	UK9336	Purchase of machinery & Equipment	2013-14	02	1.988
2	Shaheed Benazirabad	NH9398	Purchase of machinery & Equipment	2013-14	04	2.166
3	Tharparkar @ Mithi	MT9329	Purchase of machinery	2013-14	17	1.545
4	Sindh Board of Investment, Karachi	--	Hiring of Consulting firm	2013-14	17	19.905
		--	Conference & seminar	2013-14	15	8.257
5	Secretary, Finance Department		TP Link TLWN 722	2014-15	03	0.100
6	DAO Matiari		Furniture & Fixture &	2014-15	02	0.270

			Mach. & Equipment			
7	DAO Hyderabad		Medicine	2014-15	13	333.077
8	DAO Dadu		Various heads	2014-15	15	57.249
Total						424.557

The irregularity was pointed out to the department in the month of October 2014 November 2015. The DAC meeting was held on 26 January 2016. The DAO, Umerkot clarified that the expenditure was ranging below Rs100,000; hence, tender was not required. The DAC directed him to produce record to Audit for verification.

The DAO, Shaheed Benazirabad and DAO, Hyderabad were not present. The DAC decided that the Finance Department shall take steps to ensure their presence in the next meeting.

The DAO, Tharparkar at Mithi clarified that due to death of children in drought area of Tharparkar, cold chain medicines were purchased in urgency. Audit enquired whether notification of emergency was made by Health Department to allow direct purchasing instead of tender. The DAC directed him to produce record in this regard to Audit for verification.

The management of the Sindh Board of Investment, Karachi in respect of AIR Para-17 (Rs19.905 million) clarified that SPPRA Rules had been observed in the hiring of the Consultant/Event Manager through open tenders advertised in newspapers and hoisting at SPPRA website. They added that minutes of procurement committee and agreement with the successful bidder were available. They further added that income tax from the payments had been deducted as per rules. As regards the AIR Para-15 (Rs8.257 million), the management added that the expenditure was incurred on different heads of account. They added that all payments were below Rs100,000 and the quotations were obtained as per SPPRA Rules. The DAC directed the management to produce record to Audit for verification.

The management of office of the Secretary, Finance Department clarified that TP link communication devices were purchased after requisition from various sections on different dates; however, the financial sanction was issued on 19-11-2014. They added that only Rs80 was mistakenly approved over and above the limit of Rs100,000 prescribed for tendering. The DAC directed the management to produce record to Audit for verification.

The DAO, Matiari clarified that tenders by the executive department had been invited. The DAC directed him to produce record to Audit for verification.

The DAO, Dadu stated that the reply would be submitted after going through the record. The DAC directed him to submit reply of the relevant Para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

10.4.7 Non/Less deduction of Taxes – Rs203.461 million

As per Chief Minister Instructions vide letter No. DS (Staff)/CMS/12/01/2012 dated 29.11.2012 wherein all Administrative Secretaries and their respective DDOs/Officers of all institutions/departments of Government of Sindh to comply with provision of SST Special Procedure (Withholding Rule, 2011) which states that ‘the accounting office responsible for making payment shall deduct and withhold the tax amount and shall transfer the same amount, so deducted at source during a month to Sindh Government’s head of account “B-02384”---**Sindh Sales Tax on Services**’.

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 15% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

According to Rule 153 (1)(a) & (c), Every prescribed person making a payment in full or part including a payment by way of advance to a resident person for the sale of goods; shall, at the time of making the payment, deduct tax from the gross amount payable (including sales tax, if any) at the rate of 4% (for 2013-14) & 4.5% (for 2014-15) of the gross amount payable in case of goods and 7% (for 2013-14) & 7.5% (for 2014-15) in case of supply in the case of other than companies taxpayers.

During the audit of the various offices of the Finance Department, Government of Sindh for the financial years 2013-14 & 2014-15, it was observed that the offices did not deduct income tax/sales tax from supplier's bills due to which government sustained loss of Rs203.461million **Annex-1**.

The irregularity was pointed out to the department in the month of October 2014 to February 2015 and October & November 2015. The DAC meeting was held on 26 January 2016. The reply of offices under the audit observation was not available in the working paper for DAC meeting. The DAC directed the same offices to submit reply of the relevant Para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires that expeditious recovery may be made besides fixing responsibility on the person(s) at fault.

10.4.8 Expenditure on POL without observing ceiling of officers - Rs130.608 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 the audit of the following offices of the Finance Department, Government of Sindh for the financial year 2013-14, it was observed that bills amounting Rs130.608 million were passed on account of POL charges but ceiling of POL for officers was not observed.

(Rupees in million)			
Sr. #	Name of DAO	AIR Para #	Amount
1	Umerkot	03	40.660
2	Shaheed Benazirabad	01	89.948
Total			130.608

The irregularity was pointed out to the department in the month of October 2014. The DAC meeting was held on 26 January 2016. The reply of offices under the

audit observation was not available in the working paper for DAC meeting. The DAC directed the concerned offices to submit reply of the relevant para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires that ceiling of POL of vehicles of officers may be observed strictly besides fixing responsibility upon the person(s) at fault.

10.4.9 Unauthorized payment of inadmissible allowances - Rs85.186 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 the audit of various offices of the Finance Department, Government of Sindh for the financial year 2013-14, it was observed that an amount of Rs85.186 million was paid to the officers/officials on account of inadmissible allowances. Details are at **Annex-2**.

The irregularities were pointed out to the department in the month of October 2014 to November 2015. The DAC meeting was held on 26 January 2016. The reply of offices under the audit observation was not available in the working paper for DAC meeting. The DAC directed the same offices to submit reply of the relevant Para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires discontinuation of un-authorized allowances along with recovery of irregular payments besides fixing responsibility on the person(s) at fault.

10.4.10 Non-deposit of income tax deducted at source – Rs47.286 million

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

During the audit of the following offices of the Finance Department, Government of Sindh for the financial year 2014-15, it was observed that an amount of Rs162.785 million was deducted on account of Income Tax from contractors' bills, and an amount of Rs115.498 million was deposited to concerned department; whereas remaining balance of Rs47.286 million was not deposited till end of the June 2015.

(Rupees in million)					
Sr. #	Name of Office	AIR Para #	Tax deducted	Tax deposited	Tax not deposited
1	DAO Matiari	08	136.542	111.636	24.906
2	DAO Dadu	08	26.243	3.862	22.380
Total			162.785	115.498	47.286

The irregularity was pointed out to the department in the month of November 2015. The DAC meeting was held on 26 January 2016; however, the discussion on this para was deferred for next meeting. The subsequent meeting was not convened by the PAO till finalization of this report.

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

10.4.11 Irregular expenditure by splitting up purchases to avoid calling tender - Rs35.605 million

According to Rule 12 (1) of SPPRA 2010, "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 the audit of the following offices of the Finance Department, Government of Sindh for the financial years 2013-14 & 2014-15, it was observed that an expenditure of Rs35.605 million was incurred by splitting sanction orders to avoid calling tenders.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Sindh Board of Investment, Karachi	2013-14		0.438
2	Secretary, Finance department	2014-15	09	0.438

3	DAO Sukkur	2014-15	01	0.228
4	DAO Hyderabad	2014-15	07	14.189
5	DAO Dadu	2014-15	12	20.312
Total				35.605

The irregularity was pointed out to the department in the month of October 2014 to November 2015. The DAC meeting was held on 26 January 2016. The management of offices at Sr.No.1 (Sindh Board of Investment, Karachi) and Sr.No.2 (Secretary, Finance Department) clarified that different items were purchased on different dates on need basis during the year under audit observation and the amount was below the limit of tender; hence, tendering was not required. The DAC directed the management to produce the relevant record to Audit for verification, especially to ensure that no split-up of procurement had been made.

The reply of remaining offices under the audit observation was not available in the working paper for DAC meeting. The DAC directed the same offices to submit reply of the relevant Para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

10.4.12 Unauthorized retention of government money in DDO account - Rs25.563 million

According to rule 290 of CTR 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” and according to Sr. # 17.3.4.2 of Accounting Policies & Procedure Manual, “Cheques shall only be drawn by the authorised cheque signatory where it is required for immediate disbursement or reimbursement of expenditures previously incurred”.

During the audit of the office of the Director General, Sindh Board of Investment, Karachi for the year 2013-14, it was observed that an amount of Rs 25.563 million was drawn and was retained into DDO account which resulted into blockage of government money.

(Rupees in million)		
Particulars	AIR Para #	Amount
Conference and seminar for the China official visit	19	13.000
Civil Work, salary for contractual staff and POL for vehicles	24	6.476
Salary for contractual staff vide through for future payments	26	4.704
Civil work named "Survey & demarcation of boundary wall"	28	1.383
Total		25.563

The irregularities were pointed out to the department in the month of January 2015. The DAC meeting was held on 26 January 2016. The DAC directed the management of Sindh Board of Investment, Karachi to submit revised reply for discussion in the next DAC meeting. However, the progress was awaited till finalization of this report.

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

10.4.13 Irregular expenditure on account of investigation cost - Rs10.310 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 the audit of the District Accounts Office, Dadu for the financial year 2014-15, it was observed that expenditure on account of Investigation Cost to the tune of Rs10.310 million was incurred. Following observations were noticed;

- i) That vouchers were devoid of approved rate list of investigation cost for payment to investigation officer,
- ii) Expenditure like Taxi Charges, Meal Charges, Stationery were also claimed in payment bills which is not admissible,
- iii) Acknowledgment receipt of payment by Investigation Officer was not enclosed
- iv) In the absence of data of total number of lodged FIRs in entire district Dadu, expenditure of more than 10 million could not be reconciled/matched with,

- v) Due Income Tax was not deducted which is liable to be lavied under Income tax Ordinance, 2001.

Audit is of the view that the expenditure on this head seem extremely sketchy and clearly susceptible to misuse.

The irregularity was pointed out to the department in the month of November 2015. The DAC meeting was held on 26 January 2016. The reply of the DAO, Dadu was not available in the working paper for DAC meeting. The DAC directed him to submit reply of the relevant para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit desires that justification may be provided for such violations, and responsibility be fixed on person(s) at fault.

(AIR#16)

10.4.14 Unauthorized payments to consultant firms - Rs8.636 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 the audit of the office of the Director General, Sindh Board of Investment Karachi, during the year 2013-14, it was observed that an amount of Rs 8.636 million was paid under ADP Scheme named "Marble City Project" to the various consulting firms. Following shortcomings were noticed:

- i. The amount was paid in advance, but was not adjusted,
- ii. No agreement was executed with the firms,
- iii. Stamp duty on agreement was not recovered.
- iv. Payment was made to consulting firms in the month of June-14 to avoid the lapse of budget,
- v. Three different consulting firms were paid for same purpose i.e. legal services of preliminary technical viability report as per detail given below which were not justified to audit,

(Rupees in million)

Voucher#	Chq & date	Particulars	Paid to M/S	Amount
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01	101189/ 2-6-14	Legal services of inspection report	E & Y Ford Rhodes Sidat Haider	1.325
03	101191/ 2-6-14	Technical Services	Osmania Co.	1.929
05	101193/ 2-6-14	Legal Services	Haider Mota & Co.	0.212
14	118905/ 5-6-14	Legal services of preliminary technical viability report	E & Y Ford Rhodes Sidat Haider	1.325
16	118907/ 5-6-14	--do--	Osmania Co.	2.153
18	118909/ 5-6-14	--do--	Haider Mota Co.	1.692
Total				8.636

The irregularity was pointed out to the department in the month of January 2015. The DAC meeting was held on 26 January 2016. The DAC directed the management of Sindh Board of Investment, Karachi to submit a revised reply containing clarification of each of the points raised in the audit observation for discussion in the next DAC meeting. However, the progress was awaited till finalization of this report.

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

(AIR#27)

10.4.15 Irregular expenditure without supporting documents - Rs5.066 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".

During the audit of the following offices of the Finance Department, Government of Sindh for the financial years 2013-14 & 2014-15, it was observed that a cumulative expenditure amounting to Rs5.066 million was incurred, but the supporting vouchers/documents were not available with bills.

(Rupees in million)

Sr. #	Name of Office	Head of A/c	Financial Year	AIR Para #	Amount
1	DAO Kambar	Repair of Machinery	2013-14	07	0.064
2	DAO Shaheed Benazirabad	Unforeseen expenses	2013-14	06	1.100
3	DAO Tando Allah Yar	Electricity & POL	2013-14	01	1.719

4	DAO Shikarpur	POL	2013-14	12	0.400
5	DAO Dadu	Conveyance charges	2014-15	06	1.783
Total					5.066

The irregularity was pointed out to the department in the month of October 2014 to November 2015. The DAC meeting was held on 26 January 2016. The reply of offices under the audit observation was not available in the working paper for DAC meeting. The DAC directed the same offices to submit reply of the relevant Para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires that the responsibility may be fixed on the person(s) at fault.

10.4.16 Irregular expenditure under the head honorarium - Rs4.735 million

As per memorandum by Govt. of Sindh Vide No, B1/22(1) / 19998-99 dated 3-8-1999, issued by the secretary to Govt., of Sindh, Finance Department, the cash reward shall be awarded to the officers / officials those performed extra ordinary duties / work assigned by the office other than their own duties, and the same should be recorded in service book of the officials.

During the audit of the following offices of the Finance Department, Government of Sindh for the financial year 2014-15, it was observed that an amount of Rs4.735 million was disbursed among the officials / officers on account of honorarium, but the following irregularities were noticed:

- i. Payment was made without mentioning their extraordinary works/duties performed by the officers and officials other than their own assigned work.
- ii. Certificates of good performance were not produced.
- iii. Acknowledgement was not obtained to whom honorarium disbursed.
- iv. Honorarium was allowed to the employees without deducting income tax

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	DAO Hyderabad	24	2.735
2	DAO Dadu	05	2.000
Total			4.735

The irregularity was pointed out to the department in the month of November 2015. The DAC meeting was held on 26 January 2016. The reply of the offices under the audit observation (DAO, Dadu and DAO, Hyderabad) was not available in the working paper for DAC meeting. The DAC directed the concerned offices to submit reply of the relevant para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit desires that the responsibility may be fixed upon the person(s) at fault.

10.4.17 Irregular appointment of contingent paid staff – Rs4.392 million

As per Finance Department, Government of Sindh letter # FD(EXP:IX)-7(67)/91(B) Prov dated 23rd April, 1996, “No appointment of work charged establishment/contingent paid staff be made without prior approval of the Finance Department”.

During the audit of the following offices of the Finance Department, Government of Sindh for the financial year 2014-15, it was observed that an amount of Rs4.392 million was paid as salaries to the work charged / contingent paid employees, without approval of the Finance Department. Further the following discrepancies were noticed:

- i. Orders regarding relaxation of ban on appointment by the competent authority were not provided to audit.
- ii. Advertisement of the Posts through press was not furnished.
- iii. Appointment of Selection Committee and minutes of meeting were neither available nor provided to audit for verification.
- iv. Terms and conditions and criteria of appointment were not formulated.

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	DAO Hyderabad	17	3.392
2	DAO Dadu	04	1.000
Total			4.392

Audit is of the view that the payment in absence of Finance Department approval stands irregular

The irregularity was pointed out to the department in the month of November 2015. The DAC meeting was held on 26 January 2016. The reply of the offices under the audit observation (DAO, Dadu and DAO, Hyderabad) was not available in the working paper for DAC meeting. The DAC directed the same offices to submit reply of the relevant Para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit desires that the responsibility may be fixed upon the person(s) at fault.

10.4.18 Overpayment on account of Electricity charges- Rs2.000 million

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

During the course of audit of the District Accounts Office, Kambar for the financial year 2013-14, it was observed that an amount of Rs 2.000 million was paid in excess on account of Electricity charges to RO SEPCO Larkana. As per document No. 1900193541 the bill of Rs 7.807 million was posted on 16-12-2013 and payment was made on 17-12-2013 vide cheque No.1486309 amounting to Rs 9.807 million which resulted in overpayment of Rs 2.000 million.

The irregularity was pointed out to the department in the month of October 2014. The DAC meeting was held on 26 January 2016. The DAO, Kamber clarified that no excess payment had been made as four documents were involved in the case under audit observation; whereas, only one document was taken up by Audit. The DAC directed him to produce record/evidence in support of the clarification for verification by Audit. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR #13)

10.4.19 Irregular expenditure on account of contractual staff without approval of competent authority - Rs1.200 million

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

During audit of the office of the District Accounts Office, Kambar for the financial year 2013-14, it was observed that an expenditure of Rs 1.200 million was incurred on account of payment of salaries to contract staff during the financial year 2013-14 without the prior approval of competent authority. Furthermore, appointment was made in spite of availability of sufficient staff.

(Rupees in million)				
Sr. #	O.M #	Name of Entity	Description	Amount
1	47	EDO Health, Kambar	Contingent Staff	0.900
2	57	District Population Welfare Officer, Kambar	Contract staff	0.300
Total				1.200

The irregularity was pointed out to the department in the month of October 2014. The DAC meeting was held on 26 January 2016. The reply of the DAO, Kamber was not available in the working paper for DAC meeting. The DAC directed the same office to submit reply of the relevant Para to be discussed in the next DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires approval of competent authority besides fixing responsibility upon the person(s) at fault.

(AIR #15)

10.4.20 Irregular advance payment to DDO – Rs1.010 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 the audit of accounts record of District Accounts Officer, Tharparkar @ Mithi, for the year 2013-14, it was noticed that payment of Rs1.010 million was made on pre-receipted bill for purchase of transport. The payment was made to DDO (MT5010 District Zakat Officer) instead of supplier in June-2014 to avoid lapse of funds.

The irregularity was pointed out to the department in the month of November 2014. The DAC meeting was held on 26 January 2016. The DAO, Tharparkar clarified that the bill was produced by the District Zakat Office on 23rd June 2015 after the cut-off date of submission of bill; however, the same was entertained after intervention of the Deputy Commissioner, Tharparkar. The DAO added that the payment was made to the DDO on 25th June 2015 as payment by crossed cheque in favour of M/S Pak Suzuki Motor Company would have resulted into lapse of cheque. The DAC directed him to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#02)

10.4.21 Non-conduct of monthly post-audit of pension

As per Audit Manual, "Post audit of pension paid vouchers need to be conducted mostly to the extent of 16% of total bills / paid vouchers".

During the audit of the following District Accounts Offices, it was observed that not a single pension paid voucher was being post-audited which is a mandatory exercise to authenticate the veracity of payments, ensure increase of pension as per instructions of Finance Department, check any erroneous or double payment etc. Absence of such mechanism/ procedure may lead to potential risk of fraud or dubious payments.

Sr. #	Name of Office	Financial Year	AIR Para #
1	DAO Shikarpur	2013-14	06
2	DAO Hyderabad	2014-15	14

3	DAO Dadu	2014-15	11
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The irregularity was pointed out to the department in the month of February 2015. The DAC meeting was held on 26 January 2016. The management of Finance Department clarified that remedial measures were being taken to ensure post audit of pension payments. The DAC directed the management to submit progress in this regard to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

10.4.22 Weak internal controls in DAO offices

As per Rule 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 subordinate disbursing officers”.

During the audit of the following offices of the Finance Department, Government of Sindh for the financial year 2014-15, it was observed that:

- i) Uncountable payments on account of multiple heads of account were made to vender/DDO without deduction of Income Tax, Sindh Sales tax and General Sales Tax,
- ii) Mechanism of post-audit of pension is unattended since long time,
- iii) Monitoring mechanism of timely disposal of all type of payments especially pension payments (gratuity, commutation and revision, etc.) does not seem in place,
- iv) All payments on account of commutations were made through DDO instead of vender except a few,
- v) Pension inward and outward directory does not show detail of submitted pension cases,
- vi) Office does not have exact figure/number of pensioners who draw monthly pension through this office,
- vii) Huge payments were made to DDOs instead of vendor,
- viii) Practice of manual payment is still in vogue, notwithstanding instructions of office of the AG Sindh & Finance Department, etc.

Sr. #	Name of Office	AIR Para #
1	DAO Hyderabad	19
2	DAO Dadu	09

Audit is of the view that above observation indicates lack of proper controls and vigilance which may increase the potential risk of possibility of erroneous, double, doubtful and bogus payments

The weaknesses were pointed out to the department in the month of November 2015. The DAC meeting was held on 26 January 2016. The management of Finance Department clarified that the DAOs are jointly controlled by AG Sindh and Finance Department, Government of Sindh. They added that the mechanism for internal control for DAO offices was being discussed between both the controlling authorities and necessary remedial measures would be taken up in due course. The DAC directed the management to submit progress to Audit for verification. However, the progress was awaited till finalization of this report.

Audit desires that corrective measures may be taken and internal controls may be placed in the system.

CHAPTER – 11

FOOD DEPARTMENT

11.1 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:

- a) Procurement of wheat from growers during harvesting period at supporting price fixed by the Provincial Government,
- b) Opening of wheat procurement centres throughout the province at the provincial reserves centres/places with establishment of temporary bank booth to make payment to the growers on the spot,
- c) Handling and transportation of surplus wheat to the wheat deficit areas/non-procurement areas,
- d) 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,
- e) 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,
- f) Stabilise the wheat market price by directly intervening in the commercial market to mitigate the risk of hoarding by maintaining equilibrium.

11.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 26 formations (DDOs), out of which 16 formations were selected for audit during Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
46,276.467	950.000	(12,846.772)	34,379.695	37,315.467	(2,935.772)

The department was unable to control the expenditure as per allocated budget, as a result, excess expenditure of Rs2,935.772 million was incurred.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
48,540.000	20,540.000	17,148.000	33,392.000

The department was unable to collect the estimated receipts in time, as a result shortfall of an amount Rs33,392.000 million was observed.

11.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Food Department were discussed by the PAC on 27-03-2015. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
8	8	0	8	0

11.4 AUDIT PARAS

11.4.1 Shortage / misappropriation of wheat and Jute/PP bags (bardana) - Rs91.138 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 Food Department, Government of Sindh for the years 2013-14 and 2014-15, it was observed that the wheat valuing Rs91.138 million was found short in various procurement centers and godowns **Annex-1**.

The irregularity was pointed out to the management during November 2014 to August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of the value of lost wheat from the responsible persons through enquiry besides taking remedial measures for such occurrences in future.

11.4.2 Embezzlement of wheat bags - Rs43.940 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 the audit of accounts record office of District Food Controller, Khairpur, for the year 2014-15, it was observed as per statement of center-wise stock position of wheat at district Khairpur, 13,520 (13,000 wheat bags plus 520 Jute wheat bags @ Rs.3,250/- per bag) of Rs.43.940 Million were physically not available. An

FIR had also been lodged at P.S. Gambat (for 13,000 bags only) but no inquiry/ investigation has been initiated so far by the department concerned.

The irregularity was pointed out to the management in August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires matter may be investigated besides fixing responsibility on person(s) at fault.

(AIR#03)

11.4.3 Loss to Government due to payment of arrears of pay and allowances to irregularly reinstated official involved in embezzlement of wheat during 1988 - Rs1.681 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 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”.

In the office of District Food Controller, West, Karachi, during the audit for the year 2011-12 to 2013-14, it was observed that a Food Grain Inspector, who was suspended from service w.e.f. 01-06-1989 to 02-08-2010 due to misappropriation of wheat from Wheat Procurement Center Shalwari, District Mirpurkhas was taken on duty by Regional Director, Food Karachi, Region Karachi vide No. Adm/Gen/Re-instate/NMG/FGI/2010 dated 13-08-2010. Secondly, the period of his suspension was treated as duty by Secretary, Food Department, Government of Sindh vide No. SOF/(Admn)2(424)/06 dated 04-10-2012. The official was paid Rs1.681 million as arrear of pay and allowances of suspension period. The official had withdrawn his constitutional petition No. D-932/2009 on 27-07-2010. The cost of wheat was deposited by the official in 2013 (Rs744,870/-) misappropriated in 1989, the Audit is of the view that the reinstatement of officials after 21 years of continuous suspension was irregular and payment of pay and allowances cannot be justified.

The matter was taken up with the management in April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry into the affair of reinstatement of an employee, whose act of misappropriation was proved.

(AIR#1,2&6)

11.4.4 Lack of internal control at wheat procurement centre leading to embezzlement - Rs4.911 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 accounts record of office of District Food Controller, Khairpur for the financial year 2014-15, it was observed that an amount of Rs4.911 million was recovered from Food Supervisors / incharge of wheat procurement centers located in District Khairpur in installments for pilferage/shortage of wheat. The Following irregularities were noticed:

- (i) No disciplinary actions have been taken against food officials involved in pilferage / shortage of wheat from centers, time to time;
- (ii) The officials have been allowed to deposit cash in instalments as recovery of cost of embezzled wheat.

The irregularity was pointed out to the management in August 2015, the draft paras were issued to the PAO during November 2015 and January 2016, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires to undertake inquiry into the matter, besides fixing responsibility on person(s) at fault.

(AIR#10)

11.4.5 Non-production of record - Rs1.968 billion

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

- (2) The officer 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

In the following four (04) offices of Food Department, Government of Sindh, for the financial years 2013-14 & 2014-15, it was observed that the following record for amounting to Rs1.968 billion was not maintained /produced to audit as detailed below:-

1. Detailed List of outstanding dues against the officials of the department
2. Annual vigilance report by vigilance officer during 2014-15
3. Reconciliation Statement from A. G. Sindh
4. Dead Stock Register
5. Personal Files of Officials /Officers
6. Cheque Books / Counter Folios and Bank Statements
7. Number of bank accounts showing the head/purpose along with bank statement
8. Copies of wheat policies during the year 2014-15
9. Copies of letters of fixing the price of wheat bag by the Government along with procurement
10. Copies of letter for fixing of price of bardana new as well as used along with procurement and auction during 2014-15
11. Copies of letter for fixing price of unserviceable /damaged bardana along with stock position during 2014-15
12. Copies of letter for issuance of wheat in Ramzan package during 2014-15
13. Detail of bardana issued to various centers
14. Expenditure vouchers of purchase of various physical assets for Rs1968.495 million were not produced during 2013-14

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Particulars	Amount
1	Deputy Director Food Karachi	2013-14	01	Expenditure incurred under Cost Center KA9984 Head of Account: A09 Total Physical Assets	1,968.495
2	Secretary, Food, Karachi	2014-15	08	Detail of outstanding dues, vigilance report, wheat policy, fixation of price of bardana and detail of Ramzan package	--
3	District Food Controller, Karachi East	2014-15	01	Detail of wheat issued to flour mills, detail of employees on derailment etc.	--
4	District Food Controller, Karachi West	2014-15	01	Detail of wheat issued to flour mills, detail of employees on derailment etc.	--
Total					1,968.495

The irregularity was pointed out to the management during January to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record, besides fixing responsibility on the person(s) at fault.

11.4.6 Non-reconciliation of revenue against sale proceeds of wheat and others - Rs37.495 billion

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.”

During audit of following offices of Food Department, for the years 2011-12 to 2014-15, it was observed that an amount of Rs37.495 billion was collected and deposited on account of receipt against sale proceeds of Wheat / Atta through challans; but the management did not reconcile the amount with the treasury and it was also observed that issued wheat was not reconciled with consignee office on PC-7 Form.

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
01	DFC (East), Karachi	08	2011-12 to 2013-14	21,485.791
		05	2014-15	1,934.930
02	DFC (Central), Karachi	01	2011-12 to 2013-14	7,684.607
03	DFC (West), Karachi	12	2011-12 to 2013-14	2,039.697
		02	2014-15	640.283
04	DFC, Naushero Feroze	06	2013-14	2,362.273
05	DFC (South), Karachi	01	2011-12 to 2013-14	800.610
06	DFC, Dadu	05	2013-14	545.611
07	District Food Controller, Shaheed Benazirabad	08	2014-15	1.700
Total				37,495.502

The non-reconciliation was pointed out to the management during April and August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

11.4.7 Unauthorised and Risky storage of wheat stocks in private premises and open spaces - Rs6.356 billion

According to the provisions of Para-7 and 9 of policy guidelines for wheat procurement campaign 2014 issued by Government of Sindh, Food Department vide letter No. SO(W)7(24)2014-Wh:Pro./387 dated. 05-03-2014, “No wheat stocks should be kept in the premises of any private/flour mills/other private place without approval of the Government”. Further, procured wheat shall be stored properly, keeping in view the safety and security of wheat stocks.

During audit of following offices of Food Department, Government of Sindh for the year 2013-14, it was observed that 1,857,474 bags of wheat stock costing Rs6.356 billion were stored at various private godowns /flour mills without the approval/permission of the competent authority. Further the stocks were also kept in open sky without safety and precautionary measures. No efforts seemed to have been

made by the department for the safety of wheat from rain, dust and dirt, weevil infestation, etc.

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Place of stock	No. of wheat Bags	Rate / wheat bag	Amount
01	DFC, Ghotki @ Mirpur Mathello	07	16 flour mills	578,874	3,450	1,997.115
		02	03 PRCs	373,757	3,400	1,270.773
02	DFC, Sukkur	02	10 flour mills	276,604	3,450	954.283
		04	05 flour mills	157,458	3,400	535.357
03	DFC, Naushero Feroze	04	09 PRCs	392,112	3,450	1,352.786
04	DFC Larkana	04	06 PRCs	78,669	3,125	245.840
Total				1,857,474		6,356.154

The irregularity was pointed out to the management in November 2014 and January 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry into the matter for violating the issued instructions for storage of wheat, besides fixing of responsibility on the person(s) at fault.

11.4.8 Annual physical verification of wheat stock not carried out – Rs533.872 million

According to Rules 116 of Sindh Financial Rules, Volume-I, “The balance in stock taking should be examined yearly to see whether balance in hand represents the quantities as well as the value borne on the account books. Any discrepancy discovered in the verification should be fully explained, and the book balance set right under orders of the competent authority.”

During audit in the following three (03) offices of Food Department, Government of Sindh for the year 2014-15, it was observed that wheat worth Rs533.872 million was lying in various wheat procurement centers; but annual physical verification of stock was not carried out.

(Rupees in million)			
Sr. #	Name of office	AIR Para #	Amount
01	District Food Controller, Sukkur	05	486.776
02	District Food Controller, Dadu	06	47.096
03	District Food Controller, Hyderabad	07	-
Total			533.872

The irregularity was pointed out to the management during August & September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

11.4.9 Excess expenditure over and above the PC-I provisions – Rs61.843 million

As per letter P&D/Agr-Po/Food-32-B/2013 issued by Planning & Development Department (Agriculture Section) Karachi dated 22.08.2014 on subject “Extension in plan period of one year in the execution of Scheme Rehabilitation/Renovation of existing Godowns in Sindh (Hyderabad & Sukkur Regions (ADP Sr.No.588 2014-15) approved the one year extension period (2014-15). At para-02, Administrative department was requested to furnish status of physical works made for the project against physical targets of approved PC-I and scheme required to be completed within approved cost and period.

During audit of account record of office of the Secretary, Food Department, Government of Sindh, Karachi for the year 2014-15, it was observed that an expenditure of Rs61.843 million was incurred on “Rehabilitation/Renovation of existing godowns in Sindh over and above the PC-I cost.

Rupees in million)			
Name of Region	PC-I Cost	Expenditure incurred up to June-2015	Excess Expenditure
Sukkur Region	310.977	372.82	61.843

The irregularity was pointed out to the management in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires regularization for excess expenditure over and above the PC-I provisions through revised PC-I besides fixing responsibility on person(s) at fault.

(AIR#04)

11.4.10 Irregular issuance of wheat to exporters – Rs56.000 million

According to conditions of Agreement for sale of wheat for exporter purpose dated 24-02-2015 and 21-04-2015 executed between Government of Sindh through Director Food (First Party) and M/s Qureshi Flour Mills, Plot #42, Sector 28, Korangi Industrial Area Karachi (Second Party):

1(h).The indigenous wheat stocks so lifted for the export purpose shall not be sold in the open market.

1(i).That the Second Party shall be bound to export indigenous wheat/ Wheat Flour.

1(k).The entire agreed quantity of wheat purchased, will be exported by the exporters within sixty days from the date of lifting of wheat.

1(q).This facility is applicable by Sea and Land (including Afghanistan) with proper documentation of the Custom/FBR authorities.

4. On successful completion of export of 1000M.Tons wheat or its by products i.e. wheat flour (Atta) and proven through the relevant export document listed as under to be attested to be true copies by the bank through which export was made, the Second party will be entitled to get his bank Guarantee for the subsidy amount from the First party on account of rebate of Rs4,500 per M.Tons (as per Sindh Cabinet decision dated 10-02-2015). The Bank Guarantee will become null and void as upon submission of the export documents to the Department:

- 1 Copy of bill of lading
- 2 Copy of Export Commercial invoice
- 3 Copy of Form-E
- 4 Copy pf LC/Advance Remittance/CAD for export/Bill exchange
- 5 Phyto-Sanitary Certificate (Plant Protection Department, GOP)

During audit on the accounts of the office of District Food Controller Karachi, East for the year 2014-15, it was observed that Food Department, Government of Sindh Karachi allocated 2,000 Metric Tons wheat (20,000 wheat bags) @Rs2,800 per 100 kg bag amounting to Rs56.000 million for Export to M/S Qureshi Flour Mills, but relevant export document i.e. copies of bill of loading, Export Commercial invoice, Form-E, LC/Advance Remittance/CAD for export/Bill exchange and Phyto-Sanitary Certificate (Plant Protection Department) were not shown to verify successful completion of export of 2,000M.Tons wheat or its by-products i.e. wheat flour (Atta).

The irregularity was pointed out to the management in August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires clarification of irregularity, besides maintenance of auditable record.

(AIR # 06)

11.4.11 Irregular payment on account of transportation - Rs15.235 million

According to SPPRA Rule 50, Publication of the Award of Contract—Within seven days of the award of contract, procuring agency shall publish on the website of the Authority and on its own website, if such a website exists, the results of the bidding process, identifying the bid through procurement identifying number, if any, and the following information: (1) Evaluation Report;(2) Form of Contract and Letter of Award; and (3) Bill of Quantities or Schedule of Requirement. According to SPPRA 2010, Rule 10 –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 the following two(02) offices of Food Department, Government of Sindh, for the financial year 2014-15, it was observed that eight tender notices were hoisted on the SPPRA website and payment of Rs15.235 million was made for ‘Transportation of wheat and bardana within district and district to district within region. The following observations are made:

- (i) Their tender IDs were withheld with the remarks “*BER, CS, TER, AOC required*” by the SPPRA (as evident from www.pprasindh.gov.pk). Payment was made without fulfilling objection raised by the SPPRA.
- (ii) It was also observed that payment was made to the contractors without execution of contract agreement

(Rupees in million)			
Sr #	Name of office	AIR Para #	Amount
01	District Food Controller Khairpur	05	5.236
02	District Food Controller Larkana	10	9.999
Total			15.235

The irregularity was pointed out to the management in August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification for mis-procurement on account of transportation, besides fixing responsibility on person(s) at fault.

11.4.12 Unauthorized drawl of pay due to unjustified appointment of employees - Rs4.761 million

The Services, General Administration and Coordination Department, Government of Sindh, Karachi notification No. SOV (S& GAD) X-15/90-98 dated 12-02-2008 states: “Advertisement should be given for all vacant posts”. Further as per Chief Minister Sindh, Karachi letter No. DS (COORD)/CMS/8-4/2008/845 dated 12-02-2008 “All vacant posts shall be filled after completing codal formalities and written test for the posts from BPS-5 and above shall be got conducted through third party; and for BPS-4 and below through Departmental Selection Committee”.

During the audit of the following eight (08) offices of Food Department, Government of Sindh for the year 2011-12 to 2014-15, it was observed that various employees were appointed and were paid Rs4.761 million on account of Pay & Allowances. Following shortcomings in codal formalities/ irregularities were noticed:

- (i) The orders regarding constitution of selection committee was not provided.
- (ii) Minutes of meeting of selection committee duly signed by the all members including Chairman of Selection Committee were not provided to verify the actual candidates declared successful in the recruitment process and other details of recruitment.
- (iii) Complete visible copies of advertisements were not shown.
- (iv) Degrees / certificates were not verified from the concerned Universities and Boards.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
01	District Food Controller, East, Karachi	2014-15	09	1.974
		2011-12 to 2013-14	02	1.195
02	District Food Controller, West, Karachi	2014-15	06	0.883
		2013-14	08	0.535
03	Deputy Director Food, Karachi	2013-14	07	0.174
04	DFC (Central) Karachi	2011-12 to 2013-14	03	--
05	DFC (South) Karachi	2011-12 to 2013-14	04 & 05	--
08	District Food Controller, Shaheed Benazirabad	2014-15	09	--

	Total	4.761
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The irregularity was pointed out to the management during January to August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification for irregular withdrawal of pay and unjustified appointment besides fixing responsibility on person(s) at fault.

11.4.13 Non recovery of outstanding dues – Rs299.196 million

According to Rule 40(a) of Sindh Financial Rules, Volume-I, “ The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury”.

In the various twelve (12) offices of Food Department, Government of Sindh for the financial year(s) 2011-12 to 2014-15, it was observed that an amount Rs299.196 million was outstanding under various heads; but recovery was not made till the close of financial year. Detail at **Annex-2**.

Non-recovery was pointed out to the management in January to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

11.4.14 Non-recovery of unutilized jute/PP bags (bardana) - Rs23.657 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 following offices of Food Department, Government of Sindh for the year 2013-14, it was observed that the management did not recover the

unutilized bardana costing Rs23.657 million issued to growers by various Center In-charges, which was a loss to the government.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	DFC, Ghotki @ Mirpur Mathello	2013-14	04	60,902 jute bags @ Rs136.27 per bag and 123,871 polythene bags @ Rs.40 per bag	13.253
02	DFC, Naushero Feroze	2013-14	03	6,514 jute bags @ Rs136 per bag and 69,246 polythene bags @ Rs.50 per bag	4.348
03	DFC, Dadu	2013-14	01	10,248 jute bags @ Rs136 per bag and 26,840 polythene bags @ Rs.50 per bag	2.735
		2013-14	03	12,257 new loose empty bardana @ Rs126	1.544
04	DFC, Sukkur	2013-14	01	9,160 jute bags and polythene bags @ Rs116.50 per bag	1.067
05	DFC, Larkana	2013-14	01	5,075 jute bags	0.710
Total					23.657

The irregularity was pointed out to the management during November 2014 to February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

CHAPTER – 12

FOREST & WILDLIFE DEPARTMENT

12.1 Introduction

Forest & Wildlife Department is responsible for preservation of existing forests of the province 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 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.

12.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 72 formations (DDOs), out of which 01 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/	Supplementary Grant	Re-appro: (+) (-)	Revised Budget	Departmental Expenditure	Variation (Excess)/
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Grant			2014-15		Savings
4,706.907	1,639.429	(1,558.749)	4,787.588	4,531.177	256.410

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs256.410 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
140.000	140.000	151.000	(11.00)

12.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Forest & Wildlife Department were discussed by the PAC on 26-11-2015. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
10	4	0	4	0

12.4 AUDIT PARAS

12.4.1 Irregular expenditure without calling tender – Rs102.241 million

As per Rule 17(1) of SPPRA Rules 2010 “Procurements over one 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 Forest Department in office of the Chief Conservator of Forest, Hyderabad, for the Financial Year 2014-15, it was observed that expenditure of Rs102.241 million was incurred on various works without calling open tender.

(Rupees in million)			
S. No.	Name of Office	Memo No.	Amount
1	PD Mangroves, Karachi	80	80.985
2	DFO (SF), Shaheed Benazirabad	16	6.971
3	DFO (SF), Ghotki		1.628
4	DFO (SF), Khairpur		1.154
5	DFO (SF), Dadu		0.601
Sub Total			91.339
6	DFO (A), Larkana	83	5.667
7	DFO (SF), Karachi	102	1.814
8	DFO (SF), Shaheed Benazirabad	01	2.186
9	DFO (SF), Larkana	01	1.235
Sub Total			10.902
Grand Total			102.241

The matter was pointed out to the department in December 2015, but no reply has been provided. Despite efforts, no DAC meeting was convened by the PAO.

Audit recommends fixing of responsibility on person(s) at fault.

(ML # 6.1, 6.3)

12.4.2 Un-justified supply of POL to the vehicles of other offices – Rs2.458 million

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

During Audit of Forest Department in office of the Chief Conservator of Forest, Hyderabad, for the Financial Year 2014-15, it was observed that a cumulative expenditure of Rs2.458 million was incurred on POL charges of vehicles, which were neither in the list of office vehicles nor in order (off-road) since long **Annex-1**.

(Rupees in million)			
Sr. No.	Name of DFO	OM No.	Amount
1	DFO, Afforestation Div., Larkana	69	0.199
2	DFO, Sericulture, Hyderabad	69	0.389
3	DFO, Direction Div., Hyderabad	69	1.870
Total			2.458

The matter was pointed out to the department in September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(ML # 5.30)

12.4.3 Non-production of record – Rs4.938 billion

As per Section 14(2) & (3) of the Auditor General’s (Functions, Powers & Terms & Conditions of the Service) Ordinance, 2001, states that, the officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with responsible expedition. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subjected to disciplinary action under efficiency and discipline rules.

During Audit of Forest Department in office of the Chief Conservator of Forest, Hyderabad, for the Financial Year 2014-15, the following record was not produced to audit for scrutiny **Annex-2**.

1. Logbooks, History sheets and Petrol Consumption account.
2. Quarterly Plan of Operations (QPOs)
3. Cash books / EMD register
4. Bank statement / PLA account
5. Contractor ledger / advances registers
6. Measurement books / Muster-roll.
7. Details of contingent paid staff and daily wages staff along-with copies of CNICs etc.
8. Register of recoveries and leases / auctions.
9. Timber / plants account.
10. Details of timber depot and its account record.
11. Personal files of the gazette officers.
12. Service books of the non-gazetted staff.
13. Progress report of each scheme.
14. Passbook / cheque books counterfolios
15. Quotations / Tender Files / forms
16. Detail of procurements made on quotations / Tenders
17. Tender forms Register
18. Position of Annual Physical Verification of Store / Stock
19. Deadstock Register / Liveries Register /Contingent Register
20. List of officers / officials provided with Government accommodation
21. Detail of retired employees / new appointment made during the year.
22. Stationery Register and store account
23. Consumable / Non-Consumable Articles Register
24. List of Missing / Un-serviceable store/stock items
25. Report of Defalcation & Losses
26. Repair & Maintenance Register of Govt. Vehicles
27. Detail of off road vehicles showing the dates and period since off road
28. List of Machinery / Equipment procured during the financial year 2014-15
29. Repair & Maintenance Register of Machinery/vehicles.
30. Worksheets
31. Flowchart of data (Accounts)
32. Internal Audit Report
33. Audit registers

34. Detail of liabilities and Assets (Current and Fixed)
35. List of allotment of quarters / bungalows
36. Budget allocation breakup (Salary+Non-Salary+Conservation)
37. Budget Released to the Divisions (Salary+Non_Salary+Conservation)
38. Expenditure Made (Salary+Non-Salary+Conservation)
39. Balances of following accounts on 1 July 2014 and 30 June 2015
 - a. G.P Fund Payment (Temporary advance/Final Payment) under the head of account G05106
 - b. Pension under the head of account G11218.
 - c. Repayments of contractors (Earnest Money Deposit) under the heads of account G11218.
 - d. Forest Advance under the head of account G10402.
 - e. T.A. Advance /Pay Advance under the head of account F02119
40. Bank Statements of accounts maintained by the office.
41. Cashbooks.
42. Sanctioned and working strength of all the department
43. Notification for the continuation of PLA account
44. DDO wise breakup of Grants.
45. Progress reports of development schemes.
46. Appropriations register.

The matter was pointed out to the department in September 2015, the Draft Paras were issued to the PAO during November 2015 and January 2016, but no reply has been provided. Despite efforts, no DAC meeting was convened by the PAO.

Audit recommends production record besides fixating of responsibility on the person(s) at fault.

(ML # 5.45)

12.4.4 Un-reconciled EMD closing balance with revenue realization – Rs133.890 million

As per West Pakistan Forest Manual Delegation of Powers, Second Schedule Part-II, Page-212, the Chief Conservator of Forests Department is empowered to

make lease of land in Forest area by auction or tender up to 5 years for irrigated land and up to 15 years for barani land.

During Audit of Forest Department in office of the Chief Conservator of Forest, Hyderabad, for the Financial Year 2014-15, it was observed that the department realized revenue of Rs150.734 million on account of lease of land in Forest area of Sindh.

The details in the Appropriation Accounts of the Department under this head of account showed that the closing balances as on 30-06-2015 of Earnest Money Deposit (EMD) vide Annex-C of the Appropriation Account was Rs133.890 million which was not reconciled with revenue earned in respect of the period related with transaction of revenue of forest land lease. Furthermore, record of lease of the land, criteria of lease, rate of lease, assessment and auction/tender record etc. was not produced to audit.

The matter was taken up with the department vide Management Letter issued in the month of December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires due reconciliation besides production of auditable record and fixing responsibility on the person(s) at fault.

(ML # 7.6)

12.4.5 Less allocation of budget to subordinate offices – Rs99.379 million

As per Para 3.3.11.4 of Accounting Policies and Procedures Manual, “It is the responsibility of the Principal Accounting Officer to ensure the budgets applicable to his/her spending entity are properly communicated to the various delegated officers in that entity. The Principal Accounting Officer will maintain a record of such distributions.”

During Audit of Forest Department of office of the Chief Conservator of Forest, Hyderabad, for the Financial Year 2014-15, it was observed that the Principal Accounting Officer failed in ensuring properly communicating the budget applicable to the spending units, the DFOs/DDOs. The Schedule of DFO-wise/ DDO-wise Authorized Expenditure by the Provincial Assembly was violated and the budget of

Rs99.379 million was allocated to the sub-ordinate offices less than the budget authorized by the assembly. This resulted into encroaching upon the financial authority of the legislature by unauthorized less allocation of budget of Rs99.379 million.

The matter was communicated to the department in the month of September, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO, till finalization the report.

Audit recommends fixing of responsibility on the person(s) at fault.

(ML # 2.2)

12.4.6 Excess expenditure on pay and allowances – Rs51.754 million

As per Para 3.3.12.4 of Accounting Policies and Procedures Manual, “Any spending entity required to undertake work or incur expenditure on behalf of another is required to exercise proper budgetary control over the funds provided by the principal authority. The entity incurring the expenditure must ensure the funds provided by the principal entity are not exceeded, the money is spent for the purpose intended, any anticipated savings are promptly surrendered back to the principal entity. The principal entity will communicate the grant within which expenditure may be incurred to the concerned spending entity and issue the required approval for expenditure to be incurred by a nominated authority in that entity.”

During Audit of Forest Department in office of the Chief Conservator of Forests, Hyderabad, for the Financial Year 2014-15, it was observed that an expenditure of Rs51.754 million was incurred in excess of the budget allocation on pay and allowances **Annex-3.**

The matter was raised with the department vide Management Letter issued in the month of December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(ML # 2.4)

12.4.7 Irregular advance payment – Rs33.129 million

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

During Audit of Forest Department in office of the Chief Conservator of Forests, Hyderabad, for the Financial Year 2014-15, it was observed that expenditure of Rs33.129 million was incurred on account of advance payments, which was irregular as per following observations raised by audit: -

1. The advances cannot be allowed to any officials without any justified occasional demand.
2. Payment of advances for work in forest department to the Head Clerk for disbursement is unjustified.
3. Timely adjustment of work advance was not provided.
4. Advances were disbursed over the thumb impressions.
5. Payment was not disbursed through a cross cheque.

(Rupees in million)				
Sr. #	Name of DFO	Payment made to	Memo No.	Amount
1	DFO (SF), Mirpurkhas	Yousuf, H/Clerk	88	2.138
2	DFO (SF), Matiari	Mumtaz, Sr/Clerk		3.806
3	DFO (SF), Jamshoro	Saleem, Asst:		1.425
4	DFO (SF), Mithi	Kishore, H/Clerk		2.187
5	DFO (SF), Hyderabad	Shahid, Sr/Clerk		2.716
6	DFO (SF), Badin	Maqbool, H/Clerk		0.388
7	DFO (SF), Umerkot	Kirpal, H/Clerk		2.807
8	DFO (Silviculture), Hyd	Various	31	15.791
9	Conservator of Forests, Working Plans, Hyderabad	Muhkamuddin, H/Clerk		1.836
10	Principal, Forest & Wildlife Training School, Miani	Imtiaz, H/Clerk		0.035
Total				33.129

The matter was communicated to the department in the month of September, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO, till finalization the report.

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

(ML # 5.28)

12.4.8 Payments through DDO cheque/cash instead of cross cheque to payee – Rs24.163 million

As per Para 5.4.2.4 of Accounting Code for Self Accounting Entities, All payments will be made by cheque, transfer or direct debit unless otherwise authorized by the Ministry of Finance or the Auditor-General.

During Audit of Forest Department in office of the Chief Conservator of Forest, Hyderabad, for the Financial Year 2014-15, it was observed that expenditure of Rs24.163 million was incurred, but payment was made in cash instead of through cross-cheque. Furthermore, an amount of Rs4.985 million was drawn from PLA as advance in cash without detail of justification & disbursement.

(Rupees in million)

Sr. #	Name of Office	Amount
1	DFO (Direction), Hyderabad	7.098
2	Project Director, Mangroves, Karachi	9.755
3	DFO (Sericulture), Hyderabad	2.325
4	Principal / DFO, Forest & Wildlife Training School, Miani Pay & Allowances (PLA)	3.203
5	DFO, Silviculture Research Division, Hyderabad Pay & Allowances (PLA) Conservancy & Works (PLA)	1.114 0.281
6	Conservator of Forests, Working Plans Circle, Hyderabad Conservancy & Works (PLA)	0.386
Total		24.163

The matter was communicated to the department in the month of September, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO, till finalization of this report.

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

(ML # 5.5 & 5.15)

12.4.9 Irregular payment to contingent paid staff – Rs19.961 million

As per Finance Department, Karachi letter dated 23rd April, 1996, “No appointment of work-charged establishment / contingent-paid staff be made without prior approval of Finance Department.”

During Audit of Forest Department in office of the Chief Conservator of Forests, Hyderabad, for the Financial Year 2014-15, it was observed that an expenditure of Rs19.961 million was incurred on pay of contingent-paid staff without approval of the Finance Department. Furthermore, payments were made without maintenance of muster roll, attendance sheet, progress report of work and office orders were not verified from competent authority.

(Rupees in million)			
Sr.#	Name of Office	OM No.	Amount
01.	DFO (Director), Hyderabad	64	1.120
02.	PD Mangroves, Karachi		5.108
03.	Conservator of Forests, Larkana		0.033
04.	DFO (A), Larkana		1.200
05.	DFO (Sericulture), Hyderabad		0.162
06.	DFO (A), Kashmore		0.756
07.	DFO (SF), Badin	97	0.273
08.	DFO (SF), Shaheed Benazirabad	10	1.223
09.	DFO (SF), Khairpur		1.464
10.	DFO (SF), Larkana		2.216
11.	DFO (SF), Ghotki		2.200
12.	DFO (SF), Dadu		3.260
13.	DFO (SF), Kamber		0.646
14.	SDFO (SF), Shikarpur		0.300
Total			19.961

The matter was raised with the department vide Management Letter issued in the month of December, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(ML # 5.6)

12.4.10 Non-deduction of sales tax from contractors – Rs14.183 million

As per the Sindh Sales Tax on Services Act, 2011, issued by the provincial assembly Sindh, vide notification No.PAS/Legis-B-19/2011 dated 10th of June 2011, and come into force w-e-f 1st July 2011, As per part-B of Second Schedule (Taxable Service) Sales Tax at the rate of 16 per cent is applicable on Services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

During Audit of Forest Department in office of the Chief Conservator of Forests, Hyderabad, for the Financial Year 2014-15, it was observed that Sale Tax at the specified rate of 16 per cent amounting to Rs14.183 million was not deducted from the contractors / labour *Jamadars*.

(Rupees in million)				
Sr.#	Name office	Particulars	Value of Contract Executed	Amount
1	Project Director, Mangroves, Karachi	Paid to labour	79.623	12.739
2	DFO (Afforestation) Division, Larkana		5.894	0.943
3	DFO (Afforestation) Division, Kashmore		3.133	0.501
Total				14.183

The matter was communicated to the department in the month of September, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO, till finalization of this report.

Audit recommends recovery of Sales Tax from the contractors, besides fixing responsibility on the person(s) at fault.

(ML # 8.2)

12.4.11 Misclassified expenditure on various heads of account – Rs11.394 million

As per Para 2.3.2.2 of APPM on Accuracy, the information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period. As per Para 7.3.2 of APPM on Rectification

of errors, errors or omissions found prior to the cut-off date for production of the Annual Accounts may be made by way of journal entry, submitted to the AG office for approval. Such errors or omissions typically include mis-classification of accounts, usually requiring an adjustment between heads. In interpreting the direction, an error or omission is considered to be material, if it exceeds 10% of the reported expenditure or revenue reported against a particular head.

During Audit of Forest Department in office of the Chief Conservator of Forests, Hyderabad, for the Financial Year 2014-15, it was observed that information in the accounts and the supporting subsidiary records lack in accuracy due to some errors, omissions, misclassifications in recording and summation of the amounts. The expenditure of Rs11.394 million under various heads was misclassified and charged to different heads of account without the re-appropriation from the competent authority (**Annex-4**).

The matter was communicated to the department in the month of September, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO, till finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault.

(ML # 3.6)

12.4.12 Un-justified retention of lease money as earnest money deposit – Rs7.803 million

As per Rule 312 of SFR, All deposits must be separately paid into the treasury with challan or other documents setting forth all the particulars necessary for the entries to be made in the register of deposit receipts.

During Audit of Forest Department in office of the Chief Conservator of Forests, Hyderabad, for the Financial Year 2014-15, it was observed that an amount of Rs7.803 million, realized on account of leased money, was not deposited into relevant head of account and kept in earnest money deposit (EMD) by the Divisional Forest Officer, Afforestation, on June, 2015 without any justification.

(Rupees in million)			
S. No.	Name office	OM No.	Amount
1	DFO (Afforestation), Khairpur	45	6.734
2	DFO (Afforestation), Larkana	117	1.069
Total			7.803

The matter was communicated to the department in the month of September, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO, till finalization of this report.

Audit recommends deposit of leased money in government account, besides fixing responsibly on the person(s) at fault.

(ML # 7.3)

12.4.13 Outstanding recoveries from contractors – Rs12.298 million

As per Para 1 of Clauses 81-82 of the West Pakistan Land Revenue Act, 1967, it is the responsibility of the Executive Agency to recover the amount of Government dues from the persons concerned. Furthermore, as per para 21 of conditions of agro-forestry lease in the forests of Sindh, in case of belated payment of Government dues, the lease amount should include compound interest at the rate of 10% per annum. The compound interest may be calculated for delay of each month taking 15 days and above as full month.

During Audit of Forest Department in office of the Chief Conservator of Forests, Hyderabad, for the Financial Year 2014-15, it was observed that lease money of forest land of Rs11.178 million was outstanding as per closing debit balance as on 30-06-2015 against various contractors/lease for many years. Furthermore, 10% interest of Rs1.120 million was not recovered from the contractors.

The matter was communicated to the department during the month of September, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO, till finalization of this report.

Audit recommends recovery of amount and its deposit into treasury, besides fixing responsibility on the person(s) at fault.

(ML # 7.5)

CHAPTER-13

HEALTH DEPARTMENT

13.1 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.

13.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 212 formations (DDOs), out of which 61 formations were selected for audit during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
61,685.949	252.163	(3,605.591)	58,332.521	52,086.431	6,246.090

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs6,246.090 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
261.000	261.000	129.000	132.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs132.000 million was observed.

13.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15, which continued in subsequent year 2015-16 till finalization of this report. The Paras in respect of Health Department were discussed by the PAC on 16-10-2015. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
11	6	0	6	0

13.4 AUDIT PARAS

13.4.1 Loss due to snatching and misused Toyota Hiace Van – Rs3.199 million

According to Sub-section 1 of Section-I of Appendix 18-A under Rule 40-B of Sindh Financial Rules Volume-II, “Means should be devised to ensure that every Government officer realizes fully and clearly that he will be held personally responsible for any loss arising from 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 National Maternal, Neonatal & Child Health Programme, Sindh, Karachi for the year 2013-14, it was observed that a vehicle Toyota Hiace Van (Registration No. GS-9338) worth Rs3.199 million was handed over to the Principal Nursing and Midwifery School, Civil Hospital, Sanghar (District Sanghar) in the year 2010. Subsequently, on 27-04-2014 the vehicle was snatched near Nangreja stop (near Ranipur, District Khairpur) when driver of the same vehicle was going to pick civil surgeon, Civil Hospital, Sanghar from his home town at Gambat, District Khairpur.

The FIR (No.62/2014) was lodged on 02-05-2014 by Civil Surgeon, Civil Hospital, Sanghar, instead of the officials using the vehicle. Moreover, the use of vehicle for pick and drop from Sanghar to Gambat, at a distance nearly 150 km was also questionable.

The irregularity was pointed out to the management in August 2014. The DAC meeting in respect of Paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting. However, progress was awaited till finalization of this report.

Audit requires inquiry for fixing responsibility on the person(s) at fault.

(ML # 4.5.1)

13.4.2 Doubtful payment of electricity charges – Rs2.822 million

According to Rule 10 of GFR (i) and (ii) 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 the office of Medical Superintendent, Taluka Hospital Kotri for the year 2013-14, it was observed that an amount of Rs2.822 million was paid to HESCO on account of electricity charges but following irregularities were pointed out:

- (i) Three payments to HESCO were made during the month of April 2014, out of which two payments were in respect of the metered bill; whereas, in the case of third payment the meter number was not available.
- (ii) Total number of months for which electricity charges were paid was not mentioned.
- (iii) Due to payment without meter number pilferage of the fund from one meter to another cannot be ruled out.

The matter was taken up with the management in October 2014. The DAC meeting in respect of Paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting. However, progress was awaited till finalization of this report.

Audit requires enquiry in the matter for fixing of responsibility on the person(s) at fault besides taking remedial measures.

(AIR#06)

13.4.3 Non-production of Record – Rs3.701 billion

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

- (2) The officer 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of Health Department for the years 2013-14 and 2014-15, it was observed that an expenditure of Rs3,701 billion was incurred on account of various heads but the auditable record was not produced by the management for audit scrutiny. The details are given in **Annex-1**.

The matter was reported to the management during July 2014 to November 2015. The DAC meeting in respect of Paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting.

The management of the offices indicated in the Annex pertaining to the audit observations for financial year 2014-15 (except Sr. No.3, 9, 11, 26 & 36 of the Annex) informed that the record pointed out by Audit was available. The DAC directed them to produce record for audit.

The management of office at Sr. No.3 of the Annex (Peoples Medical College Hospital, Shaheed Benazirabad) clarified that the record had been taken over by the Anti-corruption Establishment (ACE). The DAC directed the management to produce the record for Audit after return by the same by the ACE.

The reply of the offices at Sr. Nos. 9 (Project Director, Establishment of Medical Colleges in Sindh, Karachi), 11(Director Malaria Control Programme Sindh Hyderabad), 26 (C.D.F Hospital Hyderabad) & 36 (Chankda Medical College Hospital/ShaiKhZaid Women Hospital, Larkana) were not available in the working paper for DAC meeting. The DAC decided that explanation of the concerned officials at the level of Health Department may be called with the directives to submit reply of the relevant para to be discussed in the next DAC meeting and they must ensure availability of auditable record.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.4 Non-reporting of information to NAB about civil works contracts-Rs2.964 billion

According to Section 33B of National Accountability Ordinance, 1999, “all Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial and local governments, statutory corporations or authorities established by the Federal Government or Provincial Government and holders of public office shall furnish to NAB a copy of any contract, entered into by such Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial Government or local government, statutory corporations or authorities established by the Federal Government or Provincial Government or such holder of public office on its behalf, as the case may be, of the minimum monetary value of fifty million rupees or more, within such time as is reasonably practicable from the date of signing such contract”.

In the office of the Project Director, Establishment of Medical Colleges in Sindh Karachi Health Department for the year 2014-15, it was observed that the management did not provide information to the NAB about contracts, whereas the works contracts of Rs2.964 billion were awarded to different contractors as per payment records for the year 2014-15.

(Rupees in million)				
W.O No.	Date	Name of Work	Contractor	Amount
13	23-08-2013	Establishment of Medical College @ Mirpurkhas	M/s M. Ayub& Bros.	1,282.717
11	27-11-2012	Establishment of Medical College @ Hyderabad	M/s Kay Bee Constructors	997.292
12	27-11-2012	Establishment of Medical College @ Karachi	M/s Sherjan Moosa Khalil & Sons	684.580
Total				2,964.589

The irregularity was pointed out to the management during September 2015. The DAC meeting was held on 18 February 2016. Reply of the management was not furnished in the working paper. The DAC decided that explanation of the concerned official at the level of Health Department may be called with the directives to submit reply of the relevant Para to be discussed in the next DAC meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#09)

13.4.5 Wastage of government money – Rs1.528 billion

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 Medical Superintendent, Shaheed Muhtarma Benazir Bhutto Accident Trauma & Emergency Centre, Civil Hospital Karachi for the years 2011-12 to 2013-14, it was observed that an expenditure of Rs1.528 billion was incurred on purchase of machinery, equipment and furniture, but the same were not utilized/installed. Whereas, civil work on the trauma centre was still in process at the time of audit in October 2014. The wastage of funds on procurement, therefore, could not be ruled out.

(Rupees in million)					
Particulars	AIR Para #	2011-12	2012-13	2013-14	Total
Machinery & equipment	07	20.000	624.859	619.833	1,364.692
Furniture		-	73.000	90.765	163.765
Total					1,528.457

(AIR#07)

In addition advance payment was made against procurement of machinery, & equipment of Rs1,043.085 million during 2014-15, but adjustment thereof was not shown to audit.

(Rupees in million)				
Sr. #	Name of Formation	Details of advance not adjusted	AIR Para #	Amount
1	Medical Superintendent, Shaheed Muhtarma Benazir Bhutto Accident Trauma & Emergency Centre, Civil Hospital, Karachi	various suppliers against procurement of 41 items of machinery & equipment	05	1,043.085

(AIR#05)

Furthermore, medical equipment and machinery worth Rs599.040 million was not installed during 2014-15 to facilitate the patients and to make proper use of machine timely.

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	Shaheed Mohtarma Benazir Bhutto Accident, Emergency & Trauma Center and Ancillary Service Complex at Civil Hospital, Karachi	07	388.451

(AIR#07)

Moreover, during audit of office of the Medical Superintendent, Chandka Medical College Hospital / Shaikh Zaid Women Medical Hospital, Larkana for the year 2014-2015, it was observed that medical equipment and machinery worth Rs210.589 million was purchased but the same were not installed to facilitate the patients and to make proper use of machine timely.

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	Chandka Medical College Hospital / Shaikh Zaid Women Medical Hospital, Larkana	01	210.589
Total			210.589

The matter was taken up with the management in October 2014 to September 2015. The DAC meeting in respect of paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting. However, progress was awaited till finalization of this report.

The management of Shaheed Mohtarma Benazir Bhutto Accident, Emergency & Trauma Center and Ancillary Service Complex at Civil Hospital, Karachi informed the DAC with regards to AIR Para-07 of FY 2014-15 that the procurement was made at the advance stage of the completion; however, the equipment were being installed or in the process of installation as the building was now complete. Audit pointed out that the procurement before completion of the construction seemed unjustified especially keeping in view the aspect of warranty of the costly equipment which remained uninstalled; whereas, the precious warranty time was wasted. The

DAC decided to constitute a fact finding committee at the level of Health Department.

The management of Chandka Medical College Hospital /Shaikh Zaid Women Medical Hospital, Larkana informed the DAC with regards to AIR Para-01 of FY 2014-15 that matter had already been referred to Anti-Corruption Establishment. The DAC directed the management to submit progress to Audit for verification.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.6 Irregular expenditure on purchase of medicines and machinery without inspection/drug testing – Rs1.079 billion

According to Para 6 of Sindh Purchase Manual 1991 and Government of Sindh S&GAD Notification No.SO-IV/Coord/S&GAD/6(2S)/90 dated 28-10-1991 “payment will only be made to supplier on receipt of Inspection Certificate certifying that stores are accepted as per required specification and consignees’ receipt certificate which will indicate that the stores are received by the consignee in good and correct condition and as per required specification”.

Letter No. DGHSS/G-1 (57)/1707/65 dated 10-02-2006, issued by DG (Health) Services Sindh, Hyderabad provides that “Purchase of medicines could not be released without drug testing laboratory report”.

During audit of various offices of Health Department for the years 2013-14 and 2014-15, it was observed that an amount of Rs1,079 billion was paid to various suppliers on account of purchases of medicines and machinery & equipment but inspection of purchased medicines was not carried out properly. Without inspection, the quality, quantity and authenticity could not be determined. Besides, laboratory report for drug testing / clinical efficacy of medicines was also not obtained. The detail is placed at **Annex-2**.

The irregularity was pointed out to the management during August 2014 to November 2015. The DAC meeting dated 18th February 2016 was held in respect of

the audit observations pertaining to financial year 2014-15. The proceedings of the DAC in respect of the offices mentioned in the Annex were as under:

- (i) The management of Health Department clarified that Provincial Drug Testing Laboratory was not capable to conduct tests of medicines/drugs for all provincial institutions. They added that the funds had been allocated for construction of a new test laboratory with greater capacity which will be functional by next financial year. In the context of same clarification the DAC observed that reply of the management of the offices at Sr. No. 7, 10, 11, 14, 17, 19, 21, 23, 24, 33 & 39 indicated that the inspection of the procured items had been carried out; whereas, the laboratory tests were not conducted. The DAC directed the management to produce record to Audit for verification on the same aspect.
- (ii) The DAC noticed that reply furnished by the management of the offices at Sr. No. 1, 8, 13, 26, 28, 34 & 35 in the working paper was irrelevant and directed to submit a revised reply clarifying each point raised in the audit observation in next DAC meeting.
- (iii) The management of the offices at Sr. No. 3, 12, 25 and 32 informed the DAC that the relevant record was available. The DAC being satisfied with the clarification settled the Para subject to verification of original record.
- (iv) The management of the offices at Sr. No.13 and 26 informed the DAC that samples were sent but no reports were received as yet. The DAC directed the management to pursue the matter vigorously.
- (v) The management of the office at Sr. No. 16 informed that Drug Inspector was requested repeatedly to collect the sample but he had not given any response. The DAC decided that action against the concerned Drug Inspector may be taken at the level of Health Department.
- (vi) The management of the office at Sr.No. 20 informed the DAC that the record had been taken over by the Anti-corruption Establishment (ACE). The DAC directed the management to produce record to Audit for verification upon return of the same by the ACE.

(vii) The management of the offices at Sr. No. 28 informed that funds were utilized by the DHO Badin. The DAC directed to hold a fact finding enquiry at the level of Health Department in the matter as to how the funds were utilized by the other cost center.

(viii) The reply of the offices at Sr. Nos. 06 and 18 was not available in the working paper for DAC meeting. The DAC directed the management to submit reply of the relevant Para to be discussed in the next DAC meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.7 Irregular payment of advances – Rs1.995 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”.

During audit of following offices of Health Department for the year 2014-15, it was observed that advances cumulatively amounting to Rs1.995 million were paid, but adjustment thereof was not shown to audit.

(Rupees in million)				
Sr. #	Name of Formation	Details of advance not adjusted	AIR Para #	Amount
1	Chanka Medical College Hospital/ Shaikh Zaid Women Hospital, Larkana	Advance payment to SEPCO for electricity charges	21	1.845
2	Shah Bhittai Hospital, Hyderabad	Advance payment to HESCO for electricity charges	05	0.150
Total				1.995

The irregularity was pointed out to the management in October 2014. The DAC meeting was held on 18 February 2016. The management of the office at Sr. No.1 informed the DAC that the advance payment was made to SEPCO against the

demand notice for installation of transformers. The DAC directed the management to produce the adjustment account/completion of work to Audit for verification.

The management of the offices at Sr. No. 2 clarified that bill for the month of June 2015 was paid to utilize the budget for the year 2014-15. The DAC directed the management to produce the adjustment of advance payment to Audit for verification.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.8 Non-maintenance of consumption account – Rs446.183 million

According to Rule 115(a) of Sindh Financial Rules, “all quantities received in or issued from stores should be entered in the Stock Account under the respective heads on the dates the transactions take place, and balances struck every month which should correspond to the quantities in stock at the close of each month”.

During audit of following offices of Health Department for the year 2014-15, it was observed that an expenditure of Rs446.183 million was incurred on purchase of various items, but the Consumption Account Register was not maintained.

(Rupees in million)				
Sr. #	Name of Office	Particulars	AIR Para #	Amount
1	Medical Superintendent, Peoples Medical College Hospital, Benazirabad	Medicines and record of patients of each wards	02	331.310
2	Chandka Medical College Hospital / ShaikhZaid Women Hospital, Larkana	Drugs/Medicines and consumable articles	14	43.989
3	Gambat Institute of Medical Sciences, Gambat	Drugs/Medicines	14	20.686
4	District Health Officer, Badin	Drugs/Medicines	04	16.794
5	Liaquat University Medical Hospital, Hyderabad	Uniform, Janitorial & other items	23	4.096
		Dietary items	31	12.058
6	Taluka Hospital, Sehwan	Drugs/Medicines	03	5.768
7	Director, Institute of Chest Diseases, Kotri	Chemicals, X-Ray films and Medical Gases	04	3.923

(Rupees in million)				
Sr. #	Name of Office	Particulars	AIR Para #	Amount
8	Taluka Hospital, Moro	Drugs/Medicines	01	2.981
9	Sindh Government Hospital, Korangi, Karachi	Drugs/Medicines	08	1.897
10	District Health Officer, Umerkot	Various consumable items	03	1.721
11	Sindh Government Hospital Qasimabad, Hyderabad	Lifesaving Medical gases	05	0.164
		Dry cleaning items	06	0.796
Total				446.183

The matter was reported to the management in August 2015. The DAC meeting was on 18 February 2016. The management of the offices under audit observation informed the DAC that all codal formalities had been observed and the procured items had been accounted for in the relevant stock registers. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.9 Procurement of various items without inviting open tenders – Rs387.581 million

Rule 12 (1) of SPPR 2010 provides that 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) *ibid* provides that Procurements over one 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 the rules.

During audit of various offices of Health Department for the year 2014-15, it was observed that procurement of various items amounting to Rs387.581million was made without inviting open tender. **Annex-3.**

The irregularity was pointed out to the management during August 2015 to November 2015. The DAC meeting was held on 18 February 2016. The management in respect of the offices under audit observation at Sr.No.1, 2, 3, 5, 7, 8, 10 and 15 informed the DAC that the procurement was made through tendering process. The DAC directed the management to produce record to Audit for verification.

The management of the offices at Sr.No.4, 11, 12 and 14 were directed by the DAC to produce the record in support of their contention of non-inviting open tender for verification. The management of the office at Sr.No.8 was directed by the DAC to submit revised reply along with record for verification.

Reply of the management at Sr.No.6, 9 and 13 was not furnished in the working paper. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.10 Unauthorized expenditure over & above the PC-I provisions – Rs307.408 million

According to Rule-88 of Sindh Financial Rules, Volume-I, “Every 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 the expenditure of his own money. He is responsible for observance and enforcing order and strict economy at every step”.

During audit of the office of Project Director, Establishment of Medical Colleges in Sindh, Health Department, Karachi for the year 2014-15, it was observed that excess payment of Rs307.408 million was made to the contractors / consultants over and above the provisions in PC-I, without revision.

(Rupees in million)			
Sr.#	Name of work	AIR Para #	Amount
1	Consultancy charges for Establishment of medical colleges at Mirpurkhas, Hyderabad and Karachi	11	23.375
2	Establishment of medical colleges at Hyderabad and Karachi	08	284.033

	Total	307.408
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The irregularity was pointed out to the management in September 2015. The DAC meeting was held on 18-02-2016. The reply of the management was not available in the working paper for DAC meeting. The DAC directed the management to submit reply for discussion in the next meeting. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.11 Irregular sanction beyond delegated powers – Rs189.194 million

As per notification No. B&E-I/2(18)/75-94/Pt-IX dated 05th January 2009 of Finance Department, Govt. of Sindh vide the Delegation of Powers under the Financial Rules and the power of Re-appropriation rules 1962 “The Executive Engineer is empowered not only to sanction the expenditure technically but also to accept the tenders in Building Department upto Rs1,200,000”.

During the audit of Medical Superintendent, Chandka Medical College Hospital/ Sheikh Zaid Women Hospital Larkana Health Department for the year 2014-15, it was observed that an expenditure of Rs189.194 million was incurred on different civil works involving costs above the limit of Rs 1.200 million. The expenditure was sanctioned by the Executive Engineer by transgression of his powers without the approval of competent authority.

(Rupees in million)			
Sr. #	Name of work	CV No. & Date	Amount
1	Construction of Neurosurgical Complex, CMCH, Larkana	39 16-06-15	42.799
2	Establishment of SBB Skin Diseases Complex, CMCH, Larkana	45 16-06-15	40.931
3	Establishment of SBB Skin Diseases Complex, CMCH, Larkana (Construction of Dental Deptt)	44 16-06-15	40.931
4	Establishment of Madam Faryal Talpur Cardiac Surgery Complex @ CMCH, Larkana	38 16-06-15	35.918
5	Upgradation of emergency deptt: oncology treatment (w/s & S/F)	51 16-06-15	16.265
6	Establishment of SBB Skin & Dental deptt., Larkana	60 19-06-15	6.310
7	Establishment of SBB Skin Diseases Complex, @CMCH, Larkana (electrification)	58 18-06-15	2.616
8	Maintenance and repair of MS Bungalow, @ City Block, CMCH, Larkana	52 16-06-15	1.824
9	Maintenance and repair of Administration Block, @ CMCH,	59	1.600

	Larkana	18-06-15	
Total			189.194

The irregularity was pointed out to the management in September 2015. The DAC meeting was on 18 February 2016. The DAC was not satisfied with the reply of the management and directed to submit revised reply for discussion in the next DAC meeting. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR# 17)

13.4.12 Unjustified expenditure on non-schedule items - Rs100.771 million

According to Sr # 4 of the Schedule of Rates (Composite) for finished items of works, 2004, the non-schedule items costing upto Rs1000 should be got sanctioned by the concerned Superintending Engineer and the items exceeding Rs1000 must be got approved and sanctioned by the Chief Engineer. Para 128 of CPWA Code provides that the escalation will not be allowed without preparation of rate analysis and got approved by the government.

During the audit of the following offices of Health Department for the year 2014-15, it was observed that an expenditure of Rs100.771 million was incurred on non-schedule items. The market rate analysis and approval/sanction of competent authority in support of the expenditure was not produced to audit.

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	Medical Superintendent, Chandka Medical College Hospital / Sheikh Zaid Women Hospital, Larkana	23	0.549
2	Project Director, Establishment of Medical Colleges in Sindh, Karachi	05	100.222
Total			100.771

The irregularity was pointed out to the Department during September 2015. The DAC meeting was on 18 February 2016. The management of the office at Sr. No.1 informed the DAC that non-schedule items were already approved and the record in this regard was available. The DAC directed the management to produce record to Audit for verification.

The reply of management of the office at Sr. No 2 was not furnished in the working paper placed before the DAC; hence, the DAC deferred the Para for discussion in next DAC meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.13 Non-crediting of revenue in government account – Rs32.542 million

According to Rule 41 (a) of Sindh Financial Rules Volume-I “The Departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury”.

During audit on accounts of various offices of Health Department for the year 2014-15, it was observed that revenue on account of X-Ray, Test Fee and Income Tax amounting to Rs32.542 million was not credited into Government Account. The detail is placed at **Annex-4**.

The irregularity was pointed out to the management in August and September 2015. The DAC meeting in respect of Paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting.

The management of the offices at Sr. No.1 to 3 clarified that due amount had been recovered and deposited into government account. The DAC directed the management to produce record to Audit for verification.

The reply of the management of office at Sr. No. 4 was not furnished in the working paper placed before the DAC. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.14 Payment of various allowances without entitlement – Rs48.217million

As per Finance Division Notification No.F.1(1)/83 18th August 1983, “**Non-practicing allowance** shall be admissible in all cases where a doctor is not allowed to practice”.

According to Finance Department letter No.FD(SK-II)5/40-2002I dated 20-07-2011, **Hard Work Allowance** was allowed to Medical Doctors treating patients of notified infectious diseases such as TB, Swine Flu etc”.

According to Para 5 (ii) of Finance Department, Government of Sindh, Karachi Office Memorandum No.FD(SR-I)I(32)/2008-2011 dated 12-07-2015 regarding introduction of revised Basic Pay Scales and Allowances 2011, **Dearness Allowance-2006** allowed vide Finance Department Office Memorandum No.FD/SR-I/1(51)/2003-04 dated 07-07-2006 was discontinued.

During audit of various offices of Health Department for the year 2014-15, it was observed that various allowances amounting to Rs48.217million were paid to officials/officers without entitlement. The detail is placed at **Annex 5**.

The irregularity was pointed out to the management during August 2015 to November 2015. The DAC meeting was held on 18 February 2016. The management of the offices at Sr. No.1, 4, 6, 10, 11 and 18 informed the DAC that the allowances were allowed as per government orders/notification after fulfilling all codal formalities. The DAC directed them to produce record the original record to audit for verification.

The management of the office at Sr. No.3 informed the DAC that record has been taken over by the Anti-Corruption Establishment (ACE). The DAC directed the management to submit reply alongwith record to Audit for verification.

The management of the offices at Sr. 7, 9, 13, 14, 15, 16 informed the DAC that either the recovery was made or in progress. The DAC directed that the inadmissible payments may be stopped and progress of the recovery may be furnished to Audit for verification.

The reply of the offices at Sr. Nos. 2, 5, 8, 12, 17 & 19 were not furnished in the working paper for DAC meeting. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.15 Un-authorised consumption of electricity by residential colonies - Rs31.214 million

According to Rule-9 of General Financial Rules, volume-I. “No authority may incur any expenditure or enter into any liability involving expenditure from public fund until the expenditure has been sanctioned by general or special order of the President or by an authority to which power has been delegated”

During audit of the office of the Medical Superintendent, Liaquat University Medical Hospital, Hyderabad for the year 2014-15, it was noticed that huge liability on account of electricity charges for Rs31.214 million was paid from government funds, despite the fact that the claim pertained to electricity being unauthorizedly used by the officers / officials living in residential colony. Moreover, neither separate meters were installed in residential colony nor electricity charges were being recovered from the residents of the colony. Thus extra burden was put upon the government exchequer by providing facility of electricity free to residents of colony without charging electricity dues.

The irregularity was pointed out to the management in October 2015. The DAC meeting was held on 18-02-2016. The management informed the DAC that the bills as indicated by Audit pertained to the new Cardiology Intensive Department and Operation Theatres, where very heavy machinery was installed. They added that no residential connection of electricity had been provided. The DAC directed the management to submit a certificate to Audit through the Health Department stating therein that no electricity connection from the hospital is provided to any residence. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#07)

13.4.16 Irregular procurement of machinery & equipment - Rs25.220 million

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

During the audit of Liaquat University Medical Hospital, Hyderabad for the financial year 2014-15, it was observed that an amount Rs25.220 million was paid to M/s Al-Farooq Enterprises for procurement of machinery & equipment from development scheme.

(Rupees in million)						
Sr. #	Particulars	Bill & date	Qty	Rate	Cheque & Date	Amount
1	Purchase & installation of patient bed lift/Hospital bed elevator with supply of auto start generator with UPS and commissioning	1150 12-06-15	02	8.110	2133029 25-06-15	16.220
2	Purchase & installation of 250 KVA Generator	1149 12-06-15	01	9.000	2133592 26-6-15	9.000
					Total	25.220

The following irregularities were noticed:

- Complete documents pertaining to bidding process including bidding documents, financial and technical bids were not produced to audit.
- The procurement was made prior to start and completion of capital work.
- The procured items were lying unutilized without installation and commissioning, as per requirement.
- Payment for procured items without installation and commissioning was irregular and favour extended to the supplier.
- The procurement was made in June without requirement, thus audit apprehends that funds were utilized in hasty manner.
- Proforma invoice showing cost in foreign currency and bill of entry was not produced to audit.

The irregularity was pointed out to the management in August 2015. The DAC meeting was on 18 February 2016. The management informed the DAC that all codal formalities had been observed including open tendering process. They added

that no advance procurement was made as purchase of machinery and equipment was started after completion of capital work and the utilization report in this regard was available. They further added that the procurement was made from the foreign country; hence, bill of entry showed value in foreign currency. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 27)

13.4.17 Excess local purchase of medicines against approved quota – Rs21.447 million

Appendix-II of Sindh Financial Rules Vol.-I and appendix 18-A of Sindh Financial Rules 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 the audit of the office of Medical Superintendent, Liaquat University Medical Hospital Hyderabad for the year 2014-15, it was observed that medicines amounting to Rs21.447 million were purchased in excess of government approved quota for local purchase.

The irregularity was pointed out to the management in October 2015. The DAC meeting was held on 18-02-2016. The management informed the DAC that the purchases of medicines were made as per approved quota and relevant record was available. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#29)

13.4.18 Irregular financial evaluation of bids in the absence of committee members outside procuring agency – Rs19.320 million

As per Rule 7 of Sindh Public Procurement Rule 2010, the procuring agency shall, with approval of its Head of the Department, constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by a gazetted officer not below the rank of BS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency.

During audit of office of the District Health Officer, Mirpurkhas for the year 2013-14, it was observed that financial bids for procurement of medicines worth Rs19.320 million were evaluated by a committee comprising three members instead of the five members of the constituted procurement committee. The representative members from outside the Health Department, i.e., Finance Department and World Health organization (WHO) were not available in the committee for evaluation of bids.

Due to non-compliance of the above mentioned rule, the evaluation of the bid is irregular, as only the members belong to office of DHO Mirpurkhas evaluated it, and the outside members opinion was not obtained. Therefore, the procedure of procurement is rendered irregular.

The irregularity was pointed out to the management in July 2014. The DAC meeting in respect of Paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting. However, progress was awaited till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault.

(AIR # 01)

13.4.19 Irregular acceptance of X-Ray films in the absence of Clinical Efficacy Report – Rs17.467 million

According to clause 18.3 of contract documents, all store items of drugs and medicines may be got tested from testing laboratory.

During audit of following offices of Health Department for the years 2013-14 and 2014-15, it was observed that X-Rays films worth Rs17.467 million were procured without obtaining Clinical Efficacy Report, neither before the acceptance of stores nor after.

(Rupees in million)				
Sr. No	Name of Office	Financial year	AIR Para #	Amount
1	Medical Superintendent, Peoples Medical College Hospital, Shaheed Benazirabad	2013-14	1	8.510
2	Medical Superintendent, Chandka Medical College Hospital, Larkana	2013-14	9	7.857
3	Medical Superintendent, Civil Hospital Khairpur	2014-15	5	1.100
Total				17.467

The irregularity was pointed out to the management during August 2014 to November 2015. The DAC meeting in respect of Paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting.

The reply of management of the office at Sr.No.3 was not furnished in the working paper for the DAC meeting. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.20 Irregular payment of salaries – Rs16.305 million

The letter No.S&GAD/6-23/92 dated 26th May, 1992 issued by Services and General Administration Department, Karachi, provides as under:-

01. The staff should only be posted at places for which Post has been sanctioned;
02. They must physically work on the posts against which they have appointed/sanctioned;

During audit of office of the Medical Superintendent, Sindh Government Hospital, Saudabad, Karachi for the year 2014-15, it was observed that expenditure of Rs16.305 million was incurred on salaries of the various Doctors and Para-medical staff who were adjusted against other posts or working on detailment basis, in violation of rules.

(Rupees in million)

Sr. #	Nomenclature	Total No.	Irregularity	Amount of Salary
1	Doctors	8	Adjusted against other posts	7.225
2	Doctors	5	Working on detailment	6.710
3	Non-Gazetted staff	2	Adjusted against other posts	0.814
4	Non-Gazetted staff	5	Working on detailment	1.556
Total				16.305

The matter was reported to the management in August 2015. The DAC meeting was held on 18-02-2016. The DAC decided that revised reply containing the viewpoint of the Secretariat of Health Department would be placed for discussion in next meeting. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#03)

13.4.21 Excess execution of items of work - Rs15.016 million

“According to Clause-38 of Contract Agreement, “The quantities shown in the tenders 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”.

During audit of the following offices of Health Department for the year 2014-15, it was observed that a cumulative expenditure of Rs15.016 million was incurred on excess execution of items of work against the quantity provided in schedule-B of the agreement.

(Rupees in million)					
Sr. #	Name of Office	Particulars	Financial Year	AIR Para #	Amount
1	Director, Gambat Institute of Medical Sciences Gambat	Extra items	2014-15	09	7.525
		Excess consumption of steel	2014-15	10	4.619
		Excess execution of items of work	2013-14	01	1.602
2	Medical Superintendent, Chandka Medical College Hospital/ Sheikh Zaid Women Hospital, Larkana	Excess consumption of steel	2014-15	19	1.157
		Extra items	2014-15	18	0.113
Total					15.016

The irregularity was pointed out to the management in August 2014 and September 2015. The DAC meeting in respect of Paras pertaining to financial year 2014-15 was held on 18 February 2016. The Paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting. However, progress was awaited till finalization of this report.

The management of the office at Sr. No.1 in respect of audit observation pertaining to financial year 2014-15 was directed by the DAC to submit revised reply along with record to Audit for verification. Due to no reply of the office at Sr. No.2, the DAC decided to call its explanation at the level of Health Department and obtaining reply for discussion in next DAC meeting.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.22 Irregular purchase of medicines on quotation basis - Rs13.852 million

Appendix-II of Sindh Financial Rules Vol.-I and appendix 18-A of Sindh Financial Rules 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 the office of Medical Superintendent, Liaquat University Medical Hospital, Hyderabad for the year 2014-15, it was observed that quoted rates on account of procurement of medicines were centrally approved by the office of Secretary Health and procurement was required to be made from prequalified suppliers. Contrary to it, Medical Superintendent procured the medicines amounting to Rs13.852 million on quotation basis against the standing policy and orders. In addition the following observations were noticed:

- (i) Purchases were made on quotations without having provision in rule and approval of Secretary/Competent Authority.
- (ii) The purchases were made during the month of March 2015, without proving genuine requirement, as the purchased items were of regular use.
- (iii) The purchases were made from single supplier that showed that favor was extended towards supplier.
- (iv) Simultaneously the centralized approved purchase of medicines was also being made by the local office, hence purchase of medicines on quotation basis was found unjustified and un-authorised.
- (v) The accountal and consumption of medicines was not provided for verification.

The irregularity was pointed out to the management in October 2015. The DAC meeting was held on 18-02-2016. The management informed the DAC that the purchase of medicine was made on quotations on need basis in emergency which in each case ranged below Rs100,000. They added that stock register of consumption account had been maintained. The DAC directed them to produce the record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#06)

13.4.23 Short and late supply of medicines – Rs11.958 million

According to 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 moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During audit of following offices of Health Department for the year 2014-15, it was observed that medicines worth Rs11.958 million were less received by healthcare facilities from District Health Officers.

(Rupees in million)				
Sr.#	Name of office	Particulars	AIR Para #	Amount
1	District Health Officer, Tando Muhammad Khan	Short supply of medicines	01	4.601
2	Sindh Government Hospital, Paretabad, Hyderabad	Short supply of medicines	01	4.400
3	Taluka Hospital, Sewhan	Late supply of medicines	05	1.931
4	Civil Hospital, Badin	Short supply of medicines	02	1.026
Total				11.958

The irregularity was pointed out to the management during August 2015 to November 2015. The DAC meeting was held on 18-02-2016. The management of the office at Sr. No.1 informed the DAC that payment was made in advance to save the lapse of budget against the undertaking on stamp paper. They added that consequently due to non supply, the amount was recovered through Pay Order dated 04-07-2015. The DAC expressed concern and directed that action may be taken against the responsible officials for irregular advance payment, and that the record of reported recovery may be produced to Audit for verification.

The management of the office at Sr. No.2 clarified that no short supply was made. The DAC directed the management to submit revised reply, along-with record, to Audit for verification.

The management of the at Sr.No.3 was directed by the DAC to expedite recovery of the late supplies and produce record to Audit for verification.

The reply of the management of office at Sr. No.4 was not furnished in the working paper placed before the DAC. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.24 Irregular payment through DDO account instead of cheques direct to actual payees – Rs17.707 million

According to rule 23 of General Financial Rule, “Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and 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 needs to be shown that he contributed to the loss by his own action or negligence”.

During audit of the following offices of Health Department for the year 2014-15, it was observed that an amount of Rs17.707 million was made through DDO account instead of payment through cheques to actual payees.

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	Year	Amount
1	District Health Officer, Kashmore	Cash payment	03	2014-15	5.289
2	Principal Public Health School, Latifabad, Hyderabad	Not available in cash book	2	2013-14	4.750
3	Police Surgeon, Hyderabad	Credited in DDO a/c 19.11.2013, withdrawn on 26.11.2013, no record shown.	21	2013-14	2.324
4	M.S. Taluka Hospital, Talhar	Various cheques in favour of DDO for purchase of medicines.	7	2013-14	2.167
5	Civil Hospital, Kashmore	Various cheques	7	2013-14	1.540

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	Year	Amount
6	Town Health Officer, Gulshan-e-Iqbal, Karachi	Cash payment	09 & 10	2014-15	0.612
7	Director, Institute of Skin Diseases, Sindh, Karachi	Repair of transport, equipment and medical case.	4	2013-14	0.475
8	M.S. Taluka Hospital, Tando Adam	Purchase of medicine Rs399,846/- cheque inform of MS.	5	2013-14	0.400
9	M.S. Urban Health Centre 5C-3, North Karachi	Cheque No.1307938 dated 23.10.2013, from DDO a/c No.4450-6 deposited in nonemployee UBL a/c amount on counterfoil Rs1,500/-, whereas withdrawn amount Rs150,000/-	7	2013-14	0.150
Total					17.707

The irregularity was pointed out to the management during August 2014 to November 2015. The DAC meeting in respect of paras pertaining to financial year 2014-15 was held on 18 February 2016. The paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting.

The reply of management of office at Sr.No.1 was not furnished in the working paper for DAC meeting. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

The management of the office at Sr.No.6 in respect of the audit observation for the financial year 2014-15 clarified that the amount of Rs0.213 million pertains to payment to vehicles hired under the WHO funds for Polio eradication campaign. They added that the remaining amount of Rs0.399 million pertained to expenditure of POL, repair of vehicles and transportation of goods and the payments were of petty cash nature. The DAC directed the management to produce record to Audit for verification.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.25 Unjustified payment on repair & service of machinery & equipments - Rs6.975 million

Appendix-II of Sindh Financial Rules Vol.-I and appendix 18-A of Sindh Financial Rules 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 Liaquat University Medical Hospital Hyderabad for the financial year 2014-15, it was noticed that an amount of Rs6.975 million was paid to various contractors on account of repair and service of machinery & equipment.

(Rupees in million)		
Sr. #	Particulars	Amount
01	Repair of machinery & equipment	3.626
02	Service charges of machinery & equipment	3.349
Total		6.975

The following observations were noticed:

- (i) The repair work was carried out mainly through the general order suppliers without obtaining documents pertaining to their eligibility and past experience for repair/service of highly expensive and technical machinery.
- (ii) The repaired machinery/equipment was imported, which needed particular skill/ knowledge and repair work was to be carried out by the authorized dealers/service providers of manufacturers of the machinery.
- (iii) Most of the bills/cash memos submitted by contractors were either undated or without number.
- (iv) Satisfactory repair work completion certificates was not available.
- (v) The dead/stock/assets registers, showing the complete details of repaired machinery/ equipment including date of purchase, original warrantee, dates of each repair with warrantee and placement/location was neither maintained nor provided to audit.

- (vi) The costly parts were replaced, but the cost of parts along with local price, proforma invoice showing international currency cost and bill of entry of items/articles were not provided.
- (vii) The activity chart during repairs showing the activities performed was neither maintained nor provided.
- (viii) Accountal of new as well as replaced parts was not provided.
- (ix) The mostly repairs were shown carried out during the month of June, 2015 without details of fault/needed repair, which creates doubt that handmade bills were prepared and budget was drawn without repair.
- (x) Neither the contactors were registered with FBR/SRB nor GST @17% on replacement of new parts/service charges was deducted.
- (xi) M/s Endo-care quoted Rs4.289 million for maintenance of endoscopy machine for one year whereas he was paid Rs4.748 million. Thus, an amount of Rs0.459 million was paid in excess without justification.

The irregularity was pointed out to the management in August 2015. The DAC meeting was held on 18-02-2016. The DAC directed the management to submit revised reply containing clarification of each of the point under audit observation along with supporting record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#12)

13.4.26 Irregular expenditure incurred on Polymerase Chain Reaction (PCR) tests for Hepatitis - Rs6.779 million

According to Rule-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 the audit of following offices of Health Department for the financial year 2014-15, it was observed that an amount of Rs6.779 million was spent on PCR

tests. Necessary information/record mentioned against each office was not provided to audit.

(Rupees in million)				
Sr. #	Name of Formation	Particulars of information/ record not provided to audit	AIR Para #	Amount
1	District Health Officer, Qambar Shahdadt	Number of patients, CNIC of patients and Doctor's Prescription	03	2.400
2	District Health Officer Ghotki @ MirpurMathelo	Number of patients, CNIC of patients and Doctor's Prescription	04	2.390
3	District Health Officer, NaushehroFeroze	Requisition/indent, Doctor's prescription, agreement executed with Molecular laboratory, CNIC of patients and PCR test duly verified by molecular laboratory	04	1.158
4	District Health Officer, Sukkur	Detail of patients	02	0.831
Total				6.779

The irregularity was pointed out to the management in August 2015 to October 2015. The DAC meeting was held on 18-02-2016. The management of the offices at Sr. No.2 to 4 informed the DAC that payments were made after all codal formalities and the record of tests was available. The DAC directed them to produce record to Audit for verification.

The reply of management of office at Sr.No.1 was not furnished in the working paper for DAC meeting. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.27 Unauthorized utilization of funds of Taluka Hospitals by DHO – Rs5.808 million

According to the notification of Health Department NO.SOI15-57/2013-14 dated 21st October, 2013, "All the Civil Surgeons/Medical Superintendent of District Headquarter Hospital and Taluka Headquarter Hospitals are hereby allowed to

exercise Drawing & Disbursing Officer (DDO) Powers (Previously exercised by EDOs /DHOs) for (100%) procurement of Medicines & its allied items and other as per non salary component with immediate effect.”

During the audit of Taluka Hospital, Tando Bago, Badin for the financial year 2014-15, it was observed that District Health Officer Badin utilized the funds of Drugs and Medicines of Rs5.808 million of Taluka Hospital in violation of above notification. Moreover, the vouchers and tender documents were also not available in the hospital.

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 18-02-2016. The management of the offices informed that funds were utilized by the DHO Badin. The DAC expressed concern about the utilization of funds by the other cost centre and directed to constitute a Fact Finding Committee at the level of Health Department. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#11)

13.4.28 Irregular and doubtful payment on purchase of janitorial material - Rs5.663 million

Appendix-II of Sindh Financial Rules Vol.-I and appendix 18-A of Sindh Financial Rules 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 the office of Medical Superintendent, Liaquat University Medical Hospital, Hyderabad for the year 2014-15, it was observed that an amount Rs5.663 million was incurred on purchase of janitorial material for cleaning services despite the fact that janitorial services were hired alongwith janitorial material. Thus purchase of separate cleaning material was un-justified. It seems either contractor of janitorial services not consumed his own purchased material or the hospital

authorities did not actually purchase the material. Consumption account of purchases along with consumption account of contractor of janitorial services was also not provided to authenticate the purchases.

The irregularity was pointed out to the management in August 2015. The DAC meeting was held on 18-02-2016. The management did not furnish reply for working paper of the DAC meeting. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 09&13)

13.4.29 Defiance of the orders of Supreme Court of Pakistan by out of cadre posting – Rs2.737 million

The judgment of Supreme Court of Pakistan passed in Civil Petition No. 802-K of 2010, 4-K of 2011 and Suo Moto Case No. 08 of 2011 provided that “all officers/ officials on deputation who are posted out of their cadre and working in various departments of government of Sindh are legally responsible for their repatriation to parent department.” The notification issued by the Services, General Administration & Coordination Department, Government of Sindh, vide No. SOII(SGA&CD) 1-169/2010 dated 15-03-2012 in pursuance of order of Supreme Court of Pakistan, provided that “ 81 number of officers/ officials, posted out of their cadre, were transferred and relieved to their parent departments with immediate effect.

During audit of College of Nursing, Jamshoro for the year 2013-14, it was observed that a Health Education Officer, Town Health Office, Keamari Town Karachi was transferred/ appointed out of her cadre post and posted as Lecturer in English at Jamshoro College of Nursing, Jamshoro vide Health Department’s letter dated 12-10-2011. The expenditure incurred on her pay and allowances amounting to Rs2.736 million (@ 72,017 per month) for the period from 13-11-2011 to 31-12-2014 was, therefore, irregular due to continuation of out of cadre posting.

The irregularity was pointed out to the management in December 2014. The DAC meeting in respect of paras pertaining to financial year 2014-15 was held on 18 February 2016. The paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting. However, progress was awaited till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault.

(AIR#01)

13.4.30 Irregular acceptance of higher bid without justification - Rs2.373 million

Para-181 of Sindh Financial Rules Volume-I, states that, “usually the lowest tender should be accepted, unless there are some objection to the capacity of the contractor, his financial status, the security offered by him, or his execution of former work.”.

During the audit of office of Medical Superintendent, Liaquat University Medical Hospital Hyderabad for the year 2014-15, it was observed that various items were purchased from the contractors who offered higher rates, instead of from lowest bidders, without justification. Thus, due to purchases from higher bidder, the government sustained a loss of Rs2.373 million. Not assigning job to lowest bidder showed that favor was extended and therefore government exchequer sustained loss.

The irregularity was pointed out to the department in August 2015. The DAC meeting was on 18 February 2016. The management clarified that no contract had been awarded to the higher bidders as the contracts were awarded to the lowest. They added that the record in this regard was available which can be verified. The DAC directed them to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 03)

13.4.31 Unjustified balance in DDO bank account at close of financial year – Rs1.997 million

According to Rule 15 of GFR Vol.-I, “every officer whose duty it is to prepare and render any accounts or return in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date”

During audit of office of the District Health Officer, Sukkur for the year 2013-14, it was observed that Rs1.997 million was laying balance in DDO bank account as on 30-06-2014 without any supporting evidence / record for receipts/ purpose of the balance.

The issue was pointed out to the management in October 2014. The DAC meeting in respect of paras pertaining to financial year 2014-15 was held on 18 February 2016. The paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting. However, progress was awaited till finalization of this report.

Audit requires inquiry of the matter for fixing responsibility on the person(s) at fault.

(AIR#10)

13.4.32 Non realization of Stamp Duty – Rs20.279 million

As per Section 22-A of Stamps Duty Act 1899, it is the duty of Competent Authority to recover the Stamps Duty and affix the same on the value of agreement, Sale Deed or Gift during its execution.

During audit of following offices of Health Department, for the years 2013-14 and 2014-15, it was observed that Stamp Duty of Rs21.623 million was not realized from various suppliers/contractors. Details at **Annex-6**.

The irregularity was pointed out to the management during August 2014 to November 2015. The DAC meeting in respect of paras pertaining to financial year 2014-15 was held on 18 February 2016. The paras pertaining to financial year 2013-14 were deferred by the PAO for discussion in next DAC meeting.

The management of the offices at Sr. No.2 informed that some contractors had paid stamp duty by affixing on the agreement; however, remaining contractors had been issued letters for recovery of the stamp duty. The DAC directed the management to expedite the process of recovery and produce record of recovery to Audit for verification.

The management of the offices at Sr. No.4 informed that due amount of stamp duty would be recovered from the next bills or security deposit of the contractors. The DAC directed the management to expedite the process of recovery and produce record of recovery to Audit for verification.

The management of the offices at Sr. No.1 & 7 did not furnish reply for working paper of the DAC meeting. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.33 Loss to government due to non-realization of rent of medical stores – Rs8.964 million

According to Rule 41 (a) of SFR vol. I, the departmental controlling officers should see that all sums due to Government are regularly received and that they are paid into the treasury.

During audit of following offices of Health Department for the year 2014-15, it was observed that premises were rented out for medical stores, canteen/hotel situated in the hospitals, but the rent was not recovered, extending irregular facility to the proprietors of above shops. Audit is of the view that rent may be fixed on the market rates or open auction may be arranged through print media to achieve most competitive rates. Thus Government sustained a cumulative loss of Rs8.964 million due to non-realization of rent.

(Rupees in million)				
Sr. #	Name of Institution	Particulars	AIR Para #	Amount
1	Director Institute of Medical Sciences, Shahdadpur	Medical store and a Canteen/hotel rent	13	0.240
2	Civil Surgeon, Civil Hospital, Badin	Rent of Medical Store	13	0.180
3	Peoples Medical College Hospital, Shaheed Benazirabad	Sub-letting of shops	08	8.004
4	Liaqat University Medical Hospital Hyderabad	Occupancy rent of shops	17	0.540
Total				8.964

The irregularity was pointed out to the management during August 2015 to November 2015. The DAC meeting was held on 18-02-2016. The management of the office at Sr. No.1 informed that the revised rent @ Rs12,000 per annum for the shop/medical store had been fixed through arbitration award vide letter dated 02-07-2001. They added that the rent of canteen was raised by 10% per annum. The DAC directed the management to produce record to Audit for verification.

The management of the office at Sr.No.3 informed the DAC that due recovery of rent of shops had regularly been made. The DAC directed the management to produce record to Audit for verification.

The management of the office at Sr. No.4 informed the DAC that tenant was habitual defaulter and they had issued several notices to him for execution of fresh agreement. The management further clarified that matter was in the court of law. The DAC directed management to pursue the case and submit progress to Audit for verification.

The reply of the management of office at Sr. Nos.2 was not furnished in the working paper placed before the DAC. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

13.4.34 Non-deduction/short deduction of income tax – Rs3.337million

According to the section 153 (1) (a) of the Income Tax Ordinance 2001, 4 % income tax is required to be deducted at source while making payment to suppliers / contractors.

During audit of various offices of Health Department for the years 2013-14 and 2014-15, it was observed that income tax amounting to Rs3.337million was either not deducted at the time of making payments or short deduction **Annex-7**.

The irregularity was pointed out to the management during August 2015 to November 2015. The DAC meeting was held on 18-02-2016. The management of the office at Sr.No.1 clarified that due amount of recovery had been made. The management of the office at Sr.No. 5 & 6 clarified that exemption from income tax was available in respect of entities under audit observation. The DAC directed the management to produce record to Audit for verification.

The DAC was not satisfied with the reply of the management of the office at Sr.No.3 and 7 and directed them to make recovery of the due income tax from pay & allowances of the employees and produce record of recovery to Audit for verification.

The reply of the management of offices at Sr. No.2 and 4 was not furnished in the working paper placed before the DAC. The DAC decided that necessary explanation may be called from them at the level of Health Department, to ensure response for placing before the next meeting.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

CHAPTER – 14

HOME DEPARTMENT

14.1 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. Procurment of arms, ammunition and military stores,
4. All matters connected with 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 the 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 connected with 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 situation report on crime, political and general situation.

14.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 153 formations (DDOs), out of which 28 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
59,142.055	5,433.197	(227.729)	64,347.522	55,620.746	8,726.776

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs8,726.776 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
1,517.000	1,517.000	1,382.000	135.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs135.000 million was observed.

14.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15, which continued in subsequent year 2015-16 till finalization of this report. The Paras in respect of Home Department were discussed by the PAC on 26-08-2015 (Home) and 04-01-2016 (Police). The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
25	6	0	6	0

14.4 AUDIT PARAS

14.4.1 Non-production of record – Rs2.358 billion

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

- (2) The officer 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 the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the offices of Police Department, Government of Sindh for the years 2011-12 and 2013-14, it was observed that auditable record of Rs2.358 billion was not produced to audit for examination. Details at **Annex-1**.

The irregularity was pointed out to the management during November 2014 to October 2015, the Draft Paras were issued to the PAO during November 2015 and January 2016, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record besides fixing responsibility on person(s) at fault.

14.4.2 Irregular payment through DDO account – Rs256.366 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 unnecessary delays and risks involved in the drawal and disbursement of cash".

During audit of various offices of the Home Department, Government of Sindh, for the years 2012-13 & 2013-14, it was observed that various payments of Rs256.366 million were made through DDO account instead of crossed cheques to payees. Counter folios of cheques were also not produced to audit. Details at **Annex-2**.

The irregularity was pointed out to the management during November 2014 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

14.4.3 Un-authorized drawl of pay & allowances in excess over sanctioned strength – Rs181.211 million

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

During audit of following offices of the Police Department, Government of Sindh, it was observed that an amount of Rs181.211 was drawn in excess over sanctioned posts without approval from Finance Department.

(Rupees in million)						
Sr. #	Name of Institution	AIR Para #	Sanctioned Strength	Working Strength	Financial Year	Amount
1	Deputy Inspector General of Police, South, Karachi	2	299 (PC) 43 (H.C)	386 46	2011-12 to 2013-14	165.467
2	Deputy Inspector General of Police, West, Karachi	2	95	133	2013-14	15.744
3	Senior Superintendent of Police, Shah Faisal, Karachi	2	-	-	2011-12 to 2013-14	-
Total						181.211

The irregularity was pointed out to the management during November 2014 to July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

14.4.4 Irregular payment of land purchased, without change of title – Rs156.180 million

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 the office of Secretary, Home Department, Government of Sindh Karachi for the year 2013-14, it was observed that an amount of Rs156.180 million was paid to Syed Iftikhar Hussain Zaidi (*Khatedar*/ owner of 60 acres land) as compensation of land. The land was provided to “Indus Rangers” in district Shaheed Benazirabad without change of title of land property to Government of Sindh. The land was handed over to Pakistan Rangers, which is a Federal Govt. entity. Following irregularities were noticed:

1. The Pakistan Rangers is a paramilitary force and Federal entity and the amount of compensation of land should have been paid by the Federal Government.
2. Despite payment by Govt. of Sindh through Home department, the title of land was not transferred in the name of Home Department, GoS, Karachi.

The irregularity was pointed out to the management during October 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the title of land be transferred in the name of Home Department, Government of Sindh.

(AIR#03)

14.4.5 Irregular expenditure on repair of buildings – Rs55.740 million

Rule 25 of Sindh Financial Rule Volume-I, states that, “No payment will be made in the absence of the necessary acknowledgement”.

As per Rule 303 of 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 risks involved in the drawal and disbursement of cash”.

During audit of the following offices of the Police Department, Government of Sindh, for the year 2013-14, it was observed that in violations of above quoted rules, a cumulative expenditure of Rs55.740 million was incurred on repair of buildings pertaining to the offices stated below:

(Rupees in million)			
Sr. #	Name of office	AIR Para #	Amount
1	Inspector General of Police Sindh, Karachi	9	27.092
2	SSP Shaheed Benazirabad	6	5.000
3	SSP Shikarpur	4	5.000
4	SSP Badin	7	3.000
5	SSP Hyderabad	5	3.000
6	Principal Police training Centre, Badin	3	2.160
7	Deputy Inspector General of Police, Larkana	3	2.100
8	SSP Sanghar	6	2.000
9	SSP Thatta	9	2.000
10	Senior Superintendent of Police, Sukkur	9	1.000
11	Principal, Police Training Centre, Saeedabad, Karachi	1	3.388
Total			55.740

Following irregularities were noticed:

- i. Evidence of open competition through tendering was not produced,
- ii. Estimates and technical sanctions were not produced to audit,
- iii. Measurement Books and Completion report were not produced to audit,

- iv. Payment was made through DDO instead of cross cheques to the contractors; and acknowledgement of payments were not produced to audit,
- v. The management carried out the repairs; whereas the work was required to be carried out by Works & Services department.
- vi. NOC from Works & Services department was not obtained,
- vii. Contractors' Registration certificates of Pakistan Engineering Council and FBR were not provided,

The irregularity was pointed out to the department during November 2014 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires ensuring prescribed process before disbursement of public funds besides fixing responsibility on the person(s) at fault.

14.4.6 Doubtful payment without supporting vouchers – Rs47.619 million

According to Rule-23 of Sindh Financial Rules, Volume-I, “As a general rule, every payment including repayment of money previously lodged with Government, for whatever purpose, must be supported by the voucher setting forth full and clear particulars of claim.”

During the audit of the various offices of the Police Department, Government of Sindh, for the years 2011-12 to 2013-14, it was observed that the Drawing and Disbursing Officers drew cash of Rs47.619 million on account of Electricity, Gas, Telephone, repair of vehicle, furniture & fixture, cost of investigation and feeding charges without supporting vouchers (**Annex-3**).

The matter was pointed out to the management during November 2014 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry and production of supporting vouchers, besides fixing responsibility on person(s) at fault.

14.4.7 Unauthorised collection of cost of lamination of permanent driving license books – Rs27.508 million

According to Section-22, Motor Vehicle Ordinance 1965, government may make rules for the purpose of carrying into effect the provisions of this chapter.

During audit of office of the Deputy Inspector General Police, Driving License Branch, Clifton, Karachi, for the year 2013-14, it was observed that an amount of Rs250/- per permanent driving license was charged on account of lamination charges of driving licenses by the licensing authority on the basis of compliance of Home Department letter No. SO(BUD)HD-3(32)/02 dated 13-09-2006. The letter of the Home Department mentioned that the utilisation of this fund shall be centrally administrated through office of Deputy Inspector General Police, Driving License Branch, Clifton, Karachi. It is pertinent to point out that the charges were received without having approval of legislature i.e. the Provincial Assembly through Finance Bill. The charging of Rs250/- on account of plastic lamination is unauthorised until approval of legislature through Finance bill is provided.

(Rupees in million)

Sr. #	Month	No. of license	Amount
1	July 2013	7024	1.756
2	August 2013	6463	1.616
3	September 2013	8534	2.134
4	October 2013	8204	2.051
5	November 2013	8698	2.174
6	December 2013	9844	2.461
7	January 2014	10324	2.581
8	February 2014	10131	2.533
9	March 2014	11504	2.876
10	April 2014	10907	2.727
11	May 2014	9645	2.411
12	June 2014	8752	2.188
Total		110030	27.508

(AIR#06)

In addition, it was observed that expenditure of Rs22.433 million was incurred on purchase of lamination material from Revenue head of account “Fee for

medical examination”. The amount was required to be deposited in Govt. treasury. The local office was not authorised to incur expenditure from revenue head of account.

(AIR#01)

Furthermore, it was observed that payment of Rs.13.622 million was made to M/s SBF Lamination, Karachi, for purchase of various items, but the open tender was not called for. Furthermore, the rate allowed was higher than the previous order/market rate, which resulted in loss to the government.

(Rupees in million)				
Name of Party	Particulars	Financial Year	AIR Para #	Amount
M/s SBF Lamination Karachi	Higher rate allowed than the previous order	2013-14	17	6.729
	Open tender was not called	2013-14	18	1.113
	Higher rate allowed against market rate	2013-14	20	5.78
Total				13.622

(AIR#17,18 &20)

The irregularities were pointed out to the management during January 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires the matter to be regularised by legislature, providing justification for the irregularities committed, besides providing accountal of the receipts and taking action against the person(s) at fault .

14.4.8 Doutful expenditure on repair of vehicles – Rs24.986 million

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 the following offices of Home Department for the Financial Year 2014-15, it was observed that a cumulative amount of Rs24.986 million was incurred on repair of vehicles without calling tender. Furthermore, following observations were also noticed:

- (i). Requisition for repair of vehicles from the drivers was not available on recor.,
- (ii). Repair registers were not maintained,
- (iii). Old spare parts register was not maintained,
- (iv). Acknowledgement receipt was not obtained.

(Rupees in million)			
Sr. #	Name of offices	AIR Para #	Amount
1	SSP Hyderabad	9	4.982
2	SSP Ghotki	2	4.559
3	SSP West Karachi	5	4.177
4	SSP Shikarpur	5	3.992
5	SSP Shaheed Benazirabad	4	2.840
6	SSP Thatta	8	1.742
7	SSP Ghotki	14	1.000
8	DIGP CIA Karachi (2013-14)	11	1.000
		1	0.556
9	Principal Police Training Centre Badin @ Hyderabad	13	0.138
Total			24.986

The irregularity was pointed out to the department during August, 2015 to October, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry of doubtful expenditures, besides fixing responsibility.

14.4.9 Irregular expenditure without tender – Rs23.486 million

Rule 17 (1) & (2) of SPPR 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 the nine offices of the Police Department, Government of Sindh **Annex-4** for the financial year 2013-14, it has been observed that an amount Rs23.486 million was incurred on purchase of uniforms/liveries, furniture, computer and other items, but the tenders were not called for. Further, purchase committees were not constituted for this purpose.

The irregularity was pointed out to the management during November, 2014 to October, 2015, but no reply was received. The management at Sr. No.1 above (District Officer, Frontier Constabulary, Sindh, Karachi) that Notice Inviting Tender (NIT) was published in leading newspapers and in support of attached, two photocopies of same clips of Daily News and one copy of Sindhi non-leading daily Sobh instead of three leading newspapers. Hence, reply is not satisfactory. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification for non-inviting tenders, besides fixing responsibility on person(s) at fault.

14.4.10 Irregular expenditure on miscellaneous purchases – Rs21.468 million

As per 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 by a responsible government officer who should see that the quantities are correct and their quality is good, and record a certificate that he has actually received the materials and recorded them in the appropriate stock register” & According to rule-25 of S.F.R Vol-I, except as provided in rule 19-A, “Every voucher should also bear or have attached to it an acknowledgment of payment, signed by the person by whom or in whose behalf the claim is put forward. No payment will be made in absence of the necessary acknowledgement.”

During audit of following offices of the Police Department, Government of Sindh, for the year 2013-14, it was observed that an amount of Rs21.468 million was paid to various suppliers on account of purchase of medicines and other items. Following irregularities were noticed:

- i. Delivery challans were not found attached,
- ii. Medicines were not accounted for in relevant stock register,
- iii. Acknowledgement receipts were obtained on simple paper instead of letter head.

(Rupees in million)

Sr. #	Name of office	Head	AIR Para #	Amount
1	Inspector General of Prisons Sindh, Hyderabad	Purchase of Medicines	02	14.976
2	SSP/Principal Police Training Center Saedabad, Karachi	Purchase of Medicines	03	4.937
3	Senior Superintendent of Police, Sukkur	Purchase of Medicines	08	0.443
4	Senior Superintendent of Police, Khairpur	Purchase of Medicines	07	0.412
5	Medical Superintendent Police Hospital, Hyderabad	Purchase of Medicines	09	0.299
6	Medical Superintendent Police Hospital, Karachi	Others	10	0.254
7	Senior Superintendent of Central Prison, Karachi	Purchase of Medicines	02	0.147
Total				21.468

The irregularity was pointed out to the management during November, 2014 to July, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

14.4.11 Irregular expenditure on cost of investigation – Rs18.224 million

As per Rule 23 of Sindh Financial Rules, “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”.

During audit of the following offices of Police Department, Government of Sindh, for the years 2013-14 & 2014-15, it was observed that payment of Rs18.224 million was made to investigating police officers on account of cost of investigation,

but copies of orders for conducting investigation, certificate from MTO for use of private vehicle, final report of disposal of case and acknowledgements were not available on record:

(Rupees in million)					
Sr. #	Name of Institution	AIR Para#	No. of Person	Financial Year	Amount
1	SSP Hyderabad	2	-	2014-15	3.000
2	SSP Shaheed Benazirabad	5	-	2014-15	3.000
3	SSP Sukkur	7	Various	2013-14	2.731
4	SSP Ghotki	4	-	2014-15	2.000
		8	Various	2013-14	1.776
5	SSP Shikarpur	13	14	2014-15	1.090
6	SSP Thatta	12	-	2014-15	0.700
7	SSP Special Investigation Unit, Karachi	6	-	2013-14	0.628
8	SSP Investigation-II West Zone, Karachi	2	-	2013-14	0.381
9	SSP Investigation-II South Zone, Karachi	2	22	2013-14	0.356
10	SSP West, Karachi	9	255	2014-15	2.244
		1	Various	2013-14	0.219
11	SSP Jamshoro	5	17	2014-15	0.099
Total					18.224

The irregularity was pointed out to the management during November, 2014 to October, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the required record may be produced, besides fixing of responsibility on person(s) at fault.

14.4.12 Unauthorised payment of difference bill of pay & allowances without codal formalities - Rs6.121 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 following offices of the Home Department, Government of Sindh Karachi for the year 2014-15, it was observed that an expenditure of Rs6.121 million was paid to various staff on account of difference bill of pay & allowances. Following observations were noticed:

- i. Approval was not obtained from competent authority i.e. Finance Department,
- ii. Cheque No & Cash Voucher number was not written on bills,
- iii. Reasons of difference bill paid was not recorded on bills,
- iv. Justification of adjustment bills i.e. stoppage of pay and reasons of again release of pay was not available,
- v. Supporting payslips of period of difference bill was not attached with bill
- vi. Acknowledgment receipt of payment was not obtained from the payee,
- vii. Payment was not recorded in cashbook.
- viii. Proof of disbursement of amount was not shown to audit.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	SSP Court Police, Karachi	01	2013-14	5.088
2	Principal Police Training Centre, Badin @ Hyderabad	18	2014-15	1.033
Total				6.121

The irregularity was pointed out to the department during August to November, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires regularisation of payment by competent authority, besides fixing of responsibility on the person(s) at fault and taking remedial measures.

14.4.13 Non-reconciliation of electricity bill with HESCO – Rs5.261million

According to Rule 12 of GFR Vol.-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 for which the money was provided.

During audit of following offices of the Police Department, Government of Sindh, for the financial year 2014-15, it was observed that an amount of Rs5.261 million paid on account of electricity charges was not reconciled with the electricity offices:

(Rupees in million)				
Sr. #	Name of Institution	AIR Para #	Particulars	Amount
1	SSP Shaheed Benazirabad	02	Non Reconciliation	2.120
2	SSP Sanghar	03	Non Reconciliation	1.800
3	SSP Special Branch Hyderabad	03	Non Reconciliation	1.160
4	DIG (Operation) Mirpurkhas	07	Non Reconciliation	0.181
Total				5.261

The irregularity was pointed out to the department during August, 2015 to October, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires to provide reconciliation statement, besides investigation to fix responsibility on the person(s) at fault.

14.4.14 Double / Overpayment of General Provident Fund – Rs4.213 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 accounts record of office of the Senior Superintendent of Police, Hyderabad, for the year 2014-15, it was observed that double payment of Rs4.213 million was made to various officials/officers through bank account on account of final payment of GP Fund. The same employees drew GPF through DDO account also (**Annex-5**).

The Double / overpayment was pointed out to the department during September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification and recovery of overpayment besides fixing of responsibility on the person(s) at fault.

(AIR#01)

14.4.15 Doubtful expenditure on water charges through DDO account– Rs3.000 million

According to 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 audit of the office of Senior Superintendent of Police, Sanghar, for the financial year 2014-15, it was observed that an amount of Rs3.000 million was drawn by DDO and was further disbursed to M/S M. Iqbal, contractor on account of water charges. Furthermore, bills did not bear any date or serial number.

The irregularity was pointed out to the department during November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires streamlining the procedure of procurement of water, direct payment in favour of actual payee, besides fixing responsibility on the person(s) at fault.

(AIR#04)

14.4.16 Unauthorized payment of service charges to PSO authorities - Rs2.693 million

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

During the audit of the following offices of Police Department, Government of Sindh, for the financial years 2013-14, it was observed that un-justified payment of Rs2.693 million was paid to Pakistan State Oil (PSO) on account of service charges, under the head of account POL.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Paid to	Amount
1	DIGP West Karachi	2013-14	21	PSO	0.370
2	AIGP Karachi	2011-12 to 2013-14	14	PSO	0.586
3	DIGP East Karachi	2013-14	1	PSO	0.263
4	SSP, SRP Base-I Saeedabad, Karachi	2013-14	5	PSO	0.035
5	DIG Traffic Police, Karachi	2013-14	2	PSO	0.484
6	DIG Traffic Police, Karachi	2013-14	3	PSO	0.248
7	DIGP South, Karachi	2011-12 to 2013-14	5	PSO	0.707
Total					2.693

The irregularity was pointed out to the management during November 2014 to July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

14.4.17 Un-authorized award of tender – Rs2.398 million

As per Standing Orders, “No expenditure could be incurred until an estimate was prepared and got approved from the competent authority.”

During audit of the office of Deputy Inspector General of Police West, Karachi, for the year 2013-14, it was observed that an expenditure of Rs2.398 million was incurred on account of repair and renovation of building without survey report or detailed estimates. Moreover, the tender was awarded on contract rate instead of schedule rates.

The irregularity was pointed out to the management during June, 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#16)

14.4.18 Unauthorized expenditure on repair of furniture - Rs1.305 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”.

During audit of the following offices of Home Department for the Financial Year 2014-15, it was observed that an amount of Rs1.305 million was incurred on repair of furniture. Following observations were noticed:

- (i). Requisition for repair was not available on record,
- (ii). Repair registers were not maintained,
- (iii). Sanction was splitted up to avoid approval of competent authority,
- (iv). Acknowledgement receipt was not obtained,
- (v). Satisfactory work completion certificate not obtained,
- (vi). Vouchers not stamped as "Paid & Cancelled" to avoid duplicate claim.

(Rupees in million)			
Sr. #	Name of offices	AIR Para #	Amount
1	SSP Special Branch Hyderabad	6	0.913
2	SSP South Karachi	8	0.165
3	SSP Ghotki	12	0.122
4	DIGP (Operation) Mirpurkhas	3	0.105
Total			1.305

The irregularity was pointed out to the department during August 2015 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit emphasizes to intimate the reasons of unauthorized expenditures, besides fixing responsibility.

14.4.19 Unauthorized retention of funds into DDO account – Rs1.463 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 following offices of the Home Department, Government of Sindh Karachi for the year 2013-14, it was observed that an amount of Rs1.463 million was retained in DDO account till close of the financial year.

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	Deputy Inspector General of Police South, Karachi	12	0.742
2	Principal, Police Training Center, Larkana	02	0.721
Total			1.463

The irregularity was pointed out to the management during December 2014 & June 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that responsibility may be fixed upon the person (s) at fault.

14.4.20 Irregular purchase of medicines without drug test laboratory report - Rs1.249 million

As per Sindh Drug Act, 1979, “Supplier of medicines are required to pay the fees at the rate of Rs1,000/- per batch for the drugs to be tested at P.D.L. and pay directly to C.D.L. as per their schedule and are also required to supply an additional quantity of the supplier required for analytical test.”

During audit of the office of Medical Superintendent, Police Hospital, Karachi, for the year 2013-14, it was observed that expenditure of Rs1.249 million was incurred on purchase of medicines, but the same were accepted in absence of Drug Testing Laboratory Report. In absence of the said test report, quality and potency of drugs could not be established.

The irregularity was pointed out to the management during January 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of the Report and ensuring complete documentation before all purchases.

(AIR#06)

14.4.21 Non-recovery of police guards charges - Rs85.284 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 the following offices of Home Department for the Financial Year 2014-15, it was observed that the various offices provided police guards to various departments/agencies/officers/individuals but service charges of Rs85.284 million were not recovered from them which resulted in non-recovery of Rs85.284 million on account of Police Guard charges.

(Rupees in million)			
Sr.#	Name of offices	AIR Para #	Amount
1	SSP Hyderabad	3	83.024
2	SP Matiari	9	2.260
Total			85.284

The irregularity was pointed out to the department during August 2015 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit emphasizes expeditious recovery, besides fixing responsibility for not taking appropriate steps to safeguard the interests of national exchequer.

CHAPTER – 15

INDUSTRIES & COMMERCE DEPARTMENT

15.1 Introduction

The Industries and Commerce Department was created for control and monitoring of industry sector in Sindh Province. The department is responsible for issuance of trade licences, collection of fees, registration of trademarks and ancillary matters. This department is also responsible to monitor and control:

1. All cases relating to Boilers Act, Patents and Design Act, Explosives Act and Companies Ordinance 1984,
2. Distribution of iron and steel; and also to conduct industrial researches.

The functions of Industries and Commerce Department also include:

1. Registration of Joint Stock Companies, firms and societies under their respective Ordinances and Acts,
2. Inspection and registration of Boilers under the Boiler Ordinance, 2002 and Rules, 1941 to administer and control the working of boilers,
3. Conduct examination of boiler engineers and attendants,
4. Purchase of stores for Government Printing Press and Stationery Department,
5. Provide assistance to procurement committees of various provincial Departments,
6. To conduct the census of manufacturing industries as per instructions of Bureau of Statistics, Government of Pakistan, Islamabad,
7. To collect information from the companies/industries as and when required by the Federal or Provincial Government.

15.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 12 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
667.012	162.427	(53.417)	776.022	812.784	(36.762)

The department was unable to control the expenditure as per allocated budget, as a result, excess expenditure of Rs36.762 million was observed.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
633.000	633.000	122.000	511.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs511.000 million was observed.

15.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

15.4 AUDIT PARAS

15.4.1 Non-production of record - Rs126.370 million

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

- “(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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules”.

During the audit of the office of the Secretary, Industries & Commerce Department, Government of Sindh, Karachi for the year 2014-15, the auditable record involving expenditure of Rs126.370 million incurred from the head “Others” was not produced for scrutiny, thereby, rendering the entire transaction doubtful.

The irregularity was pointed out to the management during July 2015. The DAC meeting was held on 21 January 2016. The management clarified that the amount of Rs126.370 million was released to SITE Limited on account of outstanding payment in favour of M/s Abdul Sattar & Co. for construction of 5.0 MGD Filter Plant at SITE, Hyderabad and expenditure was incurred by SITE Limited but the funds were released through the cost center of office of the Secretary, Industries & Commerce Department. The management further informed that entire record of the expenditure is available with SITE Limited. The DAC after deliberation concluded that although the funds have been utilized by the SITE Limited, yet the Industries & Commerce Department being Administrative Department of the entity shall coordinate with Audit to get the record audited. The management was directed to arrange production of record to Audit from the SITE Limited within 10 days. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#1)

CHAPTER – 16

INFORMATION & ARCHIVES DEPARTMENT

16.1 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.

16.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 12 formations (DDOs), out of which 04 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
4,654.577	691.733	(112.290)	5,234.021	5,097.322	136.699

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs136.699 million was observed, which was not surrendered in time.

16.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

16.4 AUDIT PARAS

16.4.1 Unjustified & irrational distribution of work of advertising and publicity through favouritism - Rs3.860 billion

As per objective of the advertisement policy 2011 of department of Information & Archives, Government of Sindh, Karachi “advertisement policies of the Government of the day and to distribute/issue advertisements to print as well as electronic media on merit basis in proper and judicious manner.”

During audit of office of the Secretary Information & Archives Department, Government of Sindh, for the year 2014-15, it was observed that work of advertising and publicity of Rs3.860 billion was distributed through favoritism, as 85.495% of work was assigned to M/S Evernew Concepts (Pvt.) Ltd out of ten (10) agencies selected for advertising & publicity during the prequalification process. After pre-qualification process, no competition occurred amongst pre-qualified companies as work was awarded on prescribed government rates. Taking advantage of this, the department outrightly favoured a few companies and three companies were not given even a single work. Further, the works were awarded without execution of formal agreement.

(Rupees in million)

Sr. #	Name of Agency	Value of work Distributed	Expenditure %
1	Ever new Concepts (Pvt.) Ltd	3,300.154	85.495
2	Midas(private) limited	159.471	4.131
3	Connect Marketing Communications Pvt. Ltd.	134.875	3.494
4	M/S insync marketing & advertising	107.107	2.775
5	Xnine communication (pvt) ltd	87.315	2.262
6	Value add mark Services	31.721	0.822
7	Adartskarachi (Pvt)Ltd	39.391	1.021
8	Manhattan Pvt. Ltd.	0	0
9	Interflow Pvt. Ltd.	0	0
10	Orient Pvt. Ltd.	0	0
Total		3,860.034	100

The irregularity was pointed out to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault.

(AIR # 02 & 03)

16.4.2 Purchase of machinery without inspection and non taking on stock register - Rs51.919 million

According to Rule-178 of G.F.R, Volume-I, tenders were required to be invited through leading newspapers in order to achieve the economical rate from the local market.

As per Purchase Manual, the following committees should have been constituted:

- (a) Tender committee,
- (b) Purchase committee,
- (c) Technical committee.

During audit of office of the Director Archives, Karachi, for the year 2013-14, it was observed that an amount of Rs51.919 million was incurred on account of purchase of machinery & equipment. In this regard, following irregularities were pointed out:

- i. Inspection by technical committee was not conducted,
- ii. Agreement was not executed with the supplier,
- iii. No warrantee card was obtained from supplier,
- iv. The material was not taken on the relevant stock register,
- v. Purchases were made in the last month of financial year to avoid the lapse of funds.

The matter was pointed out to the department during September, 2014. The management replied that purchases were made through Technical Committee constituted, agreement was executed and stock entries were available in the relevant register. The reply was not tenable as the same was not relevant to the audit observation which pertains to the inspection of machinery & equipment by technical

committee, warranty card of equipment were not furnished in support of reply and reasons for purchases in the last month was not replied to by the management.

Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault.

(AIR#01)

16.4.3 Irregular procurement of equipment without observing codal formalities – Rs18.311 million

According to Rule-113 and 114 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 when materials are issued from stock, the incharge of the store should see that proper indent has been made by authorized person and record under his dated initial, the description and quantity of material issued.”

During audit of office of the Director Archives, Karachi for the year 2013-14, it was observed that an expenditure of Rs18.311 million was incurred on purchase of equipment. Following irregularities were noticed:

- (i) Purchase of equipment was made without specifying detail & description,
- (ii) Supply order or tender form were not classified regarding detail & description,
- (iii) Agreement was not executed with the suppliers,
- (iv) Delivery challans as well as stock entries were not available to authenticate actual purchases.

The matter was pointed out to the department during September 2014. The management replied that equipment were purchased as per PC-I classification, tender forms were issued as per specifications and agreement was executed. The reply was not tenable as the department produced only the copies of agreement with supplier and stock entries of Rs2.692 million. But the remaining documentary detail and description of purchases, supply order, delivery challans and stock entries of remaining amount of Rs15.619 million were not furnished in support of reply by the management.

Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(AIR#05)

CHAPTER – 17

INFORMATION, SCIENCE & TECHNOLOGY

17.1 Introduction

The Information, Science & Technology Department, Government of Sindh, is working with vision that “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,
- Enhancing participation of the disadvantaged groups of society in government’s decision-making through use of ICT as an enabler,
- Promoting the number of users impliedly increasing demand of e-Governance,
- Promoting public-private partnership,
- Implementation of e-Projects,
- Development of Inter-institutional approach as opposed to institutions working in silos,
- Capacity enhancement of government agencies for public service delivery benefiting common citizens,
- Information Sharing,
- e-Democracy i.e. Promotion of e-election system,
- Sustainability – Enabling government departments to initiate and sustain the I.T projects in Education, Health, Police, Security, Judiciary, Land Records, and Agriculture.

17.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 12 formations (DDOs), out of which 01 formation was selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
2,925.533	154.653	(1,420.386)	1,659.800	1,423.617	236.183

The yearly expenditure of the department is exceedingly low as compared to original budget grant. A supplementary grant was also allowed, but Rs1,420 million were reappropriated. Even after that large amount reappropriation, saving were observed which were not surrendered. It reflect ill budgetary planning and financial releases.

17.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

17.4 AUDIT PARAS

17.4.1 Irregular expenditure without inviting open tenders – Rs119.314 million

Rule 17 of SPPRA, 2010, provides as under:

- (1) Procurements over one 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.
- (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 the office of the Secretary Information, Science & Technology Department, Government of Sindh for the year 2014-15, it was observed that an expenditure of Rs119.314 million was incurred on procurement of "Quick Response Surveillance Unit", without inviting tenders.

Sr. #	Head of account	Sanction order date	Paid to	Amount in (Rs)
1	Purchase of hardware (Cameras etc)	17-10-2014	M/S Commtel	109,314,525
2	Electronic Communication	17-10-2014	M/S Commtel	10,000,000
Total				119,314,525

The irregularity was pointed out to the management in July 2015. The DAC meeting was held on 26 January 2016. The management clarified that the Secretary, Information, Science & Technology Department submitted a summary to the Chief Minister Sindh for relaxation of SPPRA Rules for above procurement being urgent in nature as procurement was required for public gathering in view of Commissioner Karachi letter dated 10-10-2014. The Chief Minister had approved with the remarks, *"Para-5 Approved, but the IT should complete the codal/legal formalities"*. Audit pointed out that approval of the Chief Minister was conditional subject to compliance of legal requirements, therefore, SPPRA Rules being legal requirement, should have been fulfilled by procuring the items through open tender. The management clarified that due to time constraint, open tender was not possible. They added that quotation of rates from three registered firms with SRB having NTN were called and the work was awarded to the lowest with due observance of specification. They further added that agreeing to the process, Finance Department had released the required funds. Audit did not agree with interpretation of the management. The DAC directed the management to refer the case for legal opinion from Law, Parliamentary Affairs &

Human Rights Department, Government of Sindh as to whether the department fulfilled legal requirement with reference to Chief Minister's approval. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 1)

17.4.2 Irregular expenditure on purchase of warranty for video conference equipment - Rs59.486 million

As per Appendix 18-A of Sindh Financial Rules, Volume-I, Every Government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held 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 Secretary Information, Science & Technology Department, Government of Sindh for the financial year 2014-15, while analysing and evaluating the sales invoice of contractor named "M/S COMMTTEL" on the project "Establishment of Video Conferencing System in Sindh Phase-II, it was observed that Rs59.486 million were charged on account of warranty instead of procurement, which seems very doubtful and unusual. Total amount of bill was Rs97.644 million, but Rs59.486 million were paid additionally for warranty of equipment, which stands 61% of the total invoice value. It denotes that price of warranty was more than the product itself.

Moreover, on all procurement of IT related items, the amounts for warranty was paid by DDO which is irregular. Audit is of the view that it is unjustifiable expenditure on account of purchase of warranty. Thus, misuse of public money cannot be ruled out.

The irregularity was pointed out to the management in July 2015. The DAC meeting was held on 26 January 2016. The management clarified that normally warranty is obtained for one year; however, in the instant case, it was obtained for three years. Hence, the total cost of warranty was spread over three years in the ratio of 33%. They added that they were receiving benefits of the warranty by obtaining upgradation/replacement of already installed Video Conferencing system with new equipment to integrate with the new system. Audit pointed out that the cost of

warranty at the time of purchase was more than the cost of items; which, does not seem justifiable. The management clarified that the already installed instruments in all districts after up-gradation were covered under the same warranty. Audit pointed out that in such case repair/service contract should have been executed instead of obtaining warranty. The management clarified that the advertised Request for Proposal (RFP) contained provision of three years warranty and the tender was awarded to the lowest evaluated bidder and being technical job nature as it required integration to existing setup of Video Conferencing System. The DAC decided that a fact finding committee comprising representative of Finance Department having expertise in IT as Chairman, representative of BoR having expertise in IT and representative of Information, Science & Technology Department (not involved in procurement under observation) as members may be constituted to examine the procurement process with reference to the audit observation and deliberation there-on made in the DAC meeting. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 2)

17.4.3 Irregular expenditure on installation of cameras - Rs15.000 million

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

During audit of the office of the Secretary Information, Science & Technology Department, Government of Sindh, for the year 2014-15, it was observed that Rs15.00 million were incurred on installation and integration of cameras on one day on 18th October 2014 on account of “Quick Response Surveillance Unit”. Audit is of the view that, it is a very huge expenditure on account of installation charges of CCTV cameras. Thus, the chances of misappropriation could not be ruled out. The amount was paid to M/S Commtel by sanction order dated 17.10.2014.

The irregularity was pointed out to the management in July 2015. The DAC meeting was held on 26 January 2016. The management clarified that charges for

installation & integration of CCTV camera were part of the work order for total Rs120 million on the project of “Quick Response Surveillance Unit Center (QRSU)”, with the objective to monitor and surveillance of public/political gatherings/events, especially in Moharram/Rabi-ul-Awal. They added that the expenditure under audit observation was incurred on integration and installation of CCTV cameras on 73 poles with fiber cable integration with the QRSU on the overall distance of 4 kms radius in connection with political *jalsa* of 18th October 2014 held in the location of Lines Area, Karachi. The fiber cable at the poles was linked with QRSU to Command & Control Center of Sindh Police and Command & Control Center of KMC for monitoring the *jalsa*. The management further added that technical experts, fiber experts, networking experts and electricians were involved in the work for testing/monitoring the cameras, which was not a one day exercise but the work was done in 4 days, and disintegration was done after conclusion of the occasion. The management clarified that average expenditure of only Rs200,000 per pole was incurred. Audit pointed out that whether it was competitive rates as the breakup of Rs15.00 million enclosed with the reply is prepared by the beneficiary, M/s Commtel; therefore, the evaluation of competitive rates by the procurement committee and documents pertaining to satisfactory completion of work needs to be provided to Audit. The DAC directed the management to produce the relevant record to audit for verification. However, the progress was awaited till finalisation of this report.

Audit requires compliance with DAC directives.

(AIR # 11)

CHAPTER – 18

IRRIGATION DEPARTMENT

18.1 Introduction

Irrigation Department came into being in 1970 with the dissolution of One Unit. Major tasks performed by the Irrigation Department are operation and maintenance of the irrigation and flood protection system, regulation of flows of River Indus and canal systems, covering Inter-Provincial and Intra-Provincial Systems. Execution of development schemes and mega projects is also one of the major responsibilities. Major objectives and functions of the department are:

- a) Operation and maintenance of the irrigation and flood protection system,
- b) Regulation of flows of River Indus and canal systems, covering Inter Provincial and Intra Provincial Systems,
- c) Execution of development schemes and mega projects,
- d) Dealing with the administrative matters, financial matters, Public Accounts Committee's issues irrigation cases, court cases and assembly business etc,
- e) Operation, maintenance, development and management of irrigation network,
- f) Operation, maintenance, development and management of surface drainage system and tube-wells,
- g) Flood control along River Indus and hill torrents.

Major projects at hand are;

Revamping/Rehabilitation of Irrigation and Drainage Systems in Sindh

The main objective of the project is to improve the operational efficiency of irrigation water ensuring the safety of the canal systems and delivering equitable assured share of water to the farmers at the tail of the canal with adequate drainage cover in the order to boost up the national economy to alleviate the poverty in rural areas of Sindh and ensure delivery of drinking water to urban areas of the province. Works of the project are in full swing and up-to-date progress is 55%.

Right Bank Outfall Drain (RBOD)

The project of Right Bank Outfall Drain (RBOD) is under construction from Sehwan to sea. The project is being supported and monitored by 5 Corps Engineers. The project after completion will provide the facility to carry out

the drainage effluent of Sindh and Baluchistan Provinces from Karampur to sea at Gharo Creek. The works of the scheme are in full swing. After completion of this project pollution of Malir Lake will stop.

Lining of Distributaries and Minors

The project costing Rs12,445 million is sanctioned by the Federal Government for 514 irrigation channels having a discharge carrying capacity of 200 cusecs are to be lined in the perennial and non-perennial canal commanded areas of the Gudu, Sukkur and Kotri Barrages. About 822,876 acres more area is expected to be irrigated by saving 3491 cusecs water after lining of channels. Consultants have been engaged and execution of work has also been commenced.

Works of Chotiari Reservoir under PSDP

Following remaining works of Chotiari Reservoir are under execution through this department:

- i. Construction of 2 fall structures on Nara Canal at RD 335 and 460 re – sectioning of Ranto Canal RD 0 to 72 and strengthening of NIP of Jamrao Canal Mile 17 to 49: Rs1,086 million
- ii. Construction of Makhi Farash Link Canal Project (Chotiari Phase – II): Rs2,037 million
- iii. Installation of 100 tube wells of saline water around Chotiyaroon: Rs192 million
- iv. Recouping deficiencies along Chotiari Reservoir: Rs305 million

After the execution of above schemes, the Chotiari Reservoir will be filled up to required capacity and its benefits will be accrued by providing additional water to 324,000 acres of land in districts Sanghar and Umerkot through construction of Makhi Farash Link Canal including remodelling of off taking canals from Nara Canal at Farash Regulator.

18.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 197 formations (DDOs), out of which 29 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
31,559.470	7,575.127	1,561.365	40,695.962	39,468.201	1,227.760

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs1,227.760 million was observed, which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
570.000	583.000	244.000	339.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs339.00 million was observed.

18.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Irrigation Department were discussed by the PAC on 27-11-2014. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
19	7	0	7	0

18.4 AUDIT PARAS

18.4.1 Loss to the government due to theft of Dumpers - Rs8.000 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 following offices of Irrigation Department, Government of Sindh for the year 2013-14, it was observed that government sustained a loss of Rs8.000 million due to theft of dumpers. One dumper was stolen from private workshop and the other from the parking place in the Mechanical Division.

(Rupees in million)					
Sr. #	Name of office	Description	Financial Year	AIR Para #	Amount
01	Mechanical Engineer, Lower Sindh Mechanical Division, Jamshoro	Terax Dumper No-3	2013-14	04	4.000
02	Mechanical Engineer, Central Sindh Mechanical Division, Jamshoro	Samsung Hydraulic Excavator No-6	2013-14	13	4.000
Total					8.000

The matter was taken up with the management in January and May 2015. The DAC meeting was held on 29 December 2015. The management informed the DAC that an FIR has been lodged in Soharb Goth Police Station, District Malir, Karachi vide FIR No.169/2014. After due discussion, the DAC dated 29-12-2015 decided that the matter be sent to Anticorruption Department for further enquiry. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

18.4.2 Non-production of record – Rs2.916 billion

Section 14(2) & (3) of the Auditor General's (Functions, Powers & Terms & Conditions of the Service) Ordinance, 2001, state that;

- (1) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with responsible expedition.
- (2) Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subjected to disciplinary action under efficiency and discipline rules.

During audit of the various offices of Irrigation Department, Government of Sindh, for the years 2013-14 and 2014-15, the management did not produce record involving financial impact of Rs2.916 billion for audit (**Annex-1**). In the absence of auditable record, Audit could not verify the expenditure and its veracity for the intended purpose.

The non-production of record was pointed out to the management during November 2014 to November 2015. The DAC meetings were held on 29 December 2015 and 25 February 2016. The clarification of the management regarding the office at Sl.No.05 of the Annex (Director, Area Water Board, Mirpurkhas) regarding exemption from audit was not accepted by the DAC and the directives were given to the management that the record pointed out by the audit be produced for Audit. The management of offices at Sl. No.01 to 04 and 06 to 16 of the Annex informed the DAC that the record pointed out by the audit was available. The DAC directed the management of same offices to produce the record for audit. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

18.4.3 Expenditure without inviting open tender - Rs2.317 billion

According to Rule 17(1) of SPPRA Rules, 2010, “Procurements over one 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”. Further according to Para 146 of GFR Volume-I “Purchase orders should not be split up to avoid the necessity for obtaining the sanction of higher authority”.

During audit of the following offices of Irrigation Department, Government of Sindh for the year 2014-15, it was observed that a cumulative expenditure of Rs2.317 billion was incurred on hiring of various items / personnel without inviting the open tender.

(Rupees in million)						
Sr. #	Name of office	Item of Work	Name of Firm	Financial Year	AIR Para #	Amount
01	Executive Engineer, Small dams Division Kohistan No 01 Dadu	-	Not mentioned	2014-15	09	207.315
02		Hiring of consultant	Not mentioned	2014-15	07	14.173
03	Executive Engineer, Thar Coal Water works Division Hyderabad	Construction of drains	Not mentioned	2014-15	07	1622.900
04	Executive Engineer Drainage Division Tando Muhammad Khan	Not mentioned	M/S Haji Sultan	2014-15	04	463.892
05	Executive Engineer, drainade Division Larkana	Abkalani Material	Various	2014-15	01	6.860
06	Executive Engineer, Kandhkot Division Kashmore	Hiring Charges of Tractor with Trolley	Mr Aijaz Ahmed	2014-15	03	1.706
Total						2,316.846

The irregularity was pointed out to the department during August 2015 & November 2015. The DAC meeting was held on 25 February 2016. The management

clarified that tenders were invited. The DAC directed the management of same offices to produce the record to audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

18.4.4 Loss to Govt. due to non-imposition of penalty on contractors - Rs490.266 million

According to clause-2 of the Contract Agreement, “the quantity of the work is to be done within particular time as specified within the proportionate limit of time, such as 1/4th work in 1/4th of the time. In the event of contractor failing to comply with this condition he shall be liable to pay as compensation an amount equal to one percent, or such smallest amount as the Superintending Engineer (whose decision in writing shall be final) may decide of the said estimated cost of the whole work for every day that the due quantity of work remains incomplete. Provided that the total amount of compensation to be paid under the provisions of this clause shall not exceed 10 percent of the estimated cost of the work as shown in the tender”.

During audit of the following offices of Irrigation Department, Government of Sindh, for the year 2014-15, it was observed that works awarded to various contractors were not completed within the stipulated period. Thus, a cumulative penalty of Rs490.266 million was required to be imposed upon the contractors under clause-2 of agreement.

(Rupees in million)			
Sr. #	Name of division	AIR Para #	Amount
01	Executive Engineer, Drainage Division Badin	03	5.469
02	Executive Engineer, Begari Sindh feeder Division, Kashmore	05	19.161
03	Secretary Irrigation Government of Sindh	10	2.147
04	Executive Engineer, Thar Coal Water works Division Hyderabad	09	353.372
05	Executive Engineer, Irrigation East, Division, Khairpur	03	11.293
06	Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad	06	96.439
07	Executive Engineer, Hala Irrigation Division, Hyderabad	05	2.385
Total			490.266

The irregularity regarding nonrecovery was pointed out to the department during August to November 2015. The DAC meeting was held on 25 February 2016.

The management of office at Sl.No.2 (Begari Sindh Feeder Division, Kashmore) clarified that the work was completed within stipulate time whereas rest of offices clarified that due to non-availability of funds and other unavoidable circumstances, the extension was granted to contracts as per clause of contract by the competent authority. The DAC directed the management of same offices to produce the record to audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

18.4.5 Non-adjustment of miscellaneous public works advances – Rs314.118 million

As per Para-668 of Treasury Rules, Volume-1, "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 the following offices of Irrigation Department, Government of Sindh for the years 2013-14 & 2014-15 it was observed that an amount of Rs314.118 million was paid on account of miscellaneous public works advances, but neither the same were adjusted nor recovered from concerned contractors.

(Rupees in million)				
Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Mechanical Engineer Lower Sindh Mechanical Division, Jamshoro	2013-14	01	10.052
		2013-14	02	20.316
		2013-14	09	1.291
		2013-14	12	0.399
		2013-14	13	164.971
2	Mechanical Engineer Central Sindh Mechanical Division, Jamshoro	2013-14	01	98.698
3	Executive Engineer Phuleli Canal Division, Badin at Hyderabad	2013-14	01	16.891
4	Executive Engineer, Begari Sindh Feeder Division, Kashmore	2014-15	01	1.000
5	Executive Engineer, Begari Division, Jacobabad	2014-15	08	0.500
Total				314.118

The irregularity was pointed out to the department during November 2014 to November 2015. The DAC meetings were held on 29 December 2015 and 25 February 2016. The management of office at Sl. No.1 of the table (Mechanical Engineer Lower Sindh Mechanical Division, Jamshoro) failed to furnish reply for placing in the working paper before DAC meeting. The DAC was informed that explanation of the concerned officer has been called and case had been forwarded to Admin Section, Irrigation Department for further disciplinary action. The management in respect of office at Sl. No.2 of the table (Mechanical Engineer, Central Sindh Mechanical Division, Jamshoro) informed the DAC that the amount under audit observation pertained to the civil divisions for work done and added that as soon as the liabilities were cleared by them, the adjustment would be made under intimation to Audit. The DAC directed the management to expedite the adjustment. As regards the management of the office at Sl. No.3 of the table (Executive Engineer Phuleli Canal Division, Badin at Hyderabad), the DAC was not satisfied with their clarification and directed them to furnish a revised reply along with evidence for verification by Audit. The management of the offices at Sl. No.4 and 5 of the table clarified that the advances have been adjusted. The DAC directed the management to produce the relevant record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

18.4.6 Irregular award of work on market rates instead of schedule rates - Rs214.281 million

As per Para 7 of Schedule of Rates for finished items of work, Volume-III, Part-II of 2004, “All works shall be executed adopting Composite Rates and all material shall be procured by the contractor on their own expenses.”

During audit of the Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad, for the year 2014-15, it was observed that an amount of Rs214.281 million was paid on execution of items of work awarded on market rates instead of Schedule Rates, 2004. The work orders were required to be awarded and executed on Composite Schedule Rates by allowing premium on the specified items to offset the effect of price fluctuation in the market. The financial effect of

approving Market Rates instead of Schedule Rates was 493 percent higher than that allowed under Schedule of Rates, 2004. This resulted into irregular excess payment for Rs214.281 million.

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 25 February 2016. The management clarified that PC-I of the project was prepared on market rates and approved by the ECNEC. Audit pointed out that the engineering estimates should have been prepared on the basis of scheduled rate and the tender invited on market rates basis should have been compared with the same engineering estimate. The management clarified that the rate analysis was carried out for evaluation of the bids. The DAC directed the management to submit revised reply containing justification alongwith record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

(AIR#02)

18.4.7 Excess payment to contractor due to allowing excess rate – Rs188.120 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 following offices of Irrigation Department Government of Sindh, for the years 2013-14 & 2014-15, it was observed that excess payment of Rs188.120 million was paid to contractor due to allowing excess rate over and above the schedule rate for civil work and prevailing market rate for purchase of vehicle through work contractor.

(Rupees in million)					
Sr. No	Name of office	Particulars	Financial Year	AIR Para #	Amount
1	Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad	Awarded 307% above the schedule rates 2012	2014-15	03	164.210
2	Executive Engineer, Drainage Division, Tando Muhammad Khan	Work order # JC/G-55-226, M/S. Haji Sultan Ahmed Katto	2014-15	01	17.866
3	Executive Engineer, Central Sindh Mechanical Division, Jamshoro	Civil Work (MS Sheet)	2013-14	12	6.044
Total					188.120

The irregularities were pointed out to the department during December 2014 to November 2015. The DAC meetings were held on 29 December 2015 and 25 February 2016. The management of office at Sl. No.1 (Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad) clarified that the premium is permissible over and above the composite schedule of rates. They added that cartage and escalation are also converted and added in the shape of premium; whereas, the market rates are fixed without any addition of premium and cartage. They further clarified that the market rates allowed in the work under audit observation were not comparatively higher than the schedule of rates. DAC directed the management to elaborate their contention with detailed justification by submitting a revised reply along with record to Audit for verification.

The management of office at Sl. No.2 (Executive Engineer Drainage Division, Tando Muhammad Khan) clarified that expenditure was within the limits of sanctioned estimate and no excess rate was paid. The DAC directed the management to produce the record to Audit for verification.

The DAC was not satisfied with the reply of the management at Sl. No.3 (Mechanical Engineer, Central Sindh Mechanical Division, Jamshoro) and they were directed to furnish revised reply along with evidence for verification by Audit.

However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

18.4.8 Excess payment over and above the contract price - Rs196.376 million

As per Para 532 of PWD Manual, “A revised estimate may be submitted when a sanctioned estimate is likely to exceed by more than 5 %.”

During audit of the Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad, for the year 2014-15, it was observed that work measured totalling Rs196.376 million over and above the Contract Price/ Tender Cost and possibility of excess over sanctioned and approved cost cannot be ruled out also. Moreover, as the said works are in progress hence overall excess is likely to be increased. The calculated excess on selected cases was 21 to 38 percent due to which sanction estimates/ PC-I were required to be revised but this was overlooked by the local office. The excess payment indicates defective estimation of the works. It is further pointed out that local office neither prepared the work register nor contractor ledger due to which audit was unable to verify the payments to the desired extent.

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 25 February 2016. The management clarified that the works were awarded in 2009 and 24 months were allowed to the contractor for its completion but due to the shortage of funds the said works could not be completed within stipulated time and are still in progress. They added that escalations were also allowed to the contractors, hence, agreement and estimate of the work would be revised after completion of work. They further added that Revised PC-I has already been prepared which is in approval process. The DAC directed the management to submit the progress to audit. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

(AIR# 09)

18.4.9 Non/less deduction of security deposit from contractor bills - Rs153.091 million

As per Para-89 of CPWA Code “Security, for the fulfilment of the contract, should invariably be taken from the contractors. The security may be taken in form of cash deposit, deposit of interest bearing securities, deduction of 10% from the

payment to be made on the work done or personal bond of two persons of known probity and wealth.”

During audit of the following offices of the Irrigation Department, Government of Sindh, for the year 2014-15, it was observed that security deposit cumulatively amounting to Rs153.091 million was not deducted / less deducted from the bills of contractors at the time of payment, due to which government sustained a loss.

(Rupees in million)				
Sr. #	Name of Office	Description	AIR Para#	Amount
01	Executive Engineer, Thar Coal Water Works Division, Hyderabad	Non deduction	10	120.782
02	Executive Engineer, Samll Dams Division, Kohistan No.1, Dadu	Less deduction	03	18.722
03	Executive Engineer, Begari Sindh Feeder Division, Kashmore	Less deduction	06	9.861
04	Executive Engineer, Begari Division, Jacobabad	Less deduction	04	3.726
Total				153.091

The irregularity was pointed out to the department during October 2015 and November 2015. The DAC meeting was held on 25 February 2016. The management clarified that 3 to 10 percent amount was deducted from the contractors’ bills as security as per rules. The DAC directed the management to produce the record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

18.4.10 Non-deposit of government revenue into government account – Rs151.435 million

As per Rule 41 (a) of Sindh Financial Rules, the departmental controlling officer 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 the various offices of Irrigation Department, Government of Sindh for the years 2013-14& 2014-15, it was observed that cash deposits unclaimed for more than three years treated as lapsed deposits, public works deposits and

retained revenue on account of income tax, tender fee, etc., for Rs151.435 million were not deposited into government treasury **Annex-2**.

The irregularity was pointed out to the department through Audit & Inspection Report during November 2014 to November 2015. DAC meetings were held on 29 December 2015 and 25 February 2016. The management in respect of office at Sl. No.1 of the Annex (Mechanical Engineer Lower Sindh Mechanical Division, Jamshoro) failed to furnish reply for placing in the working paper before DAC meeting. The DAC was informed that explanation of the concerned officer has been called and case has been forwarded to Admin Section, Irrigation Department for further disciplinary action. The management of the offices at Sl. No.2 to 6 of the Annex informed the DAC that the amount under audit observation had been deposited into the Government Account. The DAC directed the management of those offices to produce relevant documents to Audit for verification. The management of office at Sl.No.7 of the Annex (Begari Sindh Feeder Division, Kashmore) admitted that the amount could not be deposited till the time of audit and the same has now been deposited in the month of October 2015. The management of office at of the Annex Sl.No.8 (Dad Division, Shaheed Benazirabad) clarified that the amount pointed out in this para has been taken form Form-78 by Audit. The amount includes recovery of stamp duty of Rs2,116,976 payable to Chief Inspector of Stamps, Board of Revenue, Income Tax Rs12,150 deposited on 22-09-2015 whereas remaining amount of Rs173,725 pertains to Security Deposit refundable on completion of jobs. The management of office at Sl.No.9 of Annex (Drainage Division, Sanghar) clarified that payment of Rs0.454 million was made to Chief Inspector of Stamps, Board of Revenue. After due discussion, the DAC directed the management to produce the relevant record to Audit for verification. Besides, the amount payable to Chief Inspector of Stamps, Board of Revenue by office at Sl.No.8 may be deposited under intimation to audit. The DAC further directed to obtain explanation from the management of office at Sl.No.7 for delay in deposit of taxes. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

18.4.11 Irregular expenditure on execution of earth work - Rs109.632 million

According to Finance Department Circular No.B-IV-8/131/8 dated 09-04-1987 read with circular No. DA/FD/ID-Ex/10/87/698 dated 27-04-1998, “Earthworks are to be carried out through Mechanical Division.”

During audit of office of the Project Director, Flood Emergency Reconstruction Project Sindh, Irrigation Department, Government of Sindh, for the year 2013-14. It was observed that earth work of Rs109.632 million was carried out by private contractor instead of Mechanical Division. Moreover, NOC from Mechanical Division was also not obtained.

The irregularity was pointed out to the department in December 2014. DAC meeting was held on 29 December 2015 to discuss the audit observations pertaining to financial year 2013-14. The management informed the DAC that the work was carried out under Asian Development Bank (ADB) assisted project through national competitive bidding process in the light of terms and conditions of the loan agreement with ADB, which override the local rules including carrying out of earth work through Mechanical Division. The DAC directed the management of the Project that relevant record in support of reply including loan agreement entered into with ADB and record pertaining to the tendering process may be produced to audit for verification. However, no progress was reported till finalization of report.

Audit requires compliance with DAC directives.

(AIR#4.4.1)

18.4.12 Excess execution of items of work - Rs45.851 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 the Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad, for the year 2014-15, it was observed that an amount of Rs45.851 million was paid to the contractors for execution of items of work over and above the

actual quantity provided in the estimates without any change in design and specification or justification. The excess in items of works is 490% higher than the actual estimate, besides payment of escalation, resulted into exorbitant increase in the cost of work. It is worth mentioning that the selected works were still in progress, hence the actual amount of excess is likely to be greater than that pointed out by audit.

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 25 February 2016. The management clarified that as per site requirements the variation between estimated and executed quantities of the work was occurred. They informed the DAC that the variation would be regularized by preparing revised estimate upon completion of the work. The DAC directed the management to submit the progress to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

(AIR#10)

18.4.13 Un-justified allowance of 20% premium - Rs24.992 million

According to Rule-88 of Sindh Financial Rules, Volume-I, “Every 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 the expenditure should not be prima facie more than the occasion demands”.

During audit of office of the Secretary, Irrigation Department, Government of Sindh, for the year 2014-15, it was observed that while preparing estimates the engineer used Composite Schedule of Rates 2012 over which Works and Service Department and Public Health Engineering Department Government of Sindh had already issued ceiling notification that rates were on higher side, as compared to the market.

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 25 February 2016. The management clarified that as per Delegation of Powers, 1962, competent authority has sanctioned tender within 20%

over estimated cost. The management further clarified that it was not mandatory for Irrigation Department to follow Works & Services Department and Public Health Engineering Department. Audit pointed out that the clarification of the management does not pertain to audit observation, which is about payment of premium without justification; whereas, the management has replied about financial powers. The DAC was not satisfied with the clarification of the management and directed them to submit revised reply along with evidence to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

(AIR#01)

18.4.14 Unauthorized execution of works by splitting and without inviting tender – Rs8.915 million

According to Rule 17(1) of SPPRA Rules 2010 “Procurements over one 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”. Further according to Para 146 of GFR Volume-I “Purchase orders should not be split up to avoid the necessity for obtaining the sanction of higher authority”.

During audit of the various offices of Irrigation Department, Government of Sindh, for the years 2013-14, it was observed that an expenditure of Rs8.915 million was incurred on various works without tender. Moreover, works were awarded in piece meal to avoid obtaining sanction from higher authority, i.e., Chief Engineer/Superintending Engineer. **Annex-3**

The irregularity was pointed out to the department during September 2014 to August 2015. DAC meeting was held on 29 December 2015 to discuss the audit observations pertaining to financial year 2013-14. The management in respect of offices at Sl. No.1 to 3 informed that the work was not split up as the work was carried out at different localities. Audit pointed out that three Divisions had carried out total five works through five contractors involving cost ranging from Rs0.268 million to Rs3.820 million without inviting tenders; whereas, works exceeding Rs100,000 were required to be carried out through competitive bidding. The

management clarified that the in July every year the quotation of rates is advertised and subsequently the works on the quoted rates are carried out. The DAC directed the management to furnish revised reply providing complete details along with evidence for verification by Audit. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

18.4.15 Irregular and doubtful payment on account of differential cost – Rs31.885 million

Para 72 of CPWA Code states: “As a general rule, every payment must be supported by a voucher setting forth full and clear particulars of the claim”.

During the course of audit of Executive Engineer, Small Dam Division, Kohistan No. 01, Dadu, for the year 2014-15, it was observed that an expenditure of Rs31.885 million on account of payment of differential cost was made without supporting invoices on various works.

(Rupees in million)				
Name of scheme	Name of contractor	Quantity	Rate	Amount
Construction of Gravity Weir Dam Across design Dharo Nai in Central Kohistan, CV # 5 dt 10-03-2015	M/S. Mumtaz Co., W/O # 333 dt 02-06-2011	45730.80	205	9.375
Construction of Gravity Weir Buri Nai in Central Kohistan, CV # 1 dt 02-03-2015	M/S. Sher Muhammad Mugheri, W/O # nil, 8 th & final bill	109806.36	205	22.510
Total				31.885

The irregularity was pointed out to the department in November 2015. The DAC meeting was held on 25 February 2016. The management clarified that the payment on account of difference cost of cement was made as per notification of Standing Rate Committee. The DAC directed the management to produce the record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

(AIR#02)

18.4.16 Wasteful expenditure on repair of scrap and unserviceable machinery – Rs4.405 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 Mechanical Engineer, Central Sindh Mechanical Division, Jamshoro, Irrigation Department, Government of Sindh for the year 2013-14, it was observed that an expenditure of Rs4.405 million was incurred on account of repair of machinery (Dumper, Trucks & Excavators), which were already declared as scrap and unserviceable.

(Rupees in million)			
Name of office	AIR Para #	Description	Amount
Mechanical Engineer, Central Sindh Mechanical Division, Jamshoro	09	Repair and maintenance of Volvo Excavator No-01	1.734
		Repair and maintenance of Volvo Excavator No-03	1.651
		Repair and maintenance of Volvo Excavator No-04	0.026
		Repair and maintenance of Volvo Excavator No-05	0.994
		Total	4.405

The irregularity was pointed out to the department during January 2015. The DAC meeting was held in respect of the audit observations pertaining to financial year 2013-14 on 29 December 2015. The management clarified that the machines pointed out in the audit observation were not scrap/unserviceable. They added that repair works on the same machines were carried out to get them in order and now those were in working condition. The DAC directed the Superintending Engineer, Drainage Circle to verify the status and furnish a report within three days positively for onward communication to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

18.4.17 Unauthorised purchase of hardware store by splitting up purchase and non-accountal – Rs3.998 million

As per Rule 113 of Sindh Financial Rules, “All materials received should be examined, counted and they should be kept in charge of a responsible government servant who should be required to give a certificate that he actually received the materials and recorded them in appropriate Stock Registers”

As per Para 146 of GFR Volume-I “Purchase orders should not be split up to avoid the necessity for obtaining the sanction of higher authority”.

AS per Rule 12(1) of SPPRA Rules, 2010, “Limitation on Splitting or Regrouping of Proposed Procurement - 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 Executive Engineer, Drainage Division Sanghar, Irrigation Department, Government of Sindh for the year 2013-14, it was noticed that the management procured store items (Bearings and Shafts) worth Rs3.998 million. Following observations were pointed out:

1. The items remained unaccounted for, as no entry was found in the stock register and consumption account, hence chances of pilferage of stores could not be ruled out,
2. The management split up the above procurement into eight work orders of less than Rs500,000 placed the same firm M/s MBC & Sons within a week, to avoid seeking sanction by higher authority.

(Amount in Rupees)			
CV.No. / Date	Work Order No. / Date	Name of Contractor	Amount
02/ 02-09-2013	1501 / 05-08-2013	MBC & Sons	499,725
03/ 02-09-2013	1530 / 06-08-2013	MBC & Sons	499,725
04/ 02-09-2013	1606 / 12-08-2013	MBC & Sons	499,725
05/ 02-09-2013	1531 / 06-08-2013	MBC & Sons	499,725
06/ 02-09-2013	1561 / 07-08-2013	MBC & Sons	499,725

(Amount in Rupees)

CV.No. / Date	Work Order No. / Date	Name of Contractor	Amount
07/ 02-09-2013	1508 / 05-08-2013	MBC & Sons	499,725
08/ 02-09-2013	1505 / 12-08-2013	MBC & Sons	499,725
09/ 02-09-2013	1560 / 12-08-2013	MBC & Sons	499,725
Total			3,997,800

The irregularity was pointed out to the department in October 2014. DAC meeting was held on 29 December 2015 to discuss the audit observations pertaining to financial year 2013-14. The management informed that consumption account has been maintained by concerned XEN and the record was available for verification. Audit pointed out that no reply in respect of audit observation over split-up of the work orders to avoid tender had been furnished in the working paper. The management informed that the work was not split up as the work was carried out at different localities. Audit pointed out that total eight works each costing Rs0.499 million were awarded to the firm, M/s MBC & Sons in one week; whereas, as per rules competitive bidding was required for the work exceeding Rs100,000. The management clarified that in July every year the quotation of rates is advertised and subsequently the works on the quoted rates are carried out. The DAC directed the management to furnish revised reply providing complete details along with evidence for verification by Audit. However, no progress was reported till finalization of report.

Audit requires compliance with DAC directives.

(AIR#06)

18.4.18 Payment of pay and allowances against irregular appointment during ban period - Rs3.240 million

According to C.M Directive vide letter No.SOV(SGA&CD)X-15/2013 of Government of Sindh Services, General Administration & Coordination Department Karachi dated: 4th June, 2013, "The Honourable Chief Minister, Sindh has been pleased to impose complete ban on all kinds of recruitment henceforth. All Administrative Department / Autonomous Bodies are requested to adhere to the directive in letter & spirit.

According to Rule-11 Govt. of Sindh, Appointment, Promotion & Transfer Rules 1974, “Initial appointment to the post in BPS-03 to 10 shall be made on the recommendation of the Departmental Selection Committee after the vacancies in these BPSs have been advertised in the newspapers. Further as Rule-16 *ibid*, “Posts in BPS-01 and 02 shall ordinarily be filled on local basis”.

During audit of office of the Mechanical Engineer Lower Sindh Mechanical Division, Jamshoro Irrigation Department, Government of Sindh, for the year 2013-14, it was observed that an amount of Rs3.240 million was paid on account of pay and allowances to nine employees / staff appointed during ban period. Moreover, employees have been appointed against posts of BPS-02 which were not available and their pay and allowances have been drawn against the higher vacant post i.e BPS-17. Furthermore, appointment was made without advertisement.

The irregularity was pointed out to the department in January 2015. DAC meeting was held on 29 December 2015 to discuss the audit observations pertaining to financial year 2013-14. The management of this office failed to furnish reply for placing in the working paper before DAC meeting. The DAC was informed that explanation of the concerned officer has been called for and case has been forwarded to Admin Section, Irrigation Department for further disciplinary action. However, no progress was reported till finalization of report.

Audit requires inquiry into the matter for fixing responsibility on the person(s) at fault.

(AIR#10)

18.4.19 Irregular expenditure on extra items of work - Rs3.213 million

Para-711 of Public Works Department Manual, volume-I, states that, “the officer competent to sanction tender can also accord sanction to the execution of extra item of work not provided in the tender, subject to the condition that the amount of the extra items together with the amount of the tender does not exceed amount of sanctioned estimate plus such excess as the officers concerned competent to sanction.”

During audit of the Secretary Irrigation Department, for the year 2014-15, it was observed that while executing the work of “Repair & Rehabilitation of 23 Nos Tube wells of 1.5 cuses capacity” various items of work were not available in the approved estimate.

(Rupees in million)				
W.O No.	Name of work	Name of Contractor	Total Amount of work	Amount of Excess items
2403 27-07-04	Repair & Rehabilitation of 23 Nos Tubewells of 1.5 cuses capacity	M/s Haji Mahkumuddin Sangi	6.137	3.213

The irregularity was pointed out to the department in August 2015. The DAC meeting was held on 25 February 2016. The management clarified that extra items were executed as per site requirement after obtaining approval of re-revised estimate. The DAC directed the management to produce the record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 11)

18.4.20 Non-recovery of outstanding dues - Rs391.448 million

According to Rule 41(a) of Sindh Financial Rules, Vol-I, The Department Controlling Officer should see that all sums due to Govt. are regularly received and checked against demands and that they are paid into treasury.

During audit of the following offices of Irrigation Department, Government of Sindh for the year 2013-14, it was observed that outstanding dues of Rs391.448 million was not recovered.

(Rupees in million)					
Sr. #	Name of office	Particular	Financial Year	AIR Para #	Amount
01	Director Area Water Board, Ghotki	60% share from farmers Organization	2013-14	02	9.871
		Water Charges	2013-14	04	2.186
		Water Charges	2013-14	05	0.561

02	Director Area Water Board, Mirpurkhas	60% share from farmers Organization	2013-14	03	136.243
		Abiana of Nara Canal	2013-14	04	242.587
Total					391.448

The irregularity was pointed out to the department during November & December 2014. DAC meeting was held on 29 December 2015 to discuss the audit observations pertaining to financial year 2013-14. The management of offices at Sl.No.1 informed the DAC that as per agreement, the Farmer Organizations (FOs) had to deposit the 60% of the *Abiana* and they were making efforts for recovery. The DAC directed the management to ensure recovery from FOs within one month and as far as the amount recoverable from Forest Department, the matter be taken up with Secretary Forest for clearance of outstanding dues. The DAC also directed the management to get the outstanding dues from Cantonment Board, Pano Aqil within 07 days. The management of office at Sl.No.2 informed that they had made partial recoveries from *Khatedars* and FOs and making efforts for full recovery. The DAC directed the management to produce record of effected recoveries to Audit for verification and get the outstanding balance recovered in one month period. Moreover, the DAC also directed the same office to get the outstanding recovery from Cantonment Board, Pano Aqil within a week. However, no progress was reported till finalization of this report.

Audit requires compliance with DAC directives.

18.4.21 Non-recovery of interest on mobilization advance - Rs11.787 million

As per Rule 220(c) of Sind Financial Rules in respect of works costing Rs2.5 million or above the contractor may be allowed by the authority competent to accept tender, a mobilization advance to be paid up to 10% of the tendered amount subject to the following conditions:

- (i) The contractor shall before obtaining the advance furnish a guarantee in Form 20-A.
- (ii) The contractor shall pay interest @ 10% per annum on the advance.

During audit of the office of Executive Engineer, Begari Sindh Feeder Division, Kashmore, Irrigation Department, Government of Sindh, for the year 2014-15, it was observed that the office paid mobilization advance without recovering interest @ 10% amounting to Rs11.787 million. Thus, due to non-recovery of interest from the contractor, government sustained loss of Rs11.787 million.

The irregularity was pointed out to the department in November 2015. The DAC meeting was held on 25 February 2016. The DAC was not satisfied with the

reply of the management and directed them to submit revised reply along with supporting record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 4)

18.4.22 Non-recovery of stamp duty - Rs9.172 million

As per Para 22-A of Stamps Act, "It is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost".

During audit of the various offices of Irrigation Department, Government of Sindh, for the years 2013-14 & 2014-15, it was observed that the contracts are signed on plain papers or with stamp duty affixed less than required. Therefore, an amount of Rs9.172 million (**Annex-4**) had to be recovered from the contractors on account of stamp duty as short / less paid by them.

The non-recovery was pointed out to the department during October 2014 to November 2015. The DAC meetings were held on 29 December 2015 and 25 February 2016. The management of office at Sl. No.1 of Annex informed the DAC that the due amount of Stamp Duty was being paid as the cheque had just been prepared. The DAC directed the management to produce the evidence of paid amount of stamp duty to Audit for verification. The management of offices at Sl. No. 2 to 7 of Annex clarified that stamp duty from the contractors has now been recovered from the contractors. The DAC directed the management of same offices to produce the record to audit for necessary scrutiny and verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with the DAC directives.

18.4.23 Non-deduction of sales tax – Rs1.248 million

As per Rules 2(2) and (3) of the Sales Tax Special Procedure (Withholding) Rules, 2007 under S.R.O. 660(1)/2007, Islamabad, the 30th June, 2007, "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 supplier and make payment of the balance amount to him” and “All withholding agents shall make purchase of taxable goods from a person duly registered under Sales Tax Act, 1990, provided that under unavoidable circumstances and for reasons to be recorded in writing, if purchases are made from unregistered persons, the withholding agent shall deduct sales tax at 17% of the value of the taxable supplies made to him from the payment due to the supplier”.

During audit of various offices of Irrigation Department, Government of Sindh for the year 2013-14, it was observed that the management made procurements to the tune of Rs7.340 million from the unregistered (Sales Tax Act) supplier firm and did not deduct the applicable sales tax of Rs1.248 million. As a result, government was deprived of its due revenue.

The irregularity was pointed out to the department in January 2015. The DAC meeting was held in respect of the audit observations pertaining to financial year 2013-14 on 29 December 2015. The management failed to furnish reply for placing in the working paper before DAC meeting. The DAC was informed that explanation of the concerned officer has been called and case has been forwarded to Admin Section, Irrigation Department for further disciplinary action. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#06)

CHAPTER –19

LABOUR & HUMAN RESOURCES DEPARTMENT

19.1 Introduction

The Labour & Human Resources Department consists of following attached department.

- 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:

1. All matters relating to labour in general, including
 - a. Welfare and conditions of labour (including mine labour)
 - b. Labour Laws;
 - c. Labour Courts; and
 - d. Social Security.
2. Employment Exchanges (Provincial Liabilities only),
3. Minimum Wages Board,
4. Rehabilitation and employment of demobilized personnel.

19.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 80 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
1,165.534	10.361	(223.664)	952.231	919.625	32.606

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs32.606 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
47.29	8.27	5.46	2.81

The department was unable to collect the estimated receipts in time, as a result shortfall of an amount Rs2.81 million was observed.

19.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

19.4 AUDIT PARAS

19.4.1 Non-production of record

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

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

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

During audit of following offices of Labour & Human Resources Department, Government of Sindh for the financial years 2011-12 to 2013-14, the auditable record was not produced to audit. Details are as under:

Sr.#	Name of Office	Particulars	Financial Year	AIR Para #
1	Director, Labour (HQ), Karachi	Revenue Receipts Challans, Collection Register	2013-14	7
2	Commissioner, Mines Labour Welfare, Karachi	Copy of F.I.R.	2011-12 to 2013-14	1
		Contract agreement	2011-12 to 2013-14	2

The matter was reported to the department during April 2015 to May 2015. The DAC meeting was held on 20 January 2016. The management in respect of the office at Sl.No.1 (office of the Director Labour HQ, Karachi) informed that the record under audit observation is available for verification. The DAC directed to submit complete original record of revenue receipts including challans and collection register to Audit for verification.

The management in respect of office at Sl.No.2 (office of Commissioner, Mines Labour Welfare, Karachi) in response to the observation pertaining to AIR Para # 1 for non-production of copy of FIR for theft of auditable record, informed the DAC that the FIR has now been lodged. They added that various items, i.e., Steel Locker & Almirahs including office record about 600 files, AC, Water Storage Tank,

office furniture (Tables, Chairs & Benches), Grills of Main Door & Windows, Aluminum fitting with Doors and various electric articles (Ceiling Fans, Pedestal Fans & Tube Lights) were stolen in the night of 7th and 8th January 2014 from the office premises located at Al-Burhan Center, Rizvi Shaheed Road, Saddar, Karachi. They further added that they had reported the theft through a letter on the subsequent day to the Station House Officer (SHO), Police Station, Preedy, Saddar Karachi. The DAC being not satisfied with the clarification of the management observed inordinate delay in receipt of the FIR and also observed that any departmental enquiry to ascertain the cause of theft and fixing responsibility for the loss due to theft and taking remedial measures has also not been taken by the management. The DAC decided to conduct enquiry at the level of Labour and Human Resources Department for fixing responsibility on the persons(s) at fault and remedial measures. The DAC also directed the management to produce copy of FIR to Audit for verification and also ensure effective pursuance of the case with the Police authorities.

As regards AIR Para # 2 pertaining to the office of Commissioner, Mines Labour Welfare, Karachi, the management informed that any auction could not be materialized for a complete year since last five years. They added that often materialized auction ranged to only 2 to 4 months in a financial year; hence, any contract agreement was not made. The DAC was not satisfied with the clarification and directed the management to furnish reply to Audit providing complete details supported with evidence for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

19.4.2 Un-authorized retention of government money – Rs1.010 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 office of the Director, Labour (HQ) Sindh, Labour & Human Resources Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an amount of Rs1.010 million was retained by drawing funds over and above the transactional demand from government treasury which resulted in blockage of government money at the close of financial year.

The matter was reported to the department in April 2015. The DAC meeting was held on 20 January 2016. The DAC was not satisfied with the reply of the management and directed the management to submit a revised reply in detail alongwith record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#09)

19.4.3 Non-collection of due Income Tax – Rs6.339 million

As per Section 236 of Income Tax Ordinance, 2001, the successful bidder will have to deposit in advance 5% income tax of total bid through income tax challans at the time of sale by auction. Further, as per section 153, “Income tax would be deducted from suppliers of goods & services @ 4% and 7% respectively”.

During audit of office of the Commissioner, Mines Labour Welfare, Labour & Human Resources Department, Government of Sindh, Karachi for the years 2011-12 to 2013-14, it was observed that the bids of Rs126.780 million on account of right to collect excise duty on specified minerals were awarded to four private firms without collecting withholding tax amounting to Rs6.339 million @ 5% of the contract value.

(Rupees in million)				
Sr.#	Area	Contractor	Bid Value	5% Withholding Tax
1	Thatta	M/s Allah Bux Brohi	31.700	1.585
2	Jamshoro	M/s Syed & Co	56.235	2.812
3	Khairpur	M/s Fayyaz Hussain Mughal	15.145	0.757
4	Sukkur	M/s Bukhari Muslim Brothers	23.700	1.185
Total				6.339

The matter was reported to the department in April 2015. The DAC meeting was held on 20 January 2016. The management clarified that audit has calculated the amount of income tax on the basis of the amount of auction for collection of excise duty on specified minerals for whole year; whereas, auction could be materialized for two to three months instead of whole year since last five years. The management further informed that all contractors pay their income tax directly to FBR through their return. Audit pointed out that the management did not provide full details of materialized auction for collection of excise duty on specified minerals in support of their reply in respect of the mentioned five years. Audit further pointed out that being withholding agent/DDO, it was the responsibility of the management to recover the income tax at source and deposit in the government treasury. The DAC directed the management to submit revised reply along with relevant record to audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR#03)

CHAPTER –20

LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT

20.1 Introduction

The main role of the Law & Parliamentary Affairs & Human Rights Department is:

1. To monitor and control the activities of legal system of the province,
2. To provide infrastructure for the courts and other law department functions,
3. To charge expenditure of the legal framework in government of Sindh Budget,
4. To advice to department in all legal matters, including interpretations of laws, including rules and orders having enforced in law,
5. To appoint Administrator General, Official Trustee, and Official Assignee,
6. To prepare civil law, procedures and constitutional legislations.

20.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 90 formations (DDOs), out of which 03 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
7,255.203	643.591	(388.206)	7,510.588	6,374.850	1,135.738

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs1,135.738 million was observed, which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
202.000	280.000	143.000	137.000

The department was unable to collect the estimated receipts in time, as a result shortfall of an amount Rs137.000 million was observed.

20.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

20.4 AUDIT PARAS

20.4.1 Non-production of record – Rs116.769 million

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

- (2) The officer 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 the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During audit of various offices of Law, Parliamentary Affairs & Human Rights Department, for the years 2007-08 to 2014-15, the management did not produce the auditable record for scrutiny. **Annex-1**

The matter was pointed out to the department during May 2015 and July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record besides fixing responsibility on the person(s) at fault.

20.4.2 Unauthorized payment through cash instead of cheques – Rs44.656 million

As per Finance Department, Government of Sindh letter No.FD(I-II)1(10)/2006 dated 12-09-2006, claims on account of purchase of material supplied and services rendered exceeding Rs10,000 are payable through cheque to the supplier in order to ascertain the transparency and accuracy.

During audit of various offices of Law, Parliamentary Affairs & Human Rights Department, for the years 2007-08 to 2013-14, it was observed that an expenditure of Rs44.656 million was incurred on account of purchase of various

items from suppliers, but the payment was made through cash instead of cross cheque in favour of suppliers/vendors. **Annex-2**

The matter was reported to the department in November 2014 to May 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

20.4.3 Expenditure without inviting tender - Rs13.570 million

According to Rule 17(1) of SPPRA Rules, 2010, “Procurements over one 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 following offices of Law, Parliamentary Affairs & Human Rights Department for the year 2013-2014, it was observed that an expenditure of Rs13.570million was incurred on purchase of various materials and services without inviting tender. Details are as follows:

(Rupees in million)				
Sr. #	Name of Office	Head of Account	AIR Para #	Amount
1	Registrar High Court of Sindh, Karachi	Printing Charges, Split Ac, Stationery, Law Books & multi Jammers	05	13.123
2	Director Human Rights Commission, Karachi	Advertisement & Publicity	02	0.447
Total				13.570

The irregularity was pointed out to the management in November 2014 to January 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

20.4.4 Doutful payment without supporting vouchers - Rs11.500 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 claim”.

During the audit of office of the Secretary Law, Parliamentary Affairs & Human Rights Department for the year 2014-15, it was observed that following expenditure of Rs11.500 million was incurred under the head of account “Others” without supporting vouchers.

(Rupees in million)

SAP Document No	Date	Cheque No	Vendor No	Cost Centre	Name of the Beneficiary	Amount
1900223966	09.02.2015	1942874	30518907	KA4017	Sindh Human Rights Commission	5.00
1900307648	30.03.2015	1956693	30518907	KA4017	Sindh Human Rights Commission	5.00
1900406506	21.05.2015	2034760	30009981	KA4017	D.D.O Law Department Karachi	1.500
Total						11.500

The matter was pointed to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires the reasons of cash withdrawn in the absence of required vouchers, besides fixing responsibility on the person(s) at fault.

(AIR # 09)

CHAPTER – 21

LIVESTOCK AND FISHERIES DEPARTMENT

21.1 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.

21.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 90 formations (DDOs), out of which 15 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
4,666.882	87.024	(1,186.294)	3,567.611	2,885.614	681.997

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs681.997 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
37.000	37.000	16.000	21.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs21.000 million was observed.

21.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Live Stock & Fisheries Department were discussed by the PAC on 08-01-2015. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
4	1	0	1	0

21.4 AUDIT PARAS

21.4.1 Non-production of record – Rs54.183 million

Section 14(2) & (3) of the Auditor General's (Functions, Powers & Terms & Conditions of the Service) Ordinance, 2001, states that;

- (3) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with responsible expedition.
- (4) Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subjected to disciplinary action under efficiency and discipline rules.

During audit of the following offices of Livestock & Fisheries Department, Government of Sindh, the management did not produce record for audit scrutiny.

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Record	Amount
01	Director Fisheries Marine, Karachi	05	2012-13	Personal files, Service book and POL vouchers	NIL
02	Director Fisheries Marine, Karachi	06	2013-14	New appointment record	NIL
03	Deputy Director Poultry Production, Hyderabad	07	2013-14	New appointment record	NIL
04	Deputy Director Livestock, Kashmore	01	2013-14	Pay bills & Contingency vouchers	20.217
05	Deputy Director Livestock, Khairpur	03	2013-14	Pay bills for difference claims	0.181
06	Deputy Director, Livestock, Noushero Feroz	01	2013-14	Pay bills & Contingency vouchers	33.785
07	Director Animal Breeding, Hyderabad	07	2014-15	Service books	NIL
08	Deputy Director Livestock, Jamshoro	14	2014-15	New appointment record, Pay roll, Service books	NIL
Total					54.183

The irregularity was pointed out to the department during November 2014 to December 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of the record for scrutiny besides fixing responsibility on the person(s) at fault.

21.4.2 Unauthorized purchase of medicines/other items – Rs8.419 million

Rule-88 of Sindh Financial Rules, Volume-I, states that “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 the following offices of Livestock and Fisheries Department, Government of Sindh, for the year 2014-15, it was observed that an amount of Rs8.419 million was incurred on account of purchase of medicines. Following discrepancies were observed:

1. Consumption account was not shown to audit.
2. Acknowledgement receipts of amount received were not obtained from supplier.
3. 2.5% bid security in shape of Demand Draft was claimed from suppliers, but its repayment was not available on record.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Particulars	Amount
01	Deputy Director Animal Husbandry, Jamshoro	07	Medicine	7.011
02	Deputy Director Livestock, Karachi	01	Medicine	1.408
Total				8.419

The irregularity was pointed to the department in August 2015 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry into the matter for fixing responsibility on the person(s) at fault.

21.4.3 Irregular drawl by DDO instead of actual payee – Rs2.594 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 drawal and disbursement of cash.”

During the audit of following offices of Livestock & Fisheries Department, Government of Sindh, for the year 2013-14, it was observed that a cumulative expenditure of Rs2.594 million was incurred under various heads of accounts, but the payment was made through DDO instead of cross cheque crediting into the actual person account.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
01	Deputy Director Poultry Production, Hyderabad	04	2011-12	0.201
02	Deputy Director Poultry Production, Hyderabad	04	2012-13	0.282
03	Deputy Director Poultry Production, Hyderabad	04	2013-14	0.213
04	Deputy Director Poultry Production, Hyderabad	06	2013-14	0.798
05	Director Animal Husbandry, Hyderabad	06	2014-15	1.100
Total				2.594

The irregularity was pointed out to the department during November 2014 to June 2015 except office mentioned at serial number 05, the office replied that payment was made in advance through cheque.

Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification of payment through DDO instead of cross-cheque, besides fixing responsibility on the person(s) at fault.

CHAPTER –22

LOCAL GOVERNMENT, RURAL DEVELOPMENT, PHE & HTP DEPARTMENT

22.1 Introduction

Under the Devolution Plan 2001, the Local Government System was adopted with the aim to provide and improve the civic amenities including water supply, sanitation and infrastructure at the grassroots level. In latest notification of Finance Department, Government of Sindh, the secretary of the department was endowed with the responsibility of other departments, including Rural Development, Public Health Engineering (PHE) and Housing and Town Planning (HTP), hence all these department are controlled by one Principal Accounting Officer.

The department of the Rural Development is responsible for development of rural areas of the province.

PHE Department strives to enhance the quality of life of the people of Sindh by providing Safe Drinking Water in land areas where ground water is contaminated or otherwise unsuitable for drinking purposes and to provide Pollution Free Environment by Executing Sewerage/Drainage Schemes and Construction of Sewage Treatment Plants to meet the Millennium Development Goals (MDGs) for the Sector (Executioner Role).

HTP Department is responsible to facilitate provision of housing inputs including land, finance, building materials through institutional and legal frame-work and develop indigenous and cost effective approaches to implement regional housing policy of the government and provide affordable, cost efficient housing schemes especially for the low income group and families out of the Revolving Fund.

22.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 55 formations (DDOs), out of which 14 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
60,000.043	5,083.649	(11,200.525)	53,883.167	48,746.311	5,136.856

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs5,136.856 million was observed which was not surrendered in time.

22.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Local Government, Rural Development, Public Health Engineering and Housing & Town Planning Department were discussed by the PAC on 07-01-2015 (Public Health Engineering) and 25-02-2015 (Local Government). The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
24	15	0	15	0

22.4 AUDIT PARAS

22.4.1 Un-authorized payment of income tax liability from security deposit - Rs50.480 million

As per Section 153 (1) (b) of the Income Tax Ordinance 2001, 6.5% income tax is required to be deducted at source for the rendering of or providing of services while making payment to suppliers/contractors.

During audit of the office of the Executive Engineer, Public Health Engineering Division, District Shaheed Benazirabad, for the year 2013-14, it was observed that an amount of Rs50.480 million was drawn from Security Deposit of various contractors for payment against income tax liability of a contractor, M/s Pak Oasis (Pvt.) Ltd. The amount was paid to the Income Tax Officer, Shaheed Benazirabad.

(Rupees in million)

Sr. #	Cash Book Voucher # date	Cost Centre	Head of Account Charged	Amount
01	D-1 dt 25-03-2014	NH-9306, NH-9308, NH-4012	P-II Security Deposit	20.000
02	D-92 dt 28-04-2014	NH-9306, NH-9308, NH-4012	P-II Security Deposit	15.240
03	D-38 dt 16-05-2014	NH-9306, NH-9308, NH-4012	P-II Security Deposit	15.240
Total				50.480

Detailed account of contractor-wise security deposit held by the above division was not produced to audit; therefore, it could not be ascertained by Audit:

- Whether the amount paid on account of Income Tax pertained to the Security Deposit of M/s Pak Oasis (Pvt) Ltd only, or the payment was made from Security Deposit of other contractors.
- In case the amount was paid from Security Deposit of M/s Pak Oasis (Pvt) Ltd; whether the security deposit stands recovered from the contractor subsequently or not.
- The reasons for non-deduction of Income Tax at source at the time of payment of bills to contractor resulting in raising of liability by the Income Tax Authority were not available on record.

The matter was reported to the department in October 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry in the matter for fixing of responsibility on the person(s) at fault besides recovery of the unauthorized paid amount.

(AIR#02)

22.4.2 Wasteful / irregular expenditure on procurement of generators – Rs52.031 million

- (a) According to para-638 of PWD Manual Vol-I, all the charges incurred must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the budget grant of next financial year. If the work is of an important nature, the efforts should be made for obtaining the supplementary budget.
- (b) As per SPPRA section (jj) “Value for Money” of General Provisions 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. And as per section 4 of SPPRA 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.

(A) Wasteful expenditure on procurement of generators - Rs35.640 million

During audit of the office of the XEN, Public Health Engineering, Mirpurkhas for the year 2013-14, it was observed that the management released a withheld payment of Rs2.431 million in September 2013 which was pertaining to contract “Purchase and installation of six Diesel Generators” worth Rs35.640 million procured by the management in the year 2011. The detail of procurement was as under:

(Rupees in million)					
Name of work	Supplier	Particulars	Qty	Rate per Unit (Rs)	Amount
Providing/ Installation and Testing Diesel Generator sets including Supply and Distribution System.	M/s. Iqbal Shaikh	Generators 150 kva	02	4,613,000	9.226
		Generators 300 kva	03	6,230,000	18.690
		Generator 350 kva	01	7,724,000	7.724
Total					35.640

The following irregularities were noticed:

- (i) The withheld amount of Rs 2.431 million was paid back to contractors, even without installation of generators.
- (ii) The generators were procured in 2011, their withheld amount was returned to contractors during September 2013 and till completion of audit in October 2014, the generators were not operative.
- (iii) The need for procurement of the non-operative generators could not be scrutinised as relevant PC-I was not produced to audit.

(AIR#04)

(B) Irregular purchase of generators at high cost as compared to estimate cost - Rs16.391 million

During audit of the office of Executive Engineer, Public Health Engineering Karachi for the year 2013-14, it was observed that an amount of Rs9.230 million was estimated for procurement of two diesel generators (450 KVA and 300 KVA). However, the contract was awarded for Rs25.621 million exceeding the estimated cost by Rs16.391 million.

(AIR#01)

The irregularity was reported to the department during October 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry for fixing of responsibility on person(s) at fault besides taking remedial measures.

22.4.3 Irregular award of civil works by engineered / collusive tendering – Rs234.203 million

(a) According to Rule-04 of SPPRA, 2010, while procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

(b) According to Rule-23 of GFR Vol-I, “Every Government Officer should realize fully and clearly that he will be personally responsible for any loss sustained by Government through fraud or negligence on his part of any other

Government Official to the extent of which it may be shown that he contribute to the losses by his own action or negligence”.

(c) 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.

(A) Irregular award of civil works by engineered & bogus tendering - Rs11.441Mn

During audit of the office of the Executive Engineer, Public Health Engineering, Local Government, PHE, Rural Development, Housing & Town Planning Department Matiari for the year 2013-14, the following irregularities were observed:

- i. Tenders were called on 07-03-2014 and 15-04-2014 for the works costing Rs11.441 million, in which 13 pay orders were repeatedly used at same time by the bidders against the call deposits to participate in the bidding process of 26 works (**Annex-1**); whereas, separate pay orders were required for each tender.
- ii. Bidders had quoted rates with very small differences, which indicates that competition was engineered in order to award tender to favourite contractors.

(AIR#01)

(B) Irregular award of civil work by collusive tendering - Rs9.518 million

During audit of office of the Executive Engineer, Public Health Engineering Division-I, Larkana for the year 2013-14, it was observed that a contract for civil works titled as, “Construction of CC Drains including CC Block for Pumping Machinery, Repair of Civil Structure, Clearing of Collecting Tank” at Sheikh Zaid Women Padiatrics (Children) Hospital, Larkana City was awarded to a firm, M/s. Maha Construction Company through work order No.2333 dated 25-06-2013 at the tendering cost of Rs9.518 million. Following three bidders participated in the bid:

(Rupees in million)

Sr. #	Name of Bidder	Call Deposit/ Pay- Order No. Date & amount	Name of bank and Branch	Offered Rate
01	M/s Maha Construction Co.	000004383868/ 29-05-2013. Rs230,000	MCB, Dhoraji Colony Branch, Karachi	9.518
02	M/s Fida Hussain Chandio	000004383867/	MCB, Dhoraji Colony	

		29-05-2013. Rs230,000	Branch, Karachi	
03	M/s A.R.S Constructor & Builders	000004383866/ 29-05-2013. Rs230,000	MCB, Dhoraji Colony Branch, Karachi	

The tendering process on the above account seemed to be collusive, as the record revealed that:

- i. The rate quoted in tender documents were found to be in the same handwriting, hence it was evident that single person had quoted the rates on all tender documents.
- ii. The pay orders against call deposits were found to be issued from same bank and on same date and amount Rs230,000.
- iii. Only a minor difference of premium was quoted by each contractor.

(AIR#03)

(C) Irregularities in tendering of works –Rs213.244 million

During the audit of the accounts of following offices of Local Government, Public Health Engineering, Rural Development, and Housing & Town Planning Department, for the year 2013-14, it was observed that an expenditure of Rs213.244 million was incurred on various works. However, irregularities, as detailed below, were noticed:

(Rupees in million)					
Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	DG Parks & Horticulture, Karachi	2012-13 to 2013-14	01	Invalid Procurement Committees	48.329
			02	Open tender for 07 works-Bid evaluation report was not hoisted on website	118.205
			03	Advertisement of Tenders in a single “C” category Newspaper only, instead of three leading newspapers.	30.984
02	XEN, PHE, Matiari	2013-14	09	Non-hoisting of bid evaluation report on website	15.726
Total					213.244

The matter was reported to the department in July to October 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry in the matter for fixing of responsibility on person(s) at fault, besides taking remedial measures.

22.4.4 Non-production of record – Rs275.136 million

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of Local Government, PHE, Rural Development, Housing & Town Planning Department for the years 2013-14 to 2014-15, the auditable record amounting to Rs275.136 million was not produced to audit for scrutiny (**Annex-2**).

The matter was pointed out to the department during July 2013 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record besides fixing responsibility on the person(s) at fault.

22.4.5 Non-adjustment of advances - Rs202.800 million

According to Para 360 of Central Public Works Account Code, "Items in the Miscellaneous Public Works Advance accounts are cleared either by actual recovery or by transfer, under proper sanction or authority to some other head of account items or balances which may become irrecoverable should not be transferred until ordered to be written off."

During the audit of following offices of Local Government, Public Health Engineering, Rural Development, and Housing & Town Planning Department, for the years 2013-14 to 2014-15, it was observed that advances amounting to Rs202.800

million were paid to various authorities, but same were not adjusted till the close of financial year.

(Rupees in million)				
Sr.#	Name of Division	Fin. Year	AIR Para #	Amount
01	Executive Engineer, Public Health Engineering, Mirpurkhas	2014-15	01	200.000
02	Project Director, Shaheed Mohtarma Benazir Bhutto Township in Sindh, Karachi	2013-14	04	2.800
Total				202.800

The matter was pointed out to the management in July 2014 and November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

22.4.6 Unauthorized expenditure on non-schedule items – Rs58.992 million

According to Sr # 4 of the Schedule of Rates (Composite) for finished items of works, 2004, the non-scheduled items costing upto Rs1000 should be got sanctioned by the concerned Superintending Engineer and the items exceeding Rs1000 must be got approved and sanctioned by the Chief Engineer. Para 128 of CPWA Code provides that the escalation will not be allowed without preparation of rate analysis and got approved by the government.

During audit of following offices of Local Government, PHE, Rural Development, Housing & Town Planning Department for the years 2013-14 to 2014-15, it was observed that an expenditure of Rs58.992 million was incurred on non-schedule items for various works without approval from competent authority. The rates of these items were required to be obtained from market and to be analyzed after adding contractor's profit; however, the record in this regard was not produced for audit scrutiny.

(Rupees in million)				
Sr.#	Name of Division	Financial Year	AIR Para #	Amount
01	PD Lyari Development Package	2013-14	05	42.342
02	Executive Engineer, PHE, Dadu	2014-15	05	6.562
03	XEN PHE, Tando Allahyar	2013-14	07	5.642
04	XEN PHE, Naushero.Feroz	2013-14	06	2.230
04	XEN PHE Div-I, Khairpur	2013-14	03	1.561

06	XEN PHE, Jacobabad	2013-14	06	0.655
Total				58.992

The matter was pointed out to the department during October 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault.

22.4.7 Excess execution over and above estimate – Rs23.945 million

- (a) According to Clause-38 of Agreement of works, 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.
- (b) Para-532 of Public Works Departmental Manual, Volume-I, states that, “A revised estimate may be submitted when a sanctioned estimate is likely to be exceeded by more than 5%”.

(A) Excess execution of items of work – Rs21.895 million

During audit of accounts of the following offices of Local Government, PHE, Rural Development, and Housing & Town Planning Department for the year 2013-14, it was observed that excess expenditure of Rs21.895 million was incurred due to excess execution of items of works against the quantity provided in the estimates. The record about revised estimates and approval of competent authority was not produced to audit for scrutiny.

(Rupees in million)				
Sr. #	Name of division	Financial Year	AIR Para #	Amount
01	PD, Lyari Development Package, Karachi	2013-14	04	9.967
02	XEN,PHE, Umerkot	2013-14	02	8.446
03	XEN, PHE, Naushehro Feroz	2013-14	02	1.502
04	PD Housing Project HDA, Hyderabad	2013-14	06	1.189
05	XEN, PHE, Mirpurkhas	2013-14	19	0.791
Total				21.895

(B) Excess execution of work over and above sanctioned estimate - Rs2.050 million

During audit of the office of the Executive Engineer, Public Health Engineering Division, Mirpurkhas for the year 2014-15, it was observed that excess execution of work casting Rs2.050 million was incurred over and above the sanctioned estimate against permissible limit of 5% without revised estimates.

Annex-3

The irregularity was pointed out to the management during October 2014 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification of making excess against estimates without revised estimates besides fixing responsibility on the person(s) at fault.

22.4.8 Un-justified withholding of payment - Rs19.587 million

According to Para 638 of P.W.D Manual, Volume-I, read with Para 134 of Sindh Budget Manual, all charges incurred must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the budget grant of next financial year. If the work of an urgent nature is to be carried out, the efforts should be made for obtaining the supplementary budget.

During audit of accounts of the following offices of Local Government, PHE, Rural Development and Housing & Town Planning Department for the year 2013-14, it was observed that a cumulative amount of Rs19.587 million was withheld from payment to various contractors, without providing any justification. It indicates that the above criteria was violated.

(Rupees in million)				
Sr. #	Name of office	AIR Para #	Financial Year	Amount
01	DG, Park & Horticulture KMC, Karachi	08	2012-13 to 2013-14	13.669
02	XEN, PHE, Jacobabad	08	2013-14	3.533
03	XEN ,PHE, Dadu	05	2013-14	2.385

Total	19.587
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The irregularity was pointed out to the department during July 2014 to December 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault besides taking remedial measures.

22.4.9 Irregular splitting up of main works into sub-works – Rs21.817 million

- (a) Para-59 of Central Public Works Department Code, states that “A group of works which form one project shall be considered as one work and the necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost of each particular work in the project is within the powers of approval or sanction of the Government or Officer concerned”.
- (b) 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.

(A) Irregular splitting up of main works into sub-works – Rs19.553 million

During audit of office of the XEN, Public Health Engineering, Mirpurkhas for the year 2013-14, it was observed that two main works worth Rs19.553 million were divided into sub-works and awarded to six contractors instead of two extending undue favour to the contractors.

(Rupees in million)			
Sr. #	Name of work	Contractor	Amount
01	Providing/Laying/Joining/Testing PVC Rising Main & Distribution System for Water Supply at Nandi Duberji	M/s. Shoib	2.805
		M/s. Muhammadi	2.725
		M/s. Musheer & Sons	1.285
		M/s Sohail	2.623
02	Development Scheme Water Connection for Water Supply	M/s. New Khalid	7.469
		M/s. Sultan Muhammad Khan	2.646

	Project of Forty Village		
		Total	19.553

(AIR#29)

(B) Irregular expenditure on works by splitting up purchase - Rs2.264 million

During audit of the office of the Executive Engineer, Public Health Engineering Division-I, Khairpur for the year 2014-15, it was observed that an expenditure of Rs2.264 million was incurred on various works by way of splitting up. All the payments comprising 30 bills ranging from Rs50,320 to Rs86,534 were made to four contractors in the month of June 2015.

(AIR#05)

The irregularity was pointed out to the department in October 2014 and September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry in the matter for fixing responsibility on the person(s) at fault.

22.4.10 Irregular advance payment on non-schedule item of work - Rs13.162 million

According to Para-88 of Sindh Financial Rules, Vol-I, “every government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During the audit of the Director General, Malir Development Authority, Karachi, for the year 2014-15, it was observed that an amount of Rs13.162 million was incurred on account of non-schedule item without approval of competent authority.

(Rupees in million)

Sr. #	Name of work	Item of work	Contractor	AIR Para #	Amount
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(Rupees in million)

Sr. #	Name of work	Item of work	Contractor	AIR Para #	Amount
01	Construction of Pre-Cast Compound Wall in Sector-90, length 7000 RFT in Taiser Town Sch-45 MDA.	Providing & Installation of Pre-Cast/Pre-stressed Boundary Wall Material	M/s. S. Abddullah	07	11.246
02	Construction of 140' wide road Right Southern Side of KNBP from Ch 6400 to 9680 at Taiser Town Sch-45 MDA.	106 Part B Unclassified Excavation in all kind of Sub Surface Material including Soil & Rock	M/s. M. M Traders	06	1.916
Total					13.162

The matter was reported to the department in the month of November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

22.4.11 Irregular payment on extra area covered by contractor - Rs10.130 million

As per Introduction to the Schedule of Rates (composite) for finished items of works 1995, "No lead small or long for carriage of material for items as per this schedule is to be paid separately. However, provision for the cost of carriage of materials from a predetermined nearest source of supply may be made in the estimates".

During audit of following offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department for the years 2013-14 to 2014-15, it was observed that an amount of Rs10.130 million was

paid to contractors on account of extra lead; whereas, the lead charts were not prepared and approved from the competent authority. Moreover, the specific points from which the earth filling was brought, was also not recorded. Due to non-availability of lead chart, the possibility of extra expenditure to favour the contractors could not be ruled out.

(Rupees in million)				
Sr. #	Name of Division	Financial Year	AIR Para #	Amount
01	DG Parks & Horticulture, Karachi	2013-14	11	3.140
02	XEN PHE, Naushero Feroze	2013-14	07	2.851
03	XEN PHE, Jacobabad	2013-14	07	2.486
04	XEN PHE, Larkana	2014-15	05	0.914
05	XEN PHE, Dadu	2014-15	12	0.569
06	XEN PHE, Div-I Khairpur Mirs	2013-14	08	0.170
Total				10.130

The irregularity was pointed out to the department in November 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry with mater for fixing of responsibility on person(s) at fault besides taking remedial measures.

22.4.12 Irregular Award of work without obtaining performance bond – Rs4.023 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 the Director General, Malir Development Authority, Karachi for the year 2014-15, it was observed that a work “Construction of 140’ wide Road

Right Southern side of KNBP from Ch 6400 to 9680 at Taiser Town Scheme-45 MDA” was awarded to a contractor M/s.M.M Traders for Rs80.469 million. The Performance Bond @ 5% of contract value for Rs4.023 million required to be obtained before signing of contract was not obtained. Instead, the contractor through a letter dated Nil requested the management to deduct equal amount of the performance bond from their 1st Running Account (RA) bill owing to their financial constraint. The execution of contract in the absence of Performance Bond was an undue favour to the contractor at the risk of Government interest.

The matter was reported to the department in the month of November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#01)

22.4.13 Excess expenditure on extra items - Rs2.462 million

As per Para 711 of P.W.D Manual Volume-II appendix-8, the estimate of extra item is required to be sanctioned by the competent authority, who have sanctioned the main estimate of the work.

During the audit of the office of the Director General, Malir Development Authority Karachi for the year 2014-15, it was observed that the excess expenditure of Rs2.462 million on extra items of work was without sanction of competent authority. The department did not exercise due care while preparing original estimates undue benefit to contractors by allowing execution of extra items of work, which caused loss to government, as detailed below.

(Rupees in million)					
Sr. #	Name of work	Item of work	Quantity	Rate	Amount
01.	Construction of 100' Wide Road Afghan Basti Dual Carriage Way from KNBP Limit to Afghan Refugee Camp from 0 + 100 to 11+ 232.430 in Taiser Town Scheme-45 MDA, 3 rd R.A	Scarification (Modification) of existing road base course material	336972.90/ SFT	4.75/S FT	1.601

02.	Construction of 150' wide Shahra-e-Roomi Gulshan-e-Maymar Section –I from CH 0.000 to 2400.583 at Taiser Town Scheme-45 MDA, M/s. M. M Traisers, 3 rd R.A	Formation of embankment from borrow excavation in common material	67492.94/ CFT	12.76/ CFT	0.861
Total					2.462

The matter was reported to the department in the month of November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(AIR # 09)

22.4.14 Irregular excess payment on work as compared to schedule rates - Rs2.088 million

According to Serial No. 4 of the schedule of rates (composite) for finished items of works, Oct-2004, the finished items of work shall be executed on composite rate.

During the audit of the office of Executive Engineer, Public Health Engineering, Mirpurkhas for the year 2013-14, it was observed that the schedule rate of given item of work, as detailed below, was Rs262 per Rft, but the management made payment at the excess rate resulting in excess payment of Rs2.088 million to the contractor as compared to schedule rate.

(Rupees in million)							
Name of Scheme	Item of work	Bill	Scheduled Rate (Rs/Rft)	Paid Rate (Rs/Rft)	Difference Amount	Qty (Rft)	Excess Amount
P/L/J & testing RCC Sewerage line & rising main for rehabilitation of Drainage Scheme,	Providing /Laying Fiber Cement Pressure Pipes & cement joint of Class-B and Fixing in Trench including	<u>D/24</u> 13/6/ 14	262	485.32	223.32	4000	0.893
			262	487	225	5313.60	1.195

Village Kot Mirs'	Cutting and Joining with Rubber Rings including Testing with Water to a Head of 122 Meters or 400 ft.(6' dia)						
Total							2.088

The irregularity was pointed out to the department in October 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

(AIR #08)

22.4.15 Non-recovery of due water charges from contractors – Rs1.795 million

According to Clause -13, of the K.M.C. General Direction and Conditions of Contract water supply will be allowed by the department to the contractor from municipal water mains passing through areas where the work is required to be carried out and he shall pay the cost of water to the K.M.C at ½% of the total work for drinking purpose and 1% of the total cost of work involving use of water (i.e for construction purposes). The contractor will bear all the charges for laying his water line from the mains to the site of his underground tanks, which he may require and construct for storage purpose at his own cost.

During audit of the office of Director General, Parks & Horticulture Karachi, for the years 2012-13 to 2013-14, it was observed that various works were awarded to various contractors (**Annex-4**), but water charges @ ½% for drinking water and 1% for use of water on construction purpose amounting to Rs1.795 million were not recovered from the contractors.

The matter was pointed out to the department in the month of October 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that dues should be recovered, besides fixing responsibility upon the person(s) at fault.

(AIR#05)

22.4.16 Irregular expenditure on land acquisition - Rs1.580 million

According to Rule-110 (iii) of Sindh Financial Rules, Volume-I “(Land Acquired by Negotiation), the officer who settles the price should draw up Form-A in Appendix 5 prescribed for use in the case of an award and this should be made the basis of the subsequent payment”.

During audit of the office of Executive Engineer, Public Health Engineering, Matiari for financial year 2013-14, it was observed that an amount of Rs1.580 million was paid to Assistant Commissioner/Land Acquisition Officer, Hala for land acquisition. The following irregularities were noticed:

- i. The payment was made through hand receipt without land assessment and form-07.
- ii. The acknowledgement receipt of payees was not obtained from payee.
- iii. The rate assessment of land was not available on record.

The irregularity was pointed out to the department in October 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing responsibility on the person at fault besides taking remedial measures to account for the payment.

(AIR#14)

22.4.17 Non-recovery of cost of plots - Rs12.323 billion

According to Rule 41(a) of Sindh Financial Rules, Vol-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of following offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department during the years 2013-14 to 2014-15, it was observed that an amount of Rs12.323 billion was

outstanding on close of the financial year against allottees of different towns/schemes.

(Rupees in million)					
Sr. #	Name of office	Name of Scheme	Financial Year	AIR Para #	Amount
01	Malir Development Authority	Taiser Town, Scheme 45	2014-15	12	12,305.594
				11	9.142
02	Director, Planning & Development Control, HAD, Hyderabad	Gulistan-e-Quaid Housing Scheme	2013-14	01	5.118
		Kohsar Housing Scheme-V,	2013-14	04	3.000
		Bakhtawar City, Hyderabad	2013-14	07	0.698
Total					12,323.552

The non-recovery was pointed out to the department in January to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

22.4.18 Non-deduction of various taxes from contractor bills at source and non-credit of taxes and dues into government account – Rs141.517 million

- (a) According to Rule 41 (A) of Sindh Financial Rules Volume-I, the departmental controlling officer should be seen that all sums due to Government are regularly received and checked against the demand and that they are paid into the treasury through challan.
- (b) According to Rule-23 of GFR Vol-I, “Every Government Officer should realize fully and clearly that he will be personally responsible for any loss sustained by Government through fraud or negligence on his part of any other Government Official to the extent of which it may be shown that he contribute to the losses by his own action or negligence”.

(A) Non-credit of taxes and dues into government account – Rs137.093 million

During the audit of various offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department for the

financial years 2013-14 to 2014-15, it was observed that an amount of Rs137.093 million was realized from contractors, but the same was not deposited into government treasury (**Annex-5**).

(B) Non-deduction of various taxes from contractor bills at source – Rs4.424 million

During audit of accounts of following offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department during the Financial Year 2013-14, it was observed that an amount of Rs4.424 million income tax and sales tax was not deducted from the payments made to the contractors, which caused a loss to the government. Detail is given below:

(Rupees in million)						
Sr. #	Name of office	Financial Year	Name of scheme	Particulars	AIR Para #	Amount
01	XEN PHE, Karachi	2013-14	Supply of 450KVA Diesel Generator	Sales tax	02	4.099
02	Project Director, Shaheed Mohtarma Benazir Bhutto Township in Sindh, Karachi	2013-14	Construction of Internal Development Works of Block # 32 (Water Supply & Sewerage Work)	Income tax	11	0.325
Total						4.424

The matter was pointed out to the department during July 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

22.4.19 Non-recovery of stamp duty – Rs3.549 million

According to Para-22-A of Stamp Act, 1899 “it is the duty of the competent authority to recover the stamp duty and affix the same, while executing the

agreements @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost”.

During audit of various offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department for the years 2013-14 to 2014-15, it was observed that stamp duty of Rs3.549 million was not recovered from the contractors for non-affixing of stamps on contract agreement in violation of above rule (**Annex-6**).

The non-recovery was pointed out to the department during September 2014 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires expeditious recovery besides fixing responsibility on the person(s) at fault.

CHAPTER –23

MINES & MINERALS DEPARTMENT

23.1 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 Pakistan. Pertaining to this mission, Mines and Minerals Department:

- Enhances the contribution made by the mining economic activity to GDP,
- Supports the social uplift programs,
- Expands the employment opportunities,
- Sustains development of minerals bearing areas,
- Expands business opportunities for local industries,
- Increases revenue flow to the Provincial and Federal Government,
- Develops regional infrastructure and an improved data base of Pakistan's mineral resources,
- Grants and transfers prospecting licenses and mining leases.

23.2 Comments on the Budget and Accounts (Variance Analysis)

It is a newly created Department, consists of only 02 formations (DDOs), these 02 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
20,796.017	6.974	(3,744.323)	17,058.668	16,783.865	274.803
As per SAP					
-	-	-	236.764	221.698	-

* The Coal portion of the Mines and Mineral Department was assigned to Energy Department and budget shifted during Financial Year 2014-15.

The department was unable to utilize the funds as per allocated budget. As a result, saving of Rs274.803 million was observed.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
245.000	245.000	88.000	157.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs157.000 million was observed.

23.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

23.4 AUDIT PARAS

23.4.1 Loss to Govt. due to theft of vehicle – Rs1.500 million

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 a community”.

During audit of the office of Secretary, Mines and Minerals Development Department, Karachi for the Financial Year 2014-15, it was observed that the Government sustained a loss of Rs1.500 million due to snatching of Government vehicle (Toyota Corolla Model 2012). Furthermore, the said vehicle was not insured through which loss could have been recovered. Apart from this, neither department conducted enquiry of the loss, nor any pursuing efforts were taken for recovery of the vehicle. More importantly, Copy of lodged FIR on account of theft vehicle was also not produced to audit.

The matter was pointed out to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#03)

23.4.2 Un-authorized retention of Government funds in DDO account – Rs1.349 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”.

During audit of the office of Secretary, Mines and Minerals Development Department, Karachi for the Financial Year 2014-15, it was observed that an amount of Rs1.349 million was retained un-authorizedly by the DDO concerned in a DDO account at the close of Financial Year.

Sr. #	Particulars	Amount
1	Balances as on 02-07-2014	95,660
2	Balances as on 30-06-2015	1,253,579
Total		1,349,239

The matter was pointed out to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires un-authorized retention of Govt funds into DDO account may be clarified

(AIR#07)

CHAPTER – 24

MINORITIES AFFAIRS DEPARTMENT

24.1 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.

24.2 Comments on the Budget and Accounts (Variance Analysis)

It is a newly created Department, consists of only 02 formations (DDOs), out of which 01 formation was selected and audited during the Audit Year 2015-16. The accounts for the financial year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
-	-	0.105	0.105	0.105	-

24.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

24.4 AUDIT PARAS

24.4.1 Non-production of record

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

- “(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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules”.

During audit of the office of the Director Minorities Affairs, Hyderabad for the years 2012-13 & 2013-14, despite repeated requests for supply of following auditable record, the management failed to produce it:

- (i) Enquiry report on the project, “Consolidation/Rehabilitation of Sadhu Bela”, initiated by Chief Secretary
- (ii) Record of new appointment including:
 - 1. Recommendation by Sindh Public Service Commission or approval by Chief Minister of Sindh
 - 2. Verification of educational testimonials
 - 3. Police Verifications
 - 4. Medical Fitness Certificates
- (iii) Information about NAB enquiry

The matter was taken up with the Department in July 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record besides fixing responsibility on the person(s) at fault.

(AIR#06, 18 & 01)

24.4.2 Non-adjustment of payment against Grants-in-aid – Rs120.000 million

Sindh Financial Rules, volume-I, of Rule-23, provides that “every payment including payment of money previously lodged with government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim”.

During audit of office of the Director Minorities Affairs, Hyderabad for the years 2012-13 & 2013-14, it was observed that the funds were withdrawn against the budget allocation of Rs45.000 million and Rs75.000 million in respective years on account of Grant-in-Aid. However, adjustment account against the withdrawn amount was not produced to DAO, Hyderabad for pre-audit.

The irregularity was pointed out to the Department during July 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#16 & 17)

24.4.3 Irregular procurment without tender - Rs43.102 million

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010, provides 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 the following offices of Minorities Affairs Department, Government of Sindh, Karachi for the years 2012-13 and 2013-14, it was observed that procurement worth Rs43.102 million was made without inviting open tenders.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Secretary Minorities Affairs, Karachi	2013-14	13	Purchase of Hardware	0.102
2	Director Minorities Affair, Hyderabad	2013-14	02	05 schemes of ADP No. 2191 Reconstruction/ repair of flood damage minorities religious places of Sindh	42.01
		2012-13	15	Procurement of gifts on Diwali	0.990
Total					43.102

The irregularity was pointed out to the Department during July and August 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

24.4.4 Non-crediting of income tax deducted and call deposit into government account - Rs17.934 million

According to Rule 41 (a) of Sindh Financial Rules, volume-I, “the departmental controlling officers should see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury”.

During audit of the office of Director, Minorities Affairs, Hyderabad for the year 2013-14, it was observed that an amount of Rs17.934 million was collected on account of Income Tax and call deposit, but the same were not deposited into government account.

(Rupees in million)

Sr.#	AIR Para #	Particular	Amount
1	08	Income tax	7.974
2	09	Call Deposit	9.960
Total			17.934

The irregularity was pointed out to the department during July 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

CHAPTER - 25

ORGANS OF STATE

25.1 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 department are related to general administration and monitoring on the part of the government.

25.2 Comments on the Budget and Accounts (Variance Analysis)

The department consists of 04 formations (DDOs), out of which 03 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
2,071.891	208.655	(541.031)	1,739.515	1,735.272	4.244

The department could not utilize the funds as per allocated budget, as a result savings of Rs4.244 million was observed.

25.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

25.4 AUDIT PARAS

25.4.1 Non-production of record - Rs4.651 million

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

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

During audit of office of the Principal Secretary to Governor of Sindh Karachi, for the year 2014-15, it was observed that expenditure amounting to Rs4.651 million was incurred on following head of accounts, but the auditable record was not produced to Audit for verification.

(Amount in million)		
Sr. #	Particulars	Amount
1	Contractual Staff	0.360
2	Medical Charges	1.400
3	Land Revenue Collectors Allowance	2.748
4	T.A/D.A	0.074
5	Overtime Allowance	0.069
Total		4.651

The irregularity was pointed out to the department during August 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing responsibility on the person(s) at fault besides production of record.

(AIR#26)

25.4.2 Irregular payment through DDO account instead of actual payee - Rs1.644 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 office of the Principal Secretary to Governor of Sindh Karachi, for the year 2014-15, it was observed that cash drawal amounting to Rs1.644 million was made by the DDO instead of issuing cross cheque in the name of actual payee/supplier. This omission / drawal of cash from bank instead of cross cheque resulted violation of Government orders.

(Amount in Rupees)

Sr. #	Date	Instrument No.	Account No.	Amount
1	02.07.2014	9527964	003301-7 NBP	69,958
2	26.08.2014	9527977	-do-	59,799
3	05.09.2014	9527978	-do-	26,700
4	02.10.2014	9527979	-do-	29,247
5	27.10.2014	9527982	-do-	6,785
6	26.11.2014	9527985	-do-	87,249
7	23.12.2014	9527986	-do-	39,286
8	06.02.2015	9527988	-do-	120,366
9	25.02.2015	9527989	-do-	213,080
10	15.04.2015	9527993	-do-	41,534
11	05.05.2015	9527994	-do-	193,800
12	26.06.2015	9527996	-do-	615,020
13	30.06.2015	9527997	-do-	117,391
14	04.08.2015	2312652	003652-2 NBP	24,671
Total				1,644,886

The irregularity was pointed out to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault.

(AIR#11)

25.4.3 Non-recovery of House rent allowance from the officials having self-hiring facility Rs1.849 million

As per 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 of office of the Principal Secretary to Governor of Sindh Karachi, for the year 2014-15, it was observed that 61 officials of the local office were availing the facility of house hiring. Simultaneously, they were also being paid house rent allowance amounting to Rs1.849 million which is inadmissible.

The irregularity was pointed out to the department through Audit & Inspection Report during July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that amount should be recovered, besides fixing responsibility upon the person(s) at fault.

(AIR#01)

CHAPTER –26

PLANNING AND DEVELOPMENT DEPARTMENT

26.1 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.

26.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 39 formations (DDOs), out of which 03 formations were selected for audit during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
486.534	-	(49.025)	437.508	411.472	26.036

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs26.036 million was observed which was not surrendered in time.

26.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

26.4 AUDIT PARAS

26.4.1 Wasteful expenditure on vocational training component under same Secretary by two different programmes causing duplication – Rs35.461 million

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 office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an expenditure of Rs35.461 million was incurred on vocational training to the residents of Tharparkar District. In this respect, following observations were noted.

- i. During review of the documents and vouchers, it was observed that there is duplication of activities of the UCBPRP and other Government departments imparting vocational training like STEVTA & BBSYDP, due to which it would be impossible to assess the benefits of the programme.
- ii. STEVTA & BBSYDP have established infrastructure imparting vocational training. After completion of the UCBPRP, the area would have no addition in infrastructure. Had the funds been spent on building infrastructure and meeting operational needs, the Government would have permanent buildings and teaching staff, the benefits of which were for long term.
- iii. It was noticed that most of the payments were made to local office for the training conducted by it. No vocational institutes were hired.

(Rupees in million)

Sr.#	Programme	Expenditure
1	Vocational Training Programme (0-11)	12.173
2	Vocational Training Programme (12-18)	18.991
Sub-total 2011-12		31.164
1	Vocational Training Programme (0-11)	1.753
2	Vocational Training Programme (12-18)	2.545
Sub-total 2012-13		4.298
Grand Total		35.461

The irregularity was pointed out to the Department during October 2015. The DAC meeting was held on 02-03-2016. The management clarified that target area of each project was different, therefore there was no duplication of activity and the funds were not spent on similar trainings. They added that comprehensive database in this regard was available and verification of name of every trainee had been made. The DAC directed the management to produce the record to audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 19)

26.4.2 Non-transfer of assets by Programme Implementation Unit (PIU) to relevant offices on completion of the project

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 office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh, Karachi for the year 2013-14, it was observed that Programme Implementation Unit office was dissolved and its assets were transferred to its component offices. As per details provided by the Thardeep Rural Development Programme (TRDP) management, the share of its assets was not handed over to Thardeep Rural Development Programme (TRDP). The whereabouts of the assets is not known.

The irregularity was pointed out to the Department during October 2015. The DAC meeting was held on 02-03-2016. The management clarified that assets were being located and the progress of handing/taking over would be intimated in due course. The DAC directed the management to expedite the work and produce the progress to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

26.4.3 Non-production of record – Rs3.864 billion

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

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

During audit of the following offices of Planning & Development Department, Government of Sindh, Karachi for the years 2012-13 & 2013-14, the management did not produce record for audit scrutiny.

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Record	Amount
1	Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme) (Loan #2499-PAK(SF & 2975 & 2976)	4.1.1 & 4.1.2	2013-14	Relevant record from Sr. No. 1-10), as per para and record of appointment of staff	2.400
2	Secretary, Planning & Development Department	08	2013-14	Service Books	0
3	Director general, Monitoring & Evaluation Cell, Karachi	01	2013-14	Purchase of Machinery & Equipment	0.497
4	Director General, Urban Policies & Strategic Planning, Karachi	1 & 22	2012-13 & 2013-14	ADP expenditure, Log book & expenditure Misc. Others and record of appointment of	61.592

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Record	Amount
				staff	
5	Programme Coordinator, Sindh Growth & Rural Revitalization Programme	14	2013-14	Expenditure under ADP# 1669 & Non-ADP funds	3,777.460
		27	2013-14	Utilization of bank profit	21.664
Total					3,863.613

The irregularity was pointed out to the department during November 2014 to June 2015. The DAC meetings were held on 15-02-2016 and 02-03-2016. The management of offices at Sr.No.1 to 4 clarified that the record pointed out in the Para was available. The management of the office at Sr.No.5 (Programme Coordinator, Sindh Growth & Rural Revitalization Programme) clarified that in pursuant to the audit observation, the Sindh Rural Support Organisation has now agreed for audit of the accounts. The DAC directed the management of the offices under audit observation to produce the record for Audit. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

26.4.4 Irregular execution of works without approval of CDWP - Rs170.593 million

As per rules, “The PC-I of the Project/ Scheme should be got sanctioned/ approved from competent body/ authority before execution of the same.”

During audit of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme for the year 2013-14, it was observed that an expenditure of Rs170.593 million was incurred under various heads of account without approval of CDWP.

The irregularity was pointed out to the Department during September and October 2015. The DAC meeting was held on 02-03-2016. The management clarified that the budget of Project Monitoring Implementation Unit (PMIU) is one line grant under non-development fund; hence, it does not require approval of CDWP. The DAC directed

the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 01)

26.4.5 Irregular maintenance of ADP Bank account by Thardeep Rural Development Programme (TRDP) – Rs650.146 million

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 office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an amount of Rs650.146 million was released from Sindh Growth & Rural Revitalization Programme (SGRRP) to Thardeep Rural Development Programme (TRDP). TRDP received the funds in a centralized bank account and transferred the funds to operational accounts. The centralized and the operational bank accounts are being maintained in a way that all the funds provided by all the donor agencies are being pooled in the same accounts due to which it is not possible to differentiate the payments relating to the ADP funds. The maintenance of one bank account for all funds being received creates suspicion and does not help good maintenance of accounts.

(Rupees in million)		
Year	Funds transferred	Expenditure
2011-12	250.000	305.706
2012-13	50.000	91.784
2013-14	183.603	252.656
Total	483.603	650.146

The irregularity was pointed out to the Department in October 2015. The DAC meeting was held on 02-03-2016. The management clarified that Thardeep Rural Development Programme is maintaining its approved chart of accounts which consists of all donors codes separately. Audit pointed out that a mix-up of different funds in a single bank account depicts weak internal controls. The management

clarified that now the agreements with NGOs are being made with the condition of maintenance of separate bank account for each fund. The DAC directed the management to review the system and improve the drafting of agreement by providing conditions to secure the interest of the Government and submit progress to audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 20)

26.4.6 Irregular expenditure on Low Cost Housing Scheme – Rs181.503 million

According to letter No. 1/20-SO(Rates)/2012 dated 4th September 2012, Revised Sindh Composite Schedule of Rates (CSR) 2012 (Printed) was enforced for implementation w.e.f 12-07-2012 in all National building departments, agencies, autonomous & semi-autonomous bodies under the control of Government of Sindh for new works.

During audit of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an expenditure of Rs181.503 million was incurred on account of low cost Housing Scheme. A summary of cost was prepared. The schedule rates used in preparation of estimates were not derived from Government of Sindh Schedule of Rates. The incurrence of expenditure without using Government of Sindh Schedule of Rates stands unauthorised.

(Rupees in million)

Year	Expenditure
2011-12	89.858
2012-13	1.492
2013-14	90.153
Total	181.503

The irregularity was pointed out to the Department in October 2015. The DAC meeting was held on 02-03-2016. The management clarified that estimated cost of Rs60,000 per unit in the original PC-1 and subsequently revised to Rs90,000 per unit in the revised PC-1 was provided for the low cost houses which did not comprise of

the elements of schedule rates like cement, steel and bricks but the construction of those houses involved mud and wooden material. The DAC directed the management to provide record of the estimates to audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 31)

26.4.7 Irregular expenditure on installation of solar system – Rs92.039 million

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 office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an expenditure of Rs92.039 million was incurred through Village Improvement Programme for purchase and installation of solar system during 2013-14. The expenditure was incurred by payment to Village Organizations on behalf of various beneficiaries. There is no evidence that the funds have been utilized for the purpose of purchasing of solar systems in the houses of the village.

The irregularity was pointed out to the Department in October 2015. The DAC meeting was held on 02-03-2016. The management clarified that track record of the payments through crossed cheques to the Village Organisations and ultimate payments to the Solar Companies was available. The DAC directed the management to produce record to audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 15)

26.4.8 Un-authorized expenditure of deputation allowance– Rs55.929 million

As per Addendum of Finance Department Government of Sindh vide No.FD(SR-III)5-85/86(part-file) dated 5th November, 2013 “Sub para - (iv) The Officers posted on deputation would be entitled to deputation allowance subject to maximum of Rs6,000 per month”.

During Audit of Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme Loan No#2975 & 2976-PAK (SF)) for the year 2013-14, it was observed that the unauthorised expenditure Rs55.929 million incurred on deputation allowance to the staff of TMA. The following irregularities were noticed:

- i. In case of deputation, the staff moves from his parent department to another department on clear vacant post; while in this case, it is not so.
- ii. In case of deputation, the staff is deputed for some specific period i.e. for three years and extendable for further two years. In instant case, the staff is deputed for unlimited period.
- iii. For deputation, the staff is handed over on some terms and conditions with the approval of the lending department. In the instant case, no terms and conditions are in place.

The irregularity was pointed out to the department in May & June 2015. The DAC meeting was held on 02-03-2016. The management clarified that the deputation allowance was paid as per Services & Asset Management Agreement (SAMA). Upon query from audit, the management stated that the borrowing staff was not on payroll of the project. Audit pointed out that the condition of deputation allowance had not been met in this case as the borrowing department is required to pay deputation allowance to those employees brought in its payroll. The management clarified that it was a sort of incentive to the employees assigned with the work of the project. They added that till November 2013 those employees were on the payroll of the company, however, as per instruction of the Chief Minister Sindh their salaries were transferred to the respective TMAs. The DAC directed the management to reform the system by not using the term deputation allowance and produce the progress to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 4.2.1)

26.4.9 Excess payment of pay and allowances – Rs46.285 million

- (a) Finance Department, Government of Sindh notification No. FD(SR-III)/5-27/2011-B Dated 05-08-2011 states that in supersession of all previous orders/notifications, the competent authority is pleased to approve the standard pay package for officers/officials recruited for the execution of development projects funded from PSDP as under:

Project Staff in BPS	Rate of Project Allowance
BPS-20-22	Rs.50,000/- Per month
BPS-19	Rs.40,000/- Per month
BPS-17-18	Rs.30,000/- Per month
BPS-16	Rs.15,000/- Per month
BPS-11-15	Rs.8,000/- Per month
BPS-05-10	Rs.4,000/- Per month
BPS-01-04	Rs.2,000/- Per month

- (b) 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.

(A) Payment of the salary to the project staff in excess of standard pay package - Rs29.875 million

During audit of the following offices of Planning & Development Department, Government of Sindh, Karachi for the years 2012-13 to 2013-14, it was observed that pay and allowances of Rs29.875 million were paid to project staff in excess of allocated budget/without observing standard pay package issued by Finance Department, in violation of above rule:

(Rupees in million)						
S. No.	Name of Office	AIR Para #	Year	Budget/ Due	Expenditure/ Drawn	Excess
1.	Managing Director, North Sindh Urban Services Corporation	4.2.3	2013-14	271.216	299.291	28.075

(Rupees in million)						
S. No.	Name of Office	AIR Para #	Year	Budget/ Due	Expenditure/ Drawn	Excess
	Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme Loan No#2975 & 2976- PAK (SF))					
2.	Director General, Urban Policies & Strategic Plannning, Karachi	09	2012-13 to 2013-14	3.090	4.890	1.800
Total						29.875

The irregularity was pointed out to the department during March to May 2015. The DAC meetings were held on 15-02-2016 and 02-03-2016. The management of the organisation at Sr.No.1 (North Sindh Urban Services Corporation Limited, Sukkur) clarified that the expenditure was within the budget. They added that salary of the employees of the company is market based. Audit pointed out that standard pay package for market based appointment notified by Finance Department should have been observed. The DAC directed the management to refer the matter to Finance Department, Government of Sindh for endorsement of salary package of the employees and submit progress to Audit for verification.

The management of the office at Sr.No.2 (Urban Policies & Strategic Planning, Karachi) clarified that special pay package for hiring of personnel on contract from market was approved in case of this unit. They added that the Secretary Finance was the member of the committee which approved the PC-II. The representative of the Finance Department was of the opinion that fixing of pay package falls within purview of Finance Department; however, in this particular case the minutes of the meeting of the Committee having representation of Finance will have to be seen for recommendation and approval of the special pay package. The DAC directed the management to produce record to Audit for verification.

(B) Unauthorised expenditure on pay & allowances of project staff – Rs16.410 million

During audit of Director General, Urban Policies & Strategic Planning, Karachi for the financial years 2012-13 & 2013-14, it was observed that amount of Rs16.410 million was paid to staff on account of pay and allowances over and above the actual claim. Further, the LPCs were also not produced to audit for verification of actual claim.

(Rupees in million)				
Sr. #	Designation	Tenure	AIR Para #	Amount
1	Director General-1 st	25 February 2014 to June 2014	08	1.192
2	Director General-2 nd	23 July 2012 till September 2013		4.483
3	Dy. Director-1 st	July 2012- till April 2014		3.876
4	Director (AF&M)	16 May 2013 till to June 2014		3.360
5	Dy. Director-2 nd	11 Dec 2012 till April 2014		1.620
6	Dy. Director-3 rd	12 December 2012 till Feb 2013		0.969
7	Dy. Director-4 th	28 March 2013 till September 2013		0.910
Total				16.410

The irregularities were pointed out to the department in March 2015. The DAC meeting was held on 15-02-2016. The DAC decided that same decision as given in case of audit observation at Sub-para (a) above would be applicable and the management of the Urban Policies & Strategic Planning, Karachi was directed to produce the record to Audit for verification.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

26.4.10 Expenditure without inviting tender – Rs23.737 million

As per 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 languages”.

During audit of the following offices of Planning & Development Department, Government of Sindh, Karachi for the years 2012-13 to 2014-15, it was observed that an expenditure of Rs23.737 million was incurred on purchase of various materials without inviting tenders.

(Rupees in million)					
Sr. #	Name of Office	Particulars	AIR Para#	Year	Amount
1	Director General, Urban Policies & Strategic Planning, Karachi	Purchase of various articles	06	2012-13 to 2013-14	15.537
2	Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme Loan No#2975 & 2976-PAK (SF))	Purchase of various articles	4.3.3	2013-14	7.034
3	Programme Coordinator, Sindh Growth & Rural Revitalization Programme	Purchase of Stationery and Machinery Equipment	03 & 21	2013-14	1.166
Total					23.737

The irregularity was pointed out to the department during November 2014 to October 2015. The DAC meetings were held on 15-02-2016 and 02-03-2016. The management of the office at Sr.No.1 (Urban Policies & Strategic Planning, Karachi) informed the DAC that the tender had been invited and the record in this regard was available. The DAC directed the management to produce record to Audit for verification.

The management of the office at Sr.No.2 (North Sindh Urban Services Corporation Limited, Sukkur) clarified that the procurement was made as per guidelines of Asian Development Bank (ADB) as provided in the agreement between ADB and Government of Sindh. The DAC directed the management to produce the record of loan agreement for verification.

The management of the office at Sr.No.3 (Sindh Growth & Rural Revitalization Programme) in respect of audit observation Para-03 (Rs0.187 million) clarified that expenditure on purchase of stationery ranging below Rs100,000 was incurred on need basis during the year; hence, tendering was not required. As regards the audit observation Para-21 (Rs0.979 million), the management clarified that the generator was purchased by the Thardeep Rural Development Program (TRDP) through quotations as the SPPRA Rules 2010 was not applicable on the company. Audit pointed out that agreement with the company should have provided guidelines for the procurement under the grant. Audit was of the view that since it was expenditure from public money, it needed to be ensured that value for the money was received. The DAC directed the management to refer the matter to SPPRA for advice. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

26.4.11 Unjustified payment of Health insurance charges – Rs25.753 million

According to Rule-17 (1) of the Sindh Public Procurement Rules, 2010, “Procurements over one 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”. Further, Rule-10 (i) and (ii) General Financial Rule volume - I, made with Rule-88 of Sindh Financial Rule volume - I “every public officer is expected to exercise the same vigilance in respect of expenditure incurred from government money, as a person of ordinary prudence would exercise in spending his own money.”.

During audit of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an amount of Rs25.753 million was paid to M/s Jubilee Insurance Co. for health insurance. In this regard, following observations were noted:

- The expenditure was incurred without inviting open tender. The invitation of competition might have reduced the cost of the premium to the Government.
- In the absence of established health facilities in Tharparkar district and its talukas, the benefits of the scheme in this area has limited impact and full benefits of the scheme could not be obtained.

- There was no record with the Thardeep Rural Development Programme (TRDP) of the benefits availed by the villagers in shape of claims and medical treatment which could justify the expenditure on premium cost.

(Rupees in million)

Year	Expenditure
2011-12	15.444
2012-13	10.309
Total	25.753

The irregularity was pointed out to the Department during October 2015. The DAC meeting was held on 02-03-2016. The management clarified that open tenders were invited through leading newspapers and the correct name of the insurance company was M/s Adamjee Insurance. Audit pointed out that remaining two points raised in the audit observation had not been replied in the working paper placed before the DAC. The DAC directed the management containing clarification in respect of each point along with supporting record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR Para # 18)

26.4.12 Irregular expenditure on execution of works – Rs5.421 million

According to Para-240 & 241 of Central Public Works Departmental Code, when the materials are obtained by purchase, full details of articles should be record in measurement book (form-23) and full particulars should be included of all the materials required to be issued to contractor. According to the Rule 17 of SPPRA 2010, all procurements over one hundred thousand and upto one million rupees shall be advertised by timely notification on the Authority's web site and may in print media in the manner and format prescribed in these rules.

During audit of Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme Loan No#2975 & 2976-PAK (SF)), for the year 2013-14, it was observed that an

expenditure of Rs.5.421 million was incurred for execution of various repair works and construction works to various contractors without observing following codal formalities:

- i. The tenders were not invited to obtain most competitive rates. Despite the fact that the manual of corporate governance itself shows priority of observing SPPRA to obtain the competitive rates. The contractors were selected without observing any criteria and just on personal likeness or dis-likenesses. No criteria have been set for selection of the contractors for awarding civil works. There prequalification process for scrutinizing ability of the contractor to achieve desired outcome of the works were not observed.
- ii. The rates used in these civil works were based on market rates (without evidence). The company should have used schedule rates, issued by the Government of Sindh, as these civil works pertain to the public works and it involves use of public funds, provided by ADB and Government of Sindh. The detailed estimates were not prepared and the works were carried out just on rough cost estimate. Its approval was also not solicited. The repair works were executed without obtaining technical sanction and administrative approvals from the competent authorities. Neither agreements were executed nor stamp duty recovered. The 10% Performance guarantee was also not obtained. The taxes were shown deducted but not deposited in Government treasury. The Measurement book, contractors' ledgers, work orders, completion certificates, imposition of penalties, etc record was not available on record. The evidence of deduction of earnest money and security deposit was not produced to audit. The work was executed against fake quotations having same pattern of writing and format.

The irregularity was pointed out to the department in May 2015. The DAC meeting was held on 02-03-2016. The management clarified that the Manual of Corporate Governance provides general guidelines; however; the relevant funding conditions would prevail for observance of specific rules. They added that in this particular case, the procurement was made under funding guidelines of the ADB. The DAC directed the management to submit the revised reply containing clarification in respect of each point raised in the audit observation along with supporting record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 4.4.1)

26.4.13 Irregular expenditure on repair of generator – Rs3.281 million

According to Rule-96 of General Financial Rules, Volume-I, “No amount should be spent hastily in the feg-end of the financial year just to avoid the lapse of budget grant”.

During audit of the Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme loan # 2499-PAK(SF)) & 2975-76, for the year 2013-14, it was observed that an expenditure of Rs3.281 million was incurred on repair of generator and advance payment was made in which following irregularities were noticed:

- i. The tenders were not invited.
- ii. The heavy repair (Major overhauling) cost was up to the purchase cost of generator if advance payment of Rs1.641 million is added (total repair cost was Rs3.281 million).
- iii. The spare parts were not accounted for and repair register was not maintained.
- iv. The necessity / need report for such repairs was not available on record.

(Rupees in million)					
Sr. #	Name of office	AIR Para #	Financial Year	Particulars	Amount
1	Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme	4.2.2	2013-14	Exp. Charged to loan #2499	1.641
2	-do-	4.2.2	-do-	Exp. Charged to loan #2975-76	1.640
Total					3.281

The irregularity was pointed out to the department in May 2015. The DAC meeting was held on 02-03-2016. The management clarified that tendering was not applicable in this case of repair of generator as the ADB Guidelines were observed by the company which require tendering over Rs10 million and the cost of repair was below the limit of tendering. The DAC directed the management to produce the

record of the procurement cost of the generator which was repaired, repair register, consumption account of spare parts and indents for the repair to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

26.4.14 Unauthorized expenditure by splitting up purchase – Rs2.969 million

As per Rule 12 “Limitation on Splitting or Regrouping of Proposed Procurement” of Sindh Public Procurement Rules, 2010, “(1) Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11, 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 the audit of following offices of Planning & Development Department, Government of Sindh, Karachi for the years 2012-13 to 2013-14, it was observed that expenditures on purchase of various items was incurred by splitting up purchase orders into smaller amounts.

(Rupees in million)					
Sr. #	Name of Office	Particular	AIR Para #	Year	Amount
1	Director General, Urban Policies & Strategic Planning, Karachi	Purchase of sound system	13	2012-13 & 2013-14	1.988
2	Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme Loan No#2975 & 2976-PAK (SF))	Purchase of various articles	4.3.4	2013-14	0.981
Total					2.969

The irregularity was pointed out to the department during March to May 2015. The DAC meetings were held on 15-02-2016 and 02-03-2016. The management of the office at Sr.No.1 (Urban Policies & Strategic Planning, Karachi)

clarified that the procurement was made under ADB rules which provided tendering in case of procurement above US\$100,000. The DAC directed the management to produce record to Audit for verification.

The management of the office at Sr.No.2 (North Sindh Urban Services Corporation Limited, Sukkur) clarified that no splitting-up had occurred as the expenditure of Rs0.981 million was incurred on different works executed from time to time. The DAC directed to the management to produce record to Audit for verification.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

26.4.15 Irregular expenditure on de-silting work– Rs2.737million

According to Rule-88 of Sindh Financial Rule, Vol-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”.

During audit of Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme Loan No#2975 & 2976-PAK (SF)), for the years 2013-14, it was observed that the de-silting work of Rs2.737 million was incurred through engaging private contractor instead of utilizing own resources i.e. through daily wages sanitary staff of TMA’s. The amount expensed could have been saved if the recruited manpower was utilized efficiently.

(Rupees in million)			
Sr #	M/s	Cheque #	Amount
1	Syed Mushahid Ali De-silting work at Zone D Larkana	62153798 dt. Nil-6-14	0.257
2	Kashif traders Khairpur Desilting work of manholes	62152562 dt. 5-6-14	0.166
3	Sikandar Ali - de-silting work of drains	7518467 dt. 21-5-14	0.056
4	Al Karam Engineering Co. Shikarpur De-silting works	62153234-8 dt13-6-14	0.322
5	Nawab & Co De-silting of wet well @ Rohri	7518482 dt. 20-5-14	0.191
6	Syed Mushahid Ali De-silting work of manholes Zone D-B-C	62153797-9 dt30-6-14	0.817
7	Mass Enterprises – De-silting Zone A	62153681 dt. 30-6-14	0.276
8	Asif Baboo – de-silting work	62153254 dt. 18-6-14	0.399

9	Sadaruddin Hakro & Co. - De-silting work	2307362, 63 & 68 dt. 30-6-14	0.253
Total			2.737

The irregularity was pointed out to the department in May 2015. The DAC meeting was held on 02-03-2016. The management clarified that daily wages sanitary staff of TMAs is deployed on routine de-silting of small sewerage lines and the outsourcing is made for the work of de-silting of large drains. They added that available strength of daily wages staff was not enough to meet the workload. The DAC directed to the management to review their system for capacity building for maximum utilization of own resources instead of outsourcing and submit progress to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 4.4.2)

26.4.16 Issuance of cheque to irrelevant payee instead of actual beneficiary – Rs2.568 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”. 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 the Programme Coordinator, Sindh Growth & Rural Revitalization Programme for the year 2013-14, it was observed that various bills were passed by District Accounts Offices of Rs2.568 million but cheques were issued to irrelevant payee instead of actual beneficiary. Thus, the chances of misappropriation could not be ruled out. Details are as under:

(Rupees in million)						
Sr. #	Office	Paid to	Payable to	AIR Para #	Year	Amount

1	Programme Coordinator, Sindh Growth & Rural Revitalization Programme	M/s Mink International	M/s Musk International	09	2013-14	2.568
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The irregularity was pointed out to the Department during October & November 2015. The DAC meeting was held on 02-03-2016. The management clarified that the M/s Mink International is the subsidiary of the M/s Musk International; hence, payment was rightly made to the beneficiary. Audit pointed out that crossed cheques should have been issued to the company with whom the agreement was made and bill was received. The management clarified that the tender was submitted by M/s Mink International and agreement was executed with M/s Mink International. They added that the bid money was also received from M/s Mink International. The DAC directed the management to produce record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

26.4.17 Irregular payment without supporting vouchers – Rs1.899 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 the Director General, Urban Policies & Strategic Planning, Karachi, for the years 2012-13 & 2013-14, it was observed that the Drawing and Disbursing Officers drew cash Rs1.899 million on account of purchase of various articles without supporting vouchers. Details are as follows:

(Rupees in million)			
Sr.#	Particulars	Cheque #	Amount
1	Paid to PTCL	93970 24-3-14	0.004
2		93980 dt. 21-4-4	0.005
3		93999 dt.21-5-14	0.004
4		118342 dt. 19-6-14	0.028
5	Paid to KESC Karachi – Electricity charges	81432 dt. 4-9-13	0.130
6	Regent Plaza Hotel – Invoice # 139403 dt. 1-2-14	10504393 dt. 17-1-14	0.288
7	S.M. Marketing – for stationery & Lunch boxes	10504413 dt. Nil	0.112
8	Audio Visual Link – sound system	93922 dt. 2-1-14	0.925
9	APR – public relations	93903 dt. 19-12-13	0.400

	Total	1.899
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The irregularity was pointed out to the department in March 2015. The DAC meeting was held on 15-02-2016. The management clarified that the supporting vouchers were available and will be produced for verification. The DAC directed the management to produce the record to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 05)

26.4.18 Unauthorised and irregular expenditure through DDO account instead of payment to actual payee – Rs1.694 million

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

During audit of Project Director, Sindh Cities Improvement Programme Loan #2499-PAK(SF), Karachi, for the year 2013-14, it was observed that an expenditure of Rs1.082 million was incurred by drawing funds and keeping under personal account of DDO on account of petty advance / imprest. There was no authority to keep cash or transfer fund from Assignment Account to personal or DDO Account. The heavy expenditure of Rs1.694 million was incurred from petty cash account in June 2014. Moreover, the permission from the Finance Department was also not obtained for opening of imprest / temporary advance account.

The irregularity was pointed out to the department in May 2015. The DAC meeting was held on 02-03-2016. The management clarified that there is no DDO account in the organization as per directives of Finance Department. They added that the payment pointed out by audit was reimbursement of expenditure to the officers who had incurred expenditure in connection with operation of the project. Audit pointed out that the list of expenditure indicated two payments to an officer on a

single day. The management clarified that the payment was made on head of account basis. The DAC directed the management to produce record to Audit including directives of the Finance Department for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 4.4.2)

26.4.19 Abnormal delay in release of funds of ADP – Rs150.000 million

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 office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an amount of Rs150.000 million was received from Finance department vide Advice No. FD.SO(DEV-IV) P&D/1(56)/2009-10 dated 28 September 2012 and released by P&D Department. The amount was transferred to the NGO “Thardeep” after retaining the amount in assignment account more than five (05) months. The amount was paid to both the NGOs i.e. SRSO & Thardeep under the ADP scheme UCBPRP. The funds were irregularly retained by the department for five months causing delay in implementation of the programme.

(Rupees in million)

Authority No.	Cheque No. & Date	To whom Issued	Amount
SO(DEV-IV)P&D/1(56)/ 2009-10 Dt: 28 th Sep, 12	047452 06-03-13	Sindh Rural Support Organization	100.000
	047453 06-03-13	Thardeep Rural Development Program	50.000
Total			150.00

The irregularity was pointed out to the Department during October 2015. The DAC meeting was held on 02-03-2016. The management clarified that funds were transferred to PMU account by AG Sindh on 14-10-2012 and the delay occurred as the Program Coordinator proceeded on leave to perform Hajj. They added that after

official process, the funds' approval was accorded on 21-02-2013 and the cheque was issued accordingly. The DAC decided that revised reply from P&D Department containing clarification of non-assigning the charge of Program Coordinator during his leave and the cause of delay in approval of funds along with supporting record would be furnished to Audit for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 16)

26.4.20 Non-recovery of water charges from users – Rs17.789 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 Managing Director, North Sindh Urban Services Corporation Limited, Sukkur (under Project Director, Sindh Cities Improvement Programme Loan #2499-PAK(SF), it was observed that amount of Rs17.789 million was short recovered from water users.

(Amount in Rupees)

Sr. #	Region	Billed Amount	Recovered	Short recovery
1.	Sukkur	21,089,408	6,020,783	15,068,625
2.	Rohri	1,893,532	1,220,505	673,027
3.	Khairpur	2,719,040	671,489	2,047,551
Total		25,701,980	7,912,777	17,789,203

The irregularity was pointed out to the department in May, 2015. The DAC meeting was held on 02-03-2016. The management clarified that improvement in the recovery has been achieved and efforts were being made for recovery of the dues. The DAC directed the management to pursue the recoveries and progress made in the recovery may be furnished to Audit alongwith supporting record for verification. However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

(AIR # 4.2.1)

26.4.21 Non-deduction of income tax– Rs1.228 million

According to Section 153(a) & (b) of the Income Tax ordinance, 2001, “Income Tax @ 6% for rendering professional Services is required to be deducted at source and deposited into Government account”.

During Audit of following offices of Planning & Development Department, Government of Sindh, for the years 2012-13 to 2013-14, it was observed that the expenditure under various heads of account was incurred, but the income tax of Rs1.228 million was not deducted.

(Rupees in million)				
Sr. #	Name of Office	AIR Para#	Financial Year	Amount
1	Director General, Urban Policies & Strategic Planning, Karachi	10	2012-13 to 2013-14	0.948
2	Secretary, Planning & Development Department	03	2013-14	0.280
Total				1.228

The irregularity was pointed out to the department during February 2015 and March 2015. The DAC meeting was held on 15-02-2016. The management of the office at Sr.No.1 (Urban Policies & Strategic Planning, Karachi) informed the DAC that the tax was deducted and record was available for verification.

The management of the office at Sr.No.2 (Secretary, P&D Department) informed the DAC that due tax on the released amount of Rs8.000 million had been deducted by Urban Policies & Strategic Planning, Karachi while making payments to the vendors. The DAC directed the management to produce the record to Audit for verification.

However, the progress was awaited till finalization of this report.

Audit requires compliance with DAC directives.

CHAPTER – 27

POPULATION WELFARE DEPARTMENT

27.1 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

27.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 39 formations (DDOs), out of which 21 formations were selected for audit during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
1,700.000	-	(693.500)	1,006.500	1,558.709	(552.209)

The department was unable to control the expenditure as per allocated budget. As a result, excess expenditure of Rs552.209 million was observed.

27.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Population Welfare Department were discussed by the PAC on 06-02-2015. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras requiring compliance	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
10	9	0	9	0

27.4 AUDIT PARAS

27.4.1 Irregular Payment without supporting vouchers – Rs9.654 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 vouchers setting forth full and clear particulars of the claims”.

During the audit of following offices of Population Welfare Department for the years 2013-14 & 2014-15, it was observed that payment of Rs9.654 million was made on various accounts without supporting vouchers.

(Rupees in million)				
Sr.#	Name of RHS Center	AIR Para #	Particulars	Amount
01.	DPWO Sukkur	1	Services Rendered	4.473
02.	DPWO Mirpurkhas.	1	Repair Furniture/Fixture.	0.200
03.	DPWO East Karachi.	4,5& 6	Others/Unforeseen/Rent for office building.	1.659
04.	DPWO Tando-Muhammad Khan	2	Training for women medical officers.	0.286
05.	DPWO Badin.	4	Marriage/Heirship certificate copy of CNIC.	1.332
06.	DPWO Shikarpur	7	Miscellaneous items	0.956
07.	RHS Center Khipro	7	Electricity charges.	0.160
08.	RHS Center Shahdad pur	7	Electricity charges.	0.158
09.	RHS Center Sinjhor	7	Electricity charges.	0.429
Total				9.654

The irregularity was pointed out during the month from October 2014 to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Responsibility be fixed against the person(s) at fault.

27.4.2 Irregular expenditure on repair of Machinery & Equipment - Rs2.946 million

According to Rule letter # B&E-1/2(18)/75-94/Pt-IX dated 05-01-2009, Finance Department Government of Sindh, “the officer in category-III is empowered to incur expenditure on repairs, replacement, overhauling etc to the light machinery, motor vehicle and other tools and plants up to. 25,000/- or twenty percent of the book value of the machinery, subject to the restriction....”

During the audit of following offices of Population Welfare Department, Government of Sindh, for the year 2014-15, it was observed that an amount of Rs2.946 million was incurred under the head of repair of machinery & equipment. Following irregularities were pointed out.

- i. The expenditure was incurred by splitting up purchases.
- ii. Old scrap material was neither accounted for nor disposed off.
- iii. Store account was neither maintained nor furnished to audit.
- iv. Acknowledgment for payment was not obtained.
- v. Requisition for repair was not available on record.
- vi. Payment was made into DDO account instead of concerned vendor, it may cause it to be doubtful expenditure.

This resulted into irregular expenditure on repair of machinery & equipment of Rs2.946 million.

(Rupees in million)			
Sr. #	Name of formation	AIR Para #	Amount
01.	DPWO Shaheed Benazirabad	02	1.929
02.	DPWO Jacobabad	01	0.799
03.	DPWO Tando Allahyar	03	0.217
Total			2.946

The irregularity was pointed out to the department during August & September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Responsibility be fixed against the person(s) at fault.

27.4.3 Unjustified expenditure from D.D.O. account-Rs2.135 million

As per Rule-303 of Central Treasury Rules, "Contingent bill for payment to suppliers e.tc. concerned. This will avoid un-necessary delays and risk involved in the drawal and disbursement".

During the audit of following offices of Population Welfare Department for the years 2013-14 & 2014 -15, it was observed that an expenditure of Rs 2.135 million was incurred without observing following codal formalities:

1. Payment was made into DDO account instead of concerned vendor, it may cause it to be doubtful expenditure.
2. Acknowledgment of receipt of payment was also not available on record.
3. Requisition for repair was not available on record.

(Rupees in million)				
Sr. #	Name of Formation	AIR Para #	Particulars.	Amount
1	DPWO Tando Allahyar	2 & 6	Printing Publication & Furniture	0.407
2	M.O RHS Center Sakrand	04	Purchase of medicines & IRC payment	1.728
Total				2.135

The matter was reported to the department during November 2014 & September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry for fixing responsibility on the person(s) at fault.

27.4.4 Irregular expenditure on account of arrangements of various events - Rs1.972 million

According to Rule-88 of Sindh Financial Rules, Volume-I, "Every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise spending his own money, and public money should not be utilized for the benefit of a particular person or community".

During the audit of office of the District Population Welfare Officer, District Shaheed Benazirabad, for the year 2014-15, it was observed that an amount of

Rs1.972 million was spent on account of arrangements for various events of trainings, publicity, conferences & seminars, wherein the following irregularities were observed.

- i. No documentary evidence was furnished to audit for which specific activity the arrangement was made by local office and details of the results thereof.
- ii. The details of the participants were not provided for scrutiny.
- iii. Photocopy of bill was used instead of original duly printed bills bearing serial number, book number, etc.

The irregularity was pointed out to the department in August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing of responsibility on the persons at fault, besides taking remedial measures.

(AIR # 01)

27.4.5 Un-authorized retention of government fund in DDO account - Rs1.522 million

According to Rule-290 of Central Treasury Rule, 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 audit of following offices of Population Welfare Department, Government of Sindh, for the year 2014-15, it was observed that an amount of Rs1.522 million was lying in D. D. O accounts as on 30.06.2015, maintained with National Bank of Pakistan, without any justification in violation of above rule. This resulted into un-authorized retention of government fund of Rs1.522 million.

(Rupees in million)

Sr. #	Name of Formation	AIR Para #	Amount
01.	DPWO Naushero Feroz.	05	1.199
02.	DPWO Thatta.	06	0.323
Total			1.522

The matter was pointed out to the department in September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

27.4.6 Non- collection, crediting and non-reconciliation of sales proceeds of contraceptive-Rs2.804 million

According to Rule 41 (a) of Sindh Financial Rules Volume-I “The Departmental Controlling Officer should see that all sums due to Government regularly received and checked against demand and they are paid into treasury”

During the audit of the following offices of Population Welfare Department Government of Sindh, for the year 2014-15, it was observed that a cumulative amount of Rs2.804 million was received from sale proceeds of contraceptive items; but was not deposited into the Government account. This resulted into loss of revenue amounting to Rs2.804 million.

(Rupees in million)				
Sr.	Name of Formation	AIR Para #	Brief/Particulars	Amount
1	DPWO, Jacobabad	02	Non-deposit of revenue	0.214
2	DPWO, Mirpurkhas	04	Non-deposit of revenue	0.117
3	DPWO District West Karachi	07	Non-deposit of revenue	0.686
4	DPWO, Tando Muhammad Khan	04	Non-deposit of realized amount	0.019
5	DPWO, Shikarpur	12	Non-deposits of revenue	0.143
6	DPWO, Larkana	09	Un-justified revenue collection	0.088
7	DPWO, Tharparkar, Mithi	03	Non-verification of payment	0.190
8	DPWO, Naushero Feroz	02	Non-crediting of sales	0.448
9	DPWO, East Karachi	11	Non reconciliation	0.899
Total				2.804

The irregularity was pointed out in the month from August to November 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that the observations may please be clarified, besides fixing responsibility upon the person(s) at fault.

CHAPTER – 28

SERVICES GENERAL ADMINISTRATION & COORDINATION DEPARTMENT

28.1 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 most significant role of the Services Wing is to offer its valuable policy inputs to improve governance scenario in the province. It enlightens provincial government by providing guideline through a set of policy that helps to achieve the desired targets.

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 ascertain 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 department 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 President, Prime Minister, Governor, Chief Minister and Secretaries Committees meeting, etc. Development issues is the another dimension of the General Administration wing of the SGA&CD; all 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.

28.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 18 formations (DDOs), out of which 1 formation was selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
5,837.087	1,002.826	(657.115)	6,182.797	5,645.655	537.143

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs537.143 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
100.00	140.00	35.00	105.00

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs105.00 million was observed.

28.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

28.4 AUDIT PARAS

28.4.1 Irregular expenditure on purchase of vehicles without approval of Finance Department - Rs113.428 million

According to Delegation of Power under the Financial Rules, & the Powers of Re-appropriation Rules, 1962, Article 7-A (ii) an Officer of Category-I is empowered to purchase and replace the vehicles including commercial vehicles Jeeps and Land Rovers subject to the following conditions.

(1) That the strength of the vehicles in the department has been sanctioned by the Finance Department and the replacement is required for keeping up the sanctioned strength:

During the audit of the office of the Secretary, SGA&CD, Government of Sindh, Karachi, for the year 2013-14, it was observed that an expenditure of Rs113.428 million was incurred by Caretaker Cell on purchase of following vehicles without obtaining financial sanction of vehicles from Finance Department, Government of Sindh.

(Rupees in million)

Cheque No. & Date	Make and Model of vehicle	No. of vehicles	Procured from	Amount
1566377 / 21-11-13	BMW 750 Li Built Proof	01	M/s. Dewan Motors	41.291
1619148 / 22-01-14	Toyota 2.71 Fortuner	01	M/s. Toyota Motors	5.748
1685555 /02-04-14	Prado VX A/T	01	M/s. Toyota Motors	23.964
1685556 /02-04-14	Toyota Corolla 1.6 GLI	06	M/s. Toyota Defense Motors	10.455
1695289 / 29-04-14	Toyota 2.71 Fortuner	01	M/s. Toyota Eastern Motors	5.748
1774244 / 10-06-14	Toyota Corolla	02	M/s. Toyota Eastern Motors	3.085
1774074 /09-06-14	Toyota Corolla	15	M/s. Toyota Eastern Motors	23.137
TOTAL				113.428

The irregularity was pointed out in the month of April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires justification for increase in transport pool without sanction from Finance Department. Responsibility may be fixed for the unauthorized procurement.

(AIR#24)

28.4.2 Retention of Government money in DDO Account - Rs13.558 million

According to Rule 290 of Central Treasury Rules, “no money shall be drawn from Government Treasury until and unless it is required for immediate disbursement or need”.

During the audit of the office of Secretary, SGA&CD, Government of Sindh, Karachi, for the year 2013-14, it was observed that an amount of Rs13.558 million pertaining to Account No. K-4014 was drawn and lying un-utilised in the bank account of DDO as per cash book of Estate Office as on 30-06-2014.

The irregularity was pointed out in the month of April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires immediate refund of unutilized amount into government account and enquiry into the matter for fixing of responsibility.

(AIR#14)

28.4.3 Payment on training without supporting documents - Rs9.950 million

According to Rule-23 of S.F.R. Vol-I, every payment including repayment of money previously lodged with Govt. for whatever purpose must be supported by a voucher setting forth full and clear particulars of the claim.

During audit of the office of the Secretary, SGA&CD, Government of Sindh, Karachi, for the year 2013-14, it was observed that an amount of Rs9.950 million was paid by the Caretaker Cell for various Officers/Officials under head of account “Capacity Building of officers/officials in the Services General Administration & Coordination Department” for education, attending workshops and other courses in Pakistan or abroad. However, the documents in support of their claims of expenditure including original receipts/vouchers, copies of passport and letters/evidence of universities attended were not produced, for adjustment, as these were not available on record. Furthermore, neither the details of expenditure nor any adjustment against the payment was available on record.

(Rupees in million)

Cheque No & Date	Name of Officers officials & Designation	Purpose	Payment made to	Amount
4672611 12/8/13	Mr. Amir Khursheed (BS 19) OSD SGA&CD	Foreign Degree Prog. of MPA in USA	Mr. Amir Khursheed	4.209
4672674 30/12/13	Mr. Mudassir Iqbal (B-20) EX-Secretary SGA&CD	Degree Prog. of MBA	M/s. SZABIST Kcy. Rs.20,000 paid to concerned Officer	0.375
4672676 30/12/13	Training of 25 Officers	4 day workshop	Management Consul tancy& Training	0.200
4672677 30/12/13 4672678 30/12/13	Mr. M. Adnan, Jr. Clerk (BPS-07)	Executive MBA in HRM	M/s. PIMSAT Mr. M. Adnan	0.224 0.020
4677671 30/12/13 4672672 30/12/13	Mr. M. Asghar Memon (BS-18) SCIP	Masters in Project Management from RMIT (Australia Living exp. Airfare	M/s.RMIT Australia University Mr. M. AsgharMemon	3.750 1.172
Total				9.950

The irregularity was pointed out in April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry into the matter, immediate refund of unutilized amount into government account and fixing of responsibility.

(AIR#25)

28.4.4 Wasteful expenditure without meeting the objectives of the Housing Foundation- Rs3.767 million

According to Sindh Civil Servants Housing Foundation Act 2005, the objective of the Foundation is to provide houses on no profit no loss basis to the civil servants and the retired civil servants in the Province of Sindh.

During audit of the office of Managing Director, Sindh Civil Servants Housing Foundation Karachi, for the year 2013-14, it was observed that an expenditure of Rs3.767 million was incurred on monthly pay and allowances and contingencies, whereas development work, i.e., construction of houses for the Govt. employees on no profit no loss basis as per objective of the Foundation was not carried out by the management. Expenditure on pay & allowances and contingencies without carrying out the actual work was considered frivolous and irregular.

The irregularity was pointed out in June 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires responsibility may be fixed against the persons at fault.

28.4.5 Irregular retention of Director Finance beyond expiry of contract - Rs3.577 million

As per Section 14 of Estacode: (1) A retired civil servant shall not be re-employed unless such re-employment is necessary in the public interest and is made with the prior approval of the authority next above the appointing authority: provided that, where the appointing authority is the President, such re-employment needs to be ordered with the approval of the President.

During the audit of office of the Managing Director, Sindh Civil Servants Housing Foundation Karachi, for the year 2013-14, it was observed that an amount of Rs3.577 million was paid to Syed Intizar Ahmed Jafri, Ex-Director Finance on account of monthly salary, for the period from 05-01-2011 to 30-09-2014, without extension of his contract, as the case of his extension was rejected by the Secretary, Services, General Administration and Coordination Department Karachi vide letters No.SO-II(SGA&CD)3-4/2011 dated 01-07-2014 and No.SO-II(SGA&CD)3-4/2011 dated 30-09-2014. Secondly, the payment of salary was made from government grant instead of funds of the foundation itself.

(Rupees in million)

Name of Officer	Period	Rate of Salary	Amount
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Syed Intizar Ahmed Jafri	05-01-2011 to 30-06-2012 =18 Months	0.071	1.282
	01-07-2012 to 30-09-2014 = 27 Months	0.085	2.295
Total			3.577

The irregularity was pointed out in June 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of amount from the person(s) at fault and fixing of responsibility for violating the rules.

(AIR#04,09)

28.4.6 Irregular expenditure on surplus staff - Rs1.324 million

According to Rule-3 (3) of the Civil Servants (Appointment, Promotion and Transfer) Rules, 1973, a person rendered surplus as a result of reorganization or abolition of a Government Department/ Office or permanent post in pursuance of any Government decision or a measure of economy, may be appointed to a post in the basic pay scale to which he belonged, if he possesses the qualifications and fulfills other conditions applicable to the post.

According to Rule-4 of Civil Servants (Seniority) Rules, 1993 read with Establishment Division's O.M.No.13/3/93-D-2(Pt), dated 12-9-1994 say that the surplus employees on their absorption in another department are to be placed junior to the employees already working in that organization in the relevant post, service or cadre.

During audit of the office of the Secretary, SGA&CD Government of Sindh, Karachi, for the year 2013-14, it was observed that an amount of Rs1.324 million was incurred on account of pay and allowances of 68 employees who were declared as "Surplus" since 2006-08 and their services could not be utilized by the Department upto June, 2014 **Annex-1**.

Further, the pay and allowances of the surplus staff was drawn by the DDO through manual pay bills instead of bank accounts. Attendance registers and their performance evaluation reports were also not provided for verification.

The irregularity was pointed out in April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires that disbursement account of pay and allowances under

observation may be provided.

(AIR#19)

28.4.7 Non-Recovery of auction amount of condemned vehicles - Rs4.275 million

As laid down in Rule-28 of G.F.R. Vol.I, no amount should be left outstanding without sufficient reasons, and where any dues appear to be irrecoverable the orders of the competent authority for their adjustment must be sought.

During the audit of the office of the Secretary, SGA&CD, Government of Sindh, Karachi, for the year 2013-14, it was observed that C.T.C. Department sold out 57 condemned vehicles through auction on 16/11/2013. According to the agreed terms of sale, 25% of the total bid amount was to be paid in advance and remaining 75% balance after delivery of the vehicle. After completion of all codal formalities, 40 vehicles were handed over to the successful bidders out of which 17 vehicles were still in-possession of the department due to non-payment of remaining 75% including receivable amount of Rs4.275 million from the successful bidders. Moreover, the department did not take efforts to recover the outstanding amounts from defaulting bidders nor forfeited the 25% bid amount and deposited the same into treasury.

The irregularity was pointed out in April 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry into the matter and fixing of responsibility.

(AIR#28)

CHAPTER – 29

SOCIAL WELFARE DEPARTMENT

29.1 Introduction

The Social Welfare Department was created 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.

29.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 18 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
25.300	-	3.522	28.822	28.499	0.323

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs0.323 million was observed which was not surrendered in time.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
56.000	56.000	14.000	42.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs42.000 million was observed.

29.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

29.4 AUDIT PARA

29.4.1 Non-production of record of-Rs2.180 million

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the office of Assistant Director, Darul Aman Shaheed Benazirabad, Social Welfare Department, Government of Sindh for the years 2012-13 and 2013-14, auditable record of Rs2.180 million was not produced to audit for audit scrutiny. Details are as below.

(Rupees in million)				
Sr. #	Particulars	Financial Year	AIR Para #	Amount
1	Appointments Record	2012-13& 2013-14	02	Rs.2.180
2	Various Record	2012-13& 2013-14	07	0

The matter was reported to the department during November 2014. The Departmental Accounts Committee (DAC) meeting was held on 26th January 2016. The management clarified that the record under audit observation was available for verification. The DAC directed the management to produce record for audit. However the progress was awaited till finalization of this report.

Audit requires production of record besides fixing responsibility on the person(s) at fault.

29.4.2 Irregular expenditure under the head of account of food – Rs4.075 million

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 office of the Assistant Director Darul Aman Shaheed Benazirabad, Social Welfare Department, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that an expenditure of Rs4.075 million was incurred under the head of account A09301-Food .The following irregularities were noticed:

- i. The amount was released for providing food/purchase of dietary items for inmates but the expenditure was made against nil attendance of inmates till the completion of audit.
- ii. The details of vouchers & releases were not produced for verification.

(Rupees in million)			
S.#	Head of Accounts	Financial Year	Released Amount
1	A09301-Food	2012-13	3.075
2	A09301-Food	2013-14	10.00
Total			4.075

The matter was reported to the department during November 2014. The Departmental Accounts Committee (DAC) meeting was held on 26th January 2016. The management clarified that inmates in *Darul-Aman* were flood affectees who resided there in emergency upon directives of Deputy Commissioner and Director Social Welfare Department, and funds were utilized. Audit pointed out that the working paper for the DAC meeting did not contain the same stance of the management. Audit further pointed out that the funds meant for *Darul-Aman* were diverted towards flood emergency; whereas, the expenditure, so incurred, needed to be recouped as office of the Deputy Commissioner receives funds to meet such emergency. The management clarified that at that time funds were provided through ADP and the scheme was not completed, and the *Darul- Aman* was not operative; hence, recoupment was not needed. The DAC directed the management to furnish revised reply alongwith record and evidence to Audit for verification. However the progress was awaited till finalization of this report.

Audit requires compliance of DAC directives.

(AIR # 04)

CHAPTER –30

SPECIAL EDUCATION

30.1 Introduction

Special Education Department is responsible for the overall development of educational infrastructure and policy planning and implementation of educational reforms in Sindh province. The department looks after the educational affairs within the province and coordinates with the Federal government and donor agencies regarding promotion of education in the province. Education Department is strategically run by elected representatives of the public and administratively controlled by the bureaucracy.

Core functions of the department include:

1. Education of handicapped children, specially deaf, dumb and blind
2. Grant of scholarships

30.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 06 formations (DDOs), out of which 01 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
-	-	0.110	0.110	0.110	-
As per SAP					
-	-	-	30.150	27.676	-

* The Department of Special Education was carved out of Education and Literacy Department during Financial Year 2014-15

30.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

30.4 AUDIT PARAS

30.4.1 Non-production of record- Rs68.000 million

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

- “(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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules”.

During the audit of the office of the Secretary, Special Education Department, Government of Sindh, Karachi, for the year 2014-15, the record involving amount Rs68.000 million for the Grant-in-Aid was not produced to audit.

(Rupees in million)		
Paras Nos	Particulars	Amount
05,06,01, 07,04	(i) Detail of utilization report and supporting vouchers on payment to Regional Directors for Grand in Aid (ii) supporting vouchers on Eid Festival (iii) List of approved schools, teachers, students	68.000
Total		68.000

The irregularity was pointed out to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

30.4.2 Un-authorized retention of funds in DDO account - Rs21.211 million

According to Para-290 of Central Treasury Rules, Volume-I, “No money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants”.

During the audit of the office of the Secretary, Special Education Department, Government of Sindh, Karachi, for the year 2014-15, audit observed that an amount of Rs21.211 million was drawn from office of the Accountant General Sindh under various heads / grants in aid and kept in DDO’s account upto June 30, 2015. The allocated funds were neither spent nor were surrendered in time. Funds, thus surrendered, could have been used by Government of Sindh for other department for useful purpose.

(Rupees in million)			
Sr. #	Bank Account No	Name of Bank	Amount as on 30-06-2015
01	4000876562	NBP Sindh Secretariat Branch (1053)	21.211
Total			21.211

The irregularity was pointed out to the Department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR #03)

CHAPTER – 31

SPORTS & YOUTH AFFAIRS DEPARTMENT

31.1 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

31.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 06 formations (DDOs), out of which 01 formation was selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
446.923	0.000	(32.333)	414.590	347.782	66.808

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs66.808 million was observed which was not surrendered in time.

31.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

31.4 AUDIT PARAS

31.4.1 Un-authorized retention of government fund in DDO account – Rs20.939 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.

During the audit of the office of the Secretary Sports & Youth Affairs Department, Government of Sindh, for the financial year 2014-15, it was observed that an amount of Rs20.939 million was drawn from government treasury and kept into DDO bank account number (0303-061958-1000, Sindh Bank, Secretariat Branch), till the end of the June. Funds thus surrendered, could have been used by Government of Sindh for other department for useful purpose.

The irregularity was pointed out to the management vide memo # 01, dated 03-08-2015. The reply was given vide letter No. SO(Gen)/S&YAD/2015-16/1095, dated 8th December. The office replied that it did not spend the amount because the cheques were not cashed in the end of June, no documentary evidence in support of reply was furnished like uncashed cheques, etc.

Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR# 01)

CHAPTER – 32

TRANSPORT AND MASS TRANSIT DEPARTMENT

32.1 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.

32.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 31 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
14,414.447	-	(1,605.660)	12,808.787	11,814.688	994.099

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs994.099 million was observed which was not surrendered in time.

32.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

32.4 AUDIT PARAS

32.4.1 Irregular payment of conveyance allowance despite providing hired transport facility to non-gazetted staff of Sindh Secretariat - Rs66.450 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 Secretary Transport & Mass Transit Department Karachi for the years 2013-14 and 2014-15, it was observed that the non-gazatted employees of the department and Sindh Secretariat were availing transport facility provided by the department in addition to drawing conveyance allowance. The department incurred the expenditure of Rs54.769 million on hiring of 35 buses for transport facility to staff during the year 2013-14. The dual benefits indicate financial indiscipline prevailing in the department which resulted into loss to Government approximately amounting to Rs66.450 million.

(Rupees in million)

Sr.#	Particulars	Year	AIR Para #	Amount
01	Conveyance allowance	2013-14	01	66.000
02	-do-	2014-15	14	0.450
Total				66.450

The irregularity was pointed out to the department during August 2014 and July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery may be made from concerned officials and corrective measures may be taken to avoid repetition of such lapse in future.

32.4.2 Irregular two yearly expenditure on transport without inviting tender - Rs59.238 million

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 office of the Secretary, Transport & Mass Transit Department, Karachi for the years 2013-14 and 2014-15, it was observed that an expenditure of Rs59.238 million was incurred on account of hiring of buses for pick and drop facility to non-gazetted employees without inviting tenders as detailed below:

(Rupees in million)				
Sr. #	Particulars	Year	AIR Para #	Amount
01	Hiring of buses	201 3-14	11	54.769
02	-do-	2014-15	06	4.469
Total				59.238

Following irregularities were noticed:

1. List of employees availing facility was not provided.
2. Stamp duty @0.30% was not deducted.
3. Income tax @6.5% was not deducted.
4. The bid evaluation report was not hoisted in SPPRA website.
5. No agreement was executed with the supplier.
6. Sales tax @ 10% was neither deducted nor sales tax invoice obtained from the supplier as per Sub rule 3 of rule 3 of Sales Tax special procedure (withholding) Rules, 2011 issued vide notification No. SRB 3-4/1/2011, dated 24th August, 2011.

The irregularity was pointed out to the department during August 2014 and July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing of responsibility on the person(s) at fault

32.4.3 Irregular payment to contractor without technical proposal - Rs56.683 million

According to Sub-rule (2) of Rule-46 of SPPRA, (a) bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;(c) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened; (e) procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which does not conform to the specified requirements; (h) financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders

During audit of office of the Secretary, Transport & Mass Transit Department, Karachi for the year 2014-15, it was observed that technical proposal from the bidders was neither produced to audit nor available in the relevant contract file. Hence, the work awarded to M/s Deen Muhammad & Sons Transport Company without evaluation of specified requirements of capability in transport service, competence, resources, performance in the particular assignment, financial capability, capabilities with respect to personnel, equipment, appropriate managerial capability and any other factor that is relevant to the capability, competence and resources required for accomplishment of the assignment and the payment to the tune of Rs56.683 million stood irregular and doubtful.

The irregularity was pointed out to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

(AIR#04)

32.4.4 Non-deduction of sales tax Rs5.668 million

According to Rule-3 (3) of Sales Tax special procedure (Withholding) Rules, 2011 issued vide notification No. SRB 3-4/1/2011, dated 24th August, 2011. “A withholding Agent, having Free Tax Number (FTN) or National Tax Number (NTN) and falling under clause (a), (b) (c), (d) or (e) of Sub rule (2) of rule 1, shall on receipt of taxable Services from unregistered Person, deduct Sales tax at the applicable rate of the value of taxable services provided or rendered to him from the payment due to service provider, and, unless otherwise specified in the contract between the Service recipient and the service provider. “ Rent a car and automobile rental service” under PCT heading 9819.3000 is liable to sales tax @ 10% as per second schedule to the Sindh Sales Tax on Service Act, 2011.

During audit of office of the Secretary, Transport & Mass Transit Department Karachi for the year 2014-15, it was observed that the payment amounting to Rs56.683 million was made to M/s Deen Muhammad & Sons Transport Company on account of providing transport facility to non-gazatted employees of Sindh Secretariat without obtaining the sales tax invoice cum return challan @ 10% amounting to Rs5.668 million. This omission resulted into loss to Government amounting to Rs5.668 million.

The irregularity was pointed out to the department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing responsibility on the person(s) at fault besides amount in question may be recovered from the concerned.

(AIR#05)

32.4.5 Recovery of un-realized route permit fee – Rs1.709 million

According to Section 34 (i) (b) and 60 of the Motor Vehicle Ordinance 1965 read with Rules 64 (2), 85 and 91 of the Sindh Motor Vehicle Rules 1969, route permit issued for a specific period on expiry of the period it should be renewed on payment of prescribed fee (i.e., application fee and renewal fee) along with progressive fee (penalty) at the prescribed rates is to be recovered.

During audit of office of the Secretary Regional Transport Authority, Karachi for the year 2014-15, it was observed that route permit and progressive fee of Rs1.709 million from owners of private and commercial vehicles was not realised.

(Rupees in million)			
Sr. #	Recoverable from	AIR Para#	Amount
1	Owners of private carriers	2	0.459
2	Owners of public carriers	3	0.360
3	Owners of minibuses	4	0.242
4	Owners of MCR	5	0.225
5	Owners of coaches	6	0.158
6	Owners of taxi	7	0.141
7	Owners of buses	8	0.124
Total			1.709

The irregularity was pointed out to the department in August 2015, but no reply was received.

Audit requires recovery of route permit and progressive fee besides fixing of responsibility on the person(s) at fault.

CHAPTER –33

WOMEN DEVELOPMENT DEPARTMENT

33.1 Introduction

Women constitute more than 50% population of Pakistan. The 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.

33.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 5 formations (DDOs), out of which 2 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/ Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
259.601	1.848	(72.029)	189.420	114.593	74.827

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs74.827 million was observed which was not surrendered in time.

33.3 Brief comments on the compliance of PAC directives

During the financial year 2014-15 the PAC discussed the Audit Report 2009-10. No Para in respect of this Department was reported in that Report.

33.4 AUDIT PARAS

33.4.1 Loss to Govt. due to non-return of Govt. vehicles by various ex-officers & ministers etc – Rs5.800 million

According to Rule 23 of G.F.R, Volume-I, “Every Government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held 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 on account of negligence.

During audit of the office of Secretary, Women Development, Govt. of Sindh, Karachi for the year 2014-15, it was observed that various vehicles of local office were in the custody of ex-officers/ministers, but the local office authorities did not take any serious step regarding return of the same, which shows lack of internal control/check over custody of Govt. assets/properties. This resulted into loss to Government amounting to Rs5.800 million on account of non-return of government vehicles **Annex-1.**

The matter was taken up with department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry for non-return of govt. vehicles

(AIR # 01)

33.4.2 Loss due to theft of Govt. vehicle - Rs1.400 million

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

During audit of the office of Secretary, Women Development, Government of Sindh Karachi, for the year 2014-15, it was observed that vehicle (GS-9872) costing

Rs1.400 million, allotted to an ex-Secretary, was shown as stolen and the Officer/Secretary was neither penalized nor was any inquiry conducted, leading to loss to government

The matter was taken up with department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires inquiry and fixing responsibility on a person (s) at fault
(AIR # 05)

33.4.3 Non-production of Record – Rs1.306 million

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

- (2) The officer 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 the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During audit of office of the Director, Women Development Department, Karachi, the auditable record for the Financial Year 2014-15 was not provided.

(Rupees in million)

Sr. #	Particulars	AIR Para #	Amount
1	(a) Rent agreements of office building (b) Bank Statements (c) Cash Book (d) Stock Registers (e) details regarding targets fixed & achieved	01	--
2	Record of hiring of residential accommodation for employees	05	1.306
Total			1.306

The matter was pointed out to the department in September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires production of record besides fixing responsibility on the person(s) at fault.

33.4.4 Un-justified expenditure on consultancy for Gender Reform Action Plan – Rs2.400 million

According to Rule-17 (1) of the Sindh Public Procurement Rules, 2010, “Procurements over one 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 the office of the Director, Women Development Department, Karachi, for the Financial Year 2014-15, it was observed that an expenditure amounting to Rs2.400 million was incurred on account of payment made to consultant for Gender Reform Action Plan. Following irregularities were noticed:

1. Approval from competent authority for consultant’s appointment was not obtained.
2. Tender was not invited for competitive selection.
3. Agreement executed with Consultant was not produced to audit.
4. Detail regarding duties & responsibilities of consultant was not produced to audit.

The matter was pointed out to the department in September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires enquiry in the matter for fixing responsibility on the person(s) at fault besides taking remedial measures.

(AIR # 07)

33.4.5 Un-justified expenditure from head of account “Others” – Rs1.599 million

As per para 3 (b) of West Pakistan Delegation of Financial Powers 1962, Powers common to all Department “Administrative Department/Secretary is empowered to Sanction up to Rs10,000 at a time”

During audit of the office of Secretary, Women Development Department, Government of Sindh Karachi, for the year 2014-15, it was observed that services of lady lawyers were hired through a supplier firm incurring expenditure amounting to Rs1.599 million. Following observations were made:-

1. Expenditure was incurred under the head ‘Others’ wherein the financial power of the Secretary are up to Rs10,000/- (Recurring items).
2. The expenditure was split up to avoid calling tender.
3. Payment was made to M/s Ali Enterprises, a general order supplier, instead of actual payees, the professional lawyers.
4. Detail of cases of women prisoners was not produced.
5. Detail of the cases registered in various police stations was not available on file.
6. Progress of the cases was not available on file.
7. Agreement was not executed with the service provider i.e. M/s Ali Enterprises.
8. Detail of lady lawyer’s Professional Degrees/Qualification/eligibility criteria was not available

This resulted into unjustified expenditure of Rs1.599 million.

The matter was taken up with department in July 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires detailed investigation to fix responsibility on person (s) at fault
(AIR # 08)

CHAPTER – 34

WORKS AND SERVICES DEPARTMENT

34.1 Introduction

Initially, there was one Department namely Public Works Department (PWD) which consisted of Irrigation Department, Building Department, Roads Department and Public Health Engineering Department. Before mid-sixties, Buildings and Roads Department (B&R) was one Department. Later on it was bifurcated in two Departments; each one was headed by Chief Engineer under Secretary, C&W Department. After devolution in 2001, Communication & Works Department was renamed as Works & Services Department. The Education Engineering Works, previously functioning under Education Department was transferred to Works & Services Department.

Before devolution, Communication & Works Department was responsible for execution and maintenance of Roads and Buildings Projects in the entire province except works which were executed by civic agencies and some other agencies.

After devolution, workload was partly transferred to District Governments. The Education Engineering works after re-structuring were devolved at District level and none of its functions were retained at Provincial level. The Foreign Aided Projects of Education Engineering Works under Project Director (Education Works) were dealt by Education Department at Provincial level.

Works & Services Department, Government of Sindh is responsible for providing services in the form of road network and building facilities for various departments of Government of Sindh. Its main activities are planning, designing, construction and maintenance of Roads/Highways and Buildings. The W & S Department offices are spread over the length and breadth of the province. Since devolution in 2001, the functions of W&SD were divided between Provincial and District Governments to facilitate the end users. The road network was devolved to the District Government but, some important inter-district roads were retained by the Works & Services Department.

The following functions are undertaken by the department:

- a) Implementation of Annual Development Program (ADP) in terms of construction, and improvement, of new and existing facilities. It also includes all domestic and Foreign Aided Projects.
- b) Implementation of the Annual Maintenance & Repair Programme.

- c) Preparation of feasibility reports of roads / projects.
- d) Designing of roads and buildings and preparing detailed estimates.
- e) Preparation of Architectural Design & Drawing of Residential and Non-Residential Buildings.
- f) Quality Assurance of projects.
- g) Training of officers and staff in technical/other relevant fields.
- h) Providing technical/execution assistance to other departments and agencies.

Presently, W&SD is providing technical assistance for construction of roads, etc., to Mines and Minerals Department and Sindh Coastal Development Authority. Moreover, the W&SD also constructs buildings for other departments.

Departments attached/subordinate to the W & S Department are;

- a) Highways Department
- b) Building Department

34.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 188 formations (DDOs), out of which 41 formations were selected and audited during the Audit Year 2015-16. The accounts for the Financial Year 2014-15 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Re-appro: (+) (-)	Revised Budget 2014-15	Departmental Expenditure	Variation (Excess)/ Savings
17,853.591	574.669	(5682.136)	12,746.124	15,943.137	(3,197.013)

The department was unable to control the expenditure as per allocated budget. As a result, excess expenditure of Rs3,197.013 million was observed.

(Rupees in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
596.000	596.000	231.000	365.000

The department was unable to collect the estimated receipts in time, as a result, shortfall amounting to Rs365.000 million was observed.

34.3 Brief comments on the compliance of PAC directives

Audit Report for the year 2009-10 was discussed in the meetings of Public Accounts Committee (PAC) held during the year 2014-15. The Paras in respect of Works & Services Department were discussed by the PAC on 06-01-2015, 30-04-2015 and 09-06-2015. The position of compliance of PAC directives by the respective PAO is as under:

Audit Report 2009-10 No. of Paras Discussed	No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
21	10	5	5	50

34.4 AUDIT PARAS

34.4.1 Non-production of record - Rs254.713 million

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

2) The officer 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 the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules”.

During audit of various offices of the Works & Services Department, Government of Sindh for the years 2013-14 & 2014-15 the auditable record of Rs254.713 million was not produced to audit. (**Annex-1**)

The matter was reported to the department during August 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires immediate production of record besides fixing responsibility on person(s) at fault.

34.4.2 Irregular payment on reduced rates - Rs258.637 million

Clause-8 on Reduced Rates of the standard bidding document for the works, provides that, in cases where the items of work are not accepted as so completed, the Engineer-in-charge may make payment on account of such items at such reduced rates as he may consider reasonable in the preparation of final or on running account bills with reasons recorded in writing.

During audit of the various offices of the Works & Services Department, Government of Sindh for the years 2013-14 & 2014-15 it was observed that the payment for various item of work cumulatively amounting to Rs258.637 million was allowed on reduced rates to the contractor without recording any reason. Further the

reduced rates were not got sanctioned by the competent authority. In the absence of justification, audit was of the view that either the work executed was below specifications or defective. **(Annex-2)**

The irregularity was pointed out to the department during September 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

34.4.3 Irregular execution of work over & above the estimated cost – Rs96.512million

As per Para-532 of Public Works Department Manual, “A revised estimate containing the facts and causes of revision must be submitted when sanctioned estimate is likely to exceed by more than 5% either rising from the rate being found insufficient or from other cause whatsoever.”

During audit of the various offices of the Works & Services Department, Government of Sindh for the years 2013-14 & 2014-15, it was observed that excess expenditure of Rs96.512million was incurred over & above the estimated cost, without approval of revised estimates. **(Annex-3)**

The office at S.# 4 of above table replied that estimate had been got revised from competent authority, i.e., Chief Engineer, Buildings Department Government of Sindh but copy of the revised estimate along with administrative approval was not produced as an evidence. Remaining offices did not reply.

Despite efforts, no DAC meeting was convened by the PAO.

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

34.4.4 Non-adjustment of advances – Rs80.142 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 the following offices of the Works & Services Department, Government of Sindh for the year 2013-14, it was observed that cumulative advance payment of Rs80.142 million was made to various contractors/organizations for various works in different offices without obtaining their subsequent adjustment accounts.

(Rupees in million)					
S.#	Name of Office	AIR Para #	Particulars	Year	Amount
1	XEN Buidings Division, Ghotiki	1	Advance Paid to SEPCO for Installation of Transformer, no adjustment account.	2013-14	63.047
2	XEN Electrical Energy Division-I, Karachi	3	Advance Payment to KESC for new Connection /increase in load. No progress provided	2013-14	6.706
3	XEN Highways Division, Shikarpur	6	Advance Payment of Electricity charges to SEPCO, no adjusted account.	2013-14	6.348
4	XEN Buildings Division, Kandhkot	6	Advance Payment to SEPCO For electrification of Villages. No adjustment provided	2013-14	2.448
5	XEN Buidings Division, Jamshoro	12	Secured Advance for Seven Works. No recovery shown	2013-14	1.593
	Total				80.142

The irregularity was pointed out to the department in September 2014 to February 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

34.4.5 Unauthorized expenditure on non-schedule items – Rs49.727 million

According to Sr # 4 of the Schedule of Rates (Composite) for finished items of works, 2004, the non-scheduled items costing upto Rs1000 should be got sanctioned by the concerned Superintending Engineer and the items exceeding Rs1000 must be got approved and sanctioned by the Chief Engineer. Para 128 of CPWA Code provides that the escalation will not be allowed without preparation of rate analysis and got approved by the government.

During audit of the following offices of the Works & Services Department, Government of Sindh for the years 2013-14 & 2014-15 it was observed that a cumulative expenditure of Rs49.727 million was incurred on non-scheduled items for various works without approval from competent authority. The rates of these items were required to be obtained from market and to be analyzed after adding contractor's profit. However, the record produced to audit did not indicate the exercise of due care in respect of expenditure so incurred.

(Rupees in million)

S.#	Name of Office	AIR Para #	Particulars	Year	Amount
1	XEN, Provincial Buildings Division-I Karachi	3	Construction of Drug Testing Laboratory Karachi and Officers Club at Bath Island Karachi	2014-15	34.086
2	XEN, Buildings Division-I, Karachi	3	P/L Granite Tlie on floo, SMBB 200 Beded Hospital Metroville SITE Karachi	2014-15	6.604
3	XEN, Provincial Buildings Division, Larkana	6	Six Repair/ maintenance works	2014-15	5.448
4	XEN, Provincial Buildings Division, Hyderabad	9	Five Various Works	2014-15	0.766
5	XEN Electrical Engineer –II, Karachi	4	Other	2013-14	2.823
Total					49.727

The irregularity was pointed out to the department during November 2014 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires fixing responsibility on the person at fault besides taking remedial measures.

34.4.6 Irregular payment of Secured Advance – Rs15.769 million

As per standard Form of Bidding Documents issued by SPPRA, the contractor shall be entitled to receive Secured Advance from the procuring agency against an Indenture Bond in P.W. Account Form 31 (Fin R. Form No.2) in respect of non-perishable materials brought at site but not yet incorporated in the permanent works and sum payable for such materials on site shall not exceed 75% of the landed cost of imported materials, of ex-factory / ex-warehouse price of locally manufactured or produced materials, or market price of standard materials. Detail account of advance must be kept in part-II of running account bill. The Secured Advance may be permitted only against materials / quantities anticipated to be consumed / utilized on the work within a period of 3 months from the date of issue of secured advance.

During audit of the following offices of the Works & Services Department, Government of Sindh for the years 2013-14 & 2014-15 it was observed that a cumulative amount of Rs15.769 million was paid to the various contractors as secured advance being the cost of material, but neither Indenture Bond in P.W. Account Form No.31 nor detailed report of consumption account of materials along with recovery of advance was produced to audit.

(Rupees in million)					
S. #	Name of Office	Name of work	AIR Para #	Year	Amount
1	XEN Building Division-I, Karachi	Estab. of various blocks in Cat-III flats, Orangi.	3	2013-14	7.950
2	XEN Building Division-III, Karachi	Up gradation of Maternity Home in Patel Para	2	2013-14	2.925

(Rupees in million)					
S. #	Name of Office	Name of work	AIR Para #	Year	Amount
3	XEN Building Division-I, Mirpurkhas	Four works, four contractors.	3	2013-14	2.374
4	XEN, Provincial Buildings Division, Thatta	Cost of Material	4	2014-15	1.800
5	XEN, Provincial Buildings Division, Hyderabad	Steel	10	2014-15	0.720
Total					15.769

The irregularity was pointed out to the department during September 2014 to September 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

34.4.7 Unjustified Payment without utilization report - Rs3.032 million

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

During audit of the following offices of Works & Services Department, Government of Sindh for the year 2014-15, it was observed that an amount of Rs3.032 million was paid to Deputy Director Monitoring & Evaluation Planning & Department on account of third party monitoring charges without obtaining utilisation report and supporting documents.

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
01	XEN, Buildings Division-I, Karachi	04	2014-15	2.010
02	XEN, Provincial Buildings Division-I, Karachi	10	2014-15	1.022
Total				3.032

The irregularity was pointed out to the management in September 2015 but no reply was received.

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

34.4.8 Payment of house rent allowance despite house hiring facility – Rs1.999 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 the office of the Secretary, Works & Services Department, Government of Sindh for the years 2013-14 & 2014-15 it was observed that total 67 personnel of BPS-19 to 1 in the office Works and Services were being paid House Rent Allowance (HRA) at prescribed pay scale rate despite availing of House Hiring facility, which is irregular. When house hiring is allowed, no HRA is admissible in pay and allowances on monthly basis. Their pay should so be fixed.

Grade	House Rent Allowance	No. of Personnel	Total HRA Paid Rs
	Rate in 12 months	X No.	=
BPS-19	8856 x12	1	106,272
BPS-18	5809 x12	1	69,708
BPS-17	4432 x12	14	744,576
BPS-16	2727 x12	4	130,896
BPS-15	2349 x12	3	84,564
BPS-14	2214 x12	8	212,544
BPS-09	1709 x12	7	143,556
BPS-07	1588 x12	11	209,616
BPS-05	1503 x12	1	18,036
BPS-04	1458 x12	2	34,992
BPS-03	1413 x12	2	33,912
BPS-02	1366 x12	5	81,960
BPS-01	1336 x12	8	128,256
Total			1,998,888

Total payment of house rent allowance amounting to Rs1.999 million was made to the officials. The double financial benefit allowed was a loss to the Government.

The irregularity was pointed out to the department in July 2014, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires recovery of HRA, besides fixing responsibility upon the person(s) at fault.

34.4.9 Irregular Purchase of vehicle during ban period - Rs1.034 million

Notification of Finance Department, Govt. of Sindh Karachi vide No. FD/B&E-I/2(360)/BAN/2012-13 dated 17-05-2013 and letter No. CTC(SGA&CD)13(27)09 dated 29-03-2013 of Services General Administration and Coordination Department, Government of Sindh Karachi provide as under:

- (a) There shall be a complete ban on procurement of vehicles of all categories and luxury items like air conditioners etc.
- (b) The above ban shall only be relaxed by orders of the Chief Minister.

During audit of office of the Secretary, Works & Services Department, Karachi for the year 2014-15, it was observed that an expenditure of Rs1.034 million was incurred for purchase of a vehicle (Suzuki Cultus) from regular budget during ban period without approval of Chief Minister.

The irregularity was pointed out to the department in August 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

Audit requires regularization of procurement by the Chief Minister, besides fixing responsibility on the person(s) at fault.

(AIR#04)

34.4.10 Non-deposit of receipts into government account – Rs245.599 million

According to Rule 26 of General Financial Rules, provides that, 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 audit of the various offices of the Works & Services Department, Government of Sindh, for the years 2013-14 and 2014-15 (**Annex-4**), it was observed that the management deducted various taxes (income tax, professional tax, stamp duty, tender fee, and recovery from contractors) from the bills of the contractors amounting to Rs245.599 million, but the same were not deposited into the government account.

The irregularity was pointed out to the management during July 2014 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

34.4.11 Non recovery of stamp duty – Rs17.941 million

As per Para 22-A of Stamps Act, 1899 “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.30 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 the Works & Services Department, Government of Sindh for the years 2013-14 & 2014-15 it was observed that stamp duty cumulatively amounting to Rs17.941 million was not recovered from the contractors (**Annex-5**).

The irregularity was pointed out to the department during November 2014 to October 2015, but no reply was received. Despite efforts, no DAC meeting was convened by the PAO.

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

ANNEXES

MEMORANDUM FOR DAC (MfDAC)

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
1	AGRICULTURE, SUPPLY & PRICES DEPARTMENT		
1	Un-authorized drawl of salaries in excess of sanctioned strength	0.969	Violation of rules
2	Irregular Expenditure on account of Conference & Seminar	0.908	Violation of rules
3	Excess payment of honorarium	0.901	Violation of rules
4	Unauthorised expenditure on TA/DA	0.800	Violation of rules
5	Non-auction of agricultural products	0.532	Violation of rules
6	Non- Adjustment of advances	0.413	Violation of rules
7	Unjustified TA/DA payment to irrelevant employees	0.260	Violation of rules
8	Payment of arrears without prior approval	0.209	Violation of rules
9	Misclassification of expenditure	0.141	Violation of rules
10	Irregular payment on account of POL	16.914	Violation of rules
11	Non-accountal of stores items	10.289	Violation of rules
12	Non-recording of entries of receipts into cashbook	10.260	Violation of rules
13	Deployment of bulldozers beyond operational jurisdiction	1.680	Violation of rules
14	Excess expenditure on consumption over and above the ceiling of POL	1.025	Violation of rules
15	Purchase of various articles without handing over of office building	7.037	Violation of rules
2	AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT		
1	Irregular drawl by DDO instead of actual payee	0.940	Violation of rules
2	Non-crediting of call deposit into government treasury	0.254	Violation of rules
3	Non-maintenance of cashbook	119.499	Violation of rules
4	Non-accountal of various articles	5.414	Violation of rules
5	Irregular expenditure on account of Gratis Hajj expenses	2.457	Violation of rules
3	BOARD OF REVENUE		
1	Irregular expenditure on hiring of excavators / tractors	0.850	Violation of rules
2	Unauthorized drawl of conveyance allowance despite allocation of official vehicles	0.750	Violation of rules
3	Irregular POL / Repair expenditure on unauthorized vehicles	0.717	Violation of rules
4	Excess payment to contractor on account of earth work	0.551	Violation of rules
5	Manual payment of salaries	0.450	Violation of rules
6	Non-recording of receipts in cashbook	16.226	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
7	Non-accountal of procured articles	10.744	Violation of rules
8	Irregular expenditure on POL	7.462	Violation of rules
9	Non-maintenance of record of procurement and cashbook	3.780	Violation of rules
10	Irregular award of work without technical sanction	2.944	Violation of rules
11	Irregular expenditure on repair of vehicles	1.626	Violation of rules
12	Irregular use of government vehicles by officers of other departments	0	Violation of rules
13	Recovery of less recovered income tax	0.134	Recovery
4	CHIEF MINISTER'S SECRETARIAT		
1	loss due to payment of surcharge on electricity	0.892	Violation of rules
2	Payment without sanction of B-I agreement	76.080	Violation of rules
3	Non maintenance /recording revenue into cash book	36.467	Violation of rules
4	Non-accountal of stores items	13.339	Violation of rules
5	Irregular payment on account of POL	3.584	Violation of rules
6	Unauthorized payment from the head of account 'Scouts'	0.900	Violation of rules
7	Irregular payment of fees on account of flood rain affected areas students	0.825	Violation of rules
8	Irregular expenditure on purchase of books	0.740	Violation of rules
9	Irregular expenditure on account of uniforms	0.410	Violation of rules
10	Short supply of material	0.281	Violation of rules
11	Payment without sanction of B-I agreement	22.434	Violation of rules
12	Non-accountal of stores items	1.401	Violation of rules
13	Irregular expenditure on account of miscellaneous items	0.763	Violation of rules
14	Non-deposit of withheld income and sales tax in government treasury	0.693	Violation of rules
15	Irregular payment of pay and allowances to employees on detailment	0.651	Violation of rules
16	Placement of advertisement from local market instead through information department	0.383	Violation of rules
17	Unauthorized payment to store keeper	0.371	Violation of rules
18	Irregular expenditure on repair of vehicle	0.255	Violation of rules
19	Irregular expenditure on repair of machinery & furniture	0.161	Violation of rules
20	Unauthorized payment without check measurement	14.417	Violation of rules
21	Non-accountal of machinery and I. T equipment	2.652	Violation of rules
22	Irregular purchase of car from non-government funds	1.034	Violation of rules
23	Non-hoisting of Bid Evaluation Report of work on SPPRA's website	274.190	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
5	COOPERATIVE DEPARTMENT		
1	Irregular payment of honorarium	0.290	Violation of rules
2	Irregular splitting up of purchases to avoid tender	0.186	Violation of rules
3	Un-reconciled expenditure on Non-financial institutions	52.477	Violation of rules
6	CULTURE, TOURISM & ANTIQUITIES DEPARTMENT		
1	Irregular purchases from unregistered suppliers	0.992	Violation of rules
2	Irregular deposit of income tax in provincial revenue head of account	0.821	Violation of rules
3	Irregular payment of rent of office building	0.810	Violation of rules
4	Irregular expenditure on repair of transport	0.791	Violation of rules
5	Non-accountal of stores	0.696	Violation of rules
6	Non-imposition of penalty upon contractors	0.664	Violation of rules
7	Unauthorized expenditure on Sindh Jo Melo	0.500	Violation of rules
8	Irregular Expenditure due to arrear payment of pay & allowances through manual bills	0.430	Violation of rules
9	Irregular expenditure under the head Seminar and workshop	0.409	Violation of rules
10	Irregular payment of Honorarium	0.350	Violation of rules
11	Irregular expenditure on musical Program	0.300	Violation of rules
12	Irregular payment of TA/DA out of Grants-in-aid	0.282	Violation of rules
13	Unauthorized expenditure on rent of office building	0.270	Violation of rules
14	Irregular payment without pre audit	0.232	Violation of rules
15	Unauthorized expenditure on financial assistance to TV channels	0.200	Violation of rules
16	Irregular expenditure against vouchers without any date/ period	0.244	Violation of rules
17	Irregular expenditure on pay and allowances of STDC	11.000	Violation of rules
18	Irregular refund of security deposit to contractors	3.653	Violation of rules
19	Loss to Government due to not following snatching of Government Vehicle	3.103	Violation of rules
20	Non-Development of Computer Software	1.000	Violation of rules
21	Non-reconciliation of deposited challans of taxes	3.419	Violation of rules
22	Irregular POL expenditure due to non-maintenance of Log Book	1.331	Violation of rules
7	EDUCATION & LITERACY DEPARTMENT		
1	Unauthorized expenditure without post audit	1,639.941	Violation of rules
2	Non-imposition of penalty for the delayed work	43.128	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
3	Non-execution of contract agreement	31.862	Violation of rules
4	Irregular payment on account of POL	17.199	Violation of rules
5	Doubtful expenditure incurred on quotations instead of original invoices	0.643	Violation of rules
6	Unauthorized payment of salaries on detailment	0.322	Violation of rules
7	Misclassification of expenditure	0.226	Violation of rules
8	Irregular expenditure on conferences / workshops / seminars	0.149	Violation of rules
9	Non-accountal of stores items	63.044	Violation of rules
10	Irregular maintenance of accounts	1,639.941	Violation of rules
11	Wrong calculation of escalation charges	0.192	Violation of rules
12	Irregular utilization of funds without budget estimates	1,639.941	Violation of rules
13	Irregular expenditure on procurement and hiring of services	25.681	Violation of rules
14	Irregular transfer of money from Assignment account instead of direct payment to venders concerned	1,508.162	Violation of rules
15	Irregular expenditure on execution of works	85.945	Violation of rules
16	Irregular appointments of officers / management staff	36.870	Violation of rules
17	Irregular appointments of the project staff	2.412	Violation of rules
18	Irregular drawl of pay and allowances through manual bills	29.924	Violation of rules
19	Non-deduction of income tax	3.143	Recovery
8	ENERGY DEPARTMENT		
1	Less-deduction of Income Tax on difference head of account.	0.216	Recovery
2	Adjustments account not obtained	308.078	Violation of rules
3	Non-hoisting of Bid Evaluation Report on SPPRA's website	109.031	Violation of rules
4	Irregular payment on account of defective operation & maintenance Reverse Osmosis plants	296.346	Violation of rules
5	Un-justified with-holding of contractors' payments	212.453	Violation of rules
6	Excess execution of work over the sanctioned estimate	40.740	Violation of rules
7	Non-awarding of contract in first bidding	38.500	Violation of rules
8	Irregularity payments without obtaining third party monitoring report	23.207	Violation of rules
9	Undue increase in rent of office building	2.336	Violation of rules
10	Irregular detailment of officials	2.105	Violation of rules
11	Irregular expenditure on repair of Transport	1.542	Violation of rules
12	Irregular award of work on NHA Composite Schedule	-	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
	2009 instead of NHA Composite Schedule 2011.		
13	Non-deposit of taxes into government account	4.283	Recovery
14	Wrong reporting by SAP system on account G.P. Fund	19.199	Violation of rules
9	EXCISE & TAXATION DEPARTMENT		
1	Irregular expenditure on account of repairs	0.941	Violation of rules
2	Irregular expenditure on account of rent of building	0.934	Violation of rules
3	Non-reconciliation of cheques	0.508	Violation of rules
4	Irregular payment of Honorarium	0.304	Violation of rules
5	Irregular expenditure on account of repair of vehicles	0.285	Violation of rules
6	Un-authorized drawl of cash by DDO	0.128	Violation of rules
7	Irregular Payment of liabilities from Current Budget	0.126	Violation of rules
8	Improper maintenance of service books	-	Violation of rules
9	Annual physical verification of articles of dead stock register not conducted	-	Violation of rules
10	Irregular adjustment of arrears against target	1,050.870	Violation of rules
10	FINANCE DEPARTMENT		
1	Doubtful payments on account of telephone & trunk calls	0.421	Violation of rules
2	Unjustified payment on medical reimbursement to revenue department	0.140	Violation of rules
3	Incurred expenditure without release by Finance department	0.129	Violation of rules
4	Payment for purchase of vehicle on abstract bill without approval of Finance Department	6.742	Violation of rules
5	Unauthorized clearance of liability without approval of Finance Department	3.361	Violation of rules
6	Non-accountal of purchased items	2.452	Violation of rules
7	Irregular payment without agreement	1.326	Violation of rules
8	Un-authorized drawl of salary without extended period of deputation	1.145	Violation of rules
9	Un-reconciled payment to Income Tax Department	231.109	Violation of rules
10	Non-reconciliation of expenditure & receipt with National Bank	0	Violation of rules
11	Non-issuance of G.P. Fund accounts slip to the subscribers	0	Violation of rules
12	Pre-numbering of vouchers not done	0	Violation of rules
13	Irregular expenditure incurred on ADP schemes	41.592	Violation of rules
14	Irregular purchase of vehicle	5.749	Violation of rules
15	Irregular disbursement of pay and allowances on manual bills instead of through SAP system	220.00	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
11	FOOD DEPARTMENT		
1	Irregular expenditure on various repairs	0.559	Violation of rules
2	Non-observation of physical progress of work	150.212	Violation of rules
3	Unsatisfactory execution of work on the development schemes	0	Violation of rules
4	Non-accountal of various articles	561.108	Violation of rules
5	Non-maintenance of cashbook	33.520	Violation of rules
6	Creation of liability on account of transportation charges	13.275	Violation of rules
7	Non-achievement of wheat procurement targets	35.984	Violation of rules
8	Non-recovery on account of shortage of wheat upon screening	0.395	Recovery
9	Un-authorized continuation of conveyance allowance despite official vehicle facility	0.170	Recovery
10	Unsold stock of wheat for the year	875.992	Violation of rules
11	Irregular Excess quantity procurement of jute/PP bags (bardana) by the department	7.516	Violation of rules
12	Irregular expenditure without executing agreement	5.221	Violation of rules
12	FOREST & WILD LIFE DEPARTMENT		
1	Un-authorised drawl of salaries on detailment	0.868	Violation of rules
2	Misclassification of remittances	0.508	Violation of rules
3	Un-authorized allotment of vehicles to PS / PA to the Minister and expenditure on POL	0.132	Violation of rules
4	Irregular expenditure on POL charges	18.004	Violation of rules
5	Irregular expenditure on account of repair of building	1.107	Violation of rules
6	Unjustified deposit of fund in PLA account	6.315	Violation of rules
13	HEALTH DEPARTMENT		
1	Irregular expenditure on account of TA/DA	0.846	Violation of rules
2	Irregular expenditure incurred on account of repair of Transport/Machinery & Equipment/Furniture and Fixtures	0.737	Violation of rules
3	Irregular manual payment of pay & allowances	0.694	Violation of rules
4	Working of staff more than sanctioned strength	0.429	Violation of rules
5	Un-authorized continuation of salary despite relieving from duty	0.354	Violation of rules
6	Improper maintenance record of Revenue collection	0.162	Violation of rules
7	Non-Disposal of condemned vehicles and obsolete equipment/accessories	-	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
8	Non-accountal of store items	464.564	Violation of rules
9	Irregular expenditure on POL without maintenance of log book/record	15.374	Violation of rules
10	Irregular and risky agreement with NESPAK	8.903	Violation of rules
11	Non-compliance of Government order regarding procurement	3.146	Violation of rules
12	Irregular payment of salaries to vaccinators without fulfilment of codal formalities	1.610	Violation of rules
13	Loss to Government due to non-deduction of 5% House maintenance from the salaries of officers/officials having Government accommodation	0.711	Recovery
14	Less utilization of steel in work as given in estimate	1.109	Violation of rules
15	Delay in execution of work, not penalized	73.041	Weak internal control
16	Non-obtaining of performance security bond from suppliers of machines	22.939	Violation of rules
17	Short deduction and non-recovery of sales tax	2.096	Recovery
14	HOME DEPARTMENT		
1	Non-supply of printed material by Stationery & Printing Department	0.842	Violation of rules
2	Unauthorized expenditure on account of TA/DA	0.636	Violation of rules
3	Irregular expenditure on account of purchase of stationery without quotations	0.550	Violation of rules
4	Irregular expenditure on electricity bill of other offices	0.499	Violation of rules
5	Short recovery of government revenue from Pakistan Post Office	0.488	Recovery
6	Irregular payment on account of payment of late payment surcharge	0.217	Violation of rules
7	Variation in driving license fee an amount	0.206	Violation of rules
8	Excess award of work to the contractor	0.130	Violation of rules
9	Irregular expenditure incurred on account of Purchase of Medicines	0.113	Violation of rules
10	Irregular expenditure due to non-maintenance of vehicles record	414.442	Violation of rules
11	Irregular expenditure without hoisting bid evaluation report on SPPRA website	94.237	Violation of rules
12	Non-accountal of various articles	48.299	Violation of rules
13	Non-reconciliation of income tax challans	12.022	Violation of rules
14	Un-justified expenditure on account of POL	11.632	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
15	Non-realization of stamp duty	0.066	Violation of rules
16	Irregular payment of pre-receipted bill	72.868	Violation of rules
17	Non-maintenance of contractor ledger	30.000	Violation of rules
18	Non-utilization of deposit works amount	26.859	Violation of rules
19	Irregular expenditure of diet charges	4.924	Violation of rules
20	Irregular fabrication of mild steel without purchasing binding wire	2.137	Violation of rules
21	Irregular drawl of pay due to unjustified appointment	52.692	Violation of rules
22	Irregular expenditure on uniform & liveries	2.648	Violation of rules
23	Irregular payment of pay & allowances through manual bills instead of through SAP	1.938	Violation of rules
15	INDUSTRIES & COMMERCE DEPARTMENT		
1	Irregular expenditure on excess working strength	0.953	Violation of rules
2	Manual payment of salaries	0.174	Violation of rules
16	INFORMATION & ARCHIVES DEPARTMENT		
1	Non-accountal of printing and publication articles	0.190	Violation of rules
2	Irregular payment without supporting vouchers	0.100	Violation of rules
3	Irregular expenditure on laboratory articles without demand	40.040	Violation of rules
4	Mis-procurement on account of non-transparent procurement process		Violation of rules
17	INFORMATION SCINECE & TECHNOLOGY DEPARTMENT		
1	Irregular use of cost center for fund release of other department	14.510	Violation of rules
2	Procurement of software without detail	17.323	Violation of rules
18	IRRIGATION DEPARTMENT		
1	Non reconciliation of expenditure	557.389	Violation of rules
2	Non-reconciliation of government revenue	44.476	Violation of rules
3	Non-maintenance of consumption account	11.958	Violation of rules
4	Unauthorised execution of works without approval of higher authority	5.910	Violation of rules
5	Expenditure on bitumen without supporting invoices	0.916	Violation of rules
6	Non-adjustment of stock account	0.679	Violation of rules
7	Irregular expenditure without provision in PC-I	0.600	Violation of rules
8	Less-deduction of income tax	2.715	Violation of rules
9	Irregular payment without exercising check measurement	54.100	Violation of rules
10	Irregular award of electric work without obtaining Licenses	4.240	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
11	Irregular expenditure on POL	1.866	Violation of rules
12	Non-maintenance of register of liabilities	3,466.926	Violation of rules
13	Irregular award of tender to the contractor without License of PEC	398.263	Violation of rules
14	Unjustified purchase of Machinery & Equipment at the end of project completion	121.891	Violation of rules
15	Irregular payment to contractors without Compaction Test Report	22.483	Violation of rules
16	Non-recovery of miscellaneous other items	0.899	Recovery
17	Irregular continuation of Conveyance Allowance despite facility of official vehicle	0.810	Recovery
18	Payment without maintaining Work Register	572.356	Violation of rules
19	Irregular payment on account of extra lead allowed to contractor	201.489	Violation of rules
20	Non-achievement of revenue targets	181.533	Weak internal control
21	Abandonment of works	115.504	Weak internal control
22	Irregular work done through private contractors instead of Mechanical Division	32.641	Violation of rules
23	Delay in project implementation	13.303	Weak internal control
19	LABOUR & HUMAN RESOURCES DEPARTMENT		
1	Irregular cash withdrawal from bank by open cheques	0.378	Violation of rules
2	Non-accountal of articles	7.401	Violation of rules
20	LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT		
1	Irregular procurement of furniture to utilize budget at year end	0.400	Violation of rules
2	Un-authorized retention of funds into DDO account	0.399	Violation of rules
3	Un-authorized payment of utility allowance	0.084	Violation of rules
4	Non-recovery of Professional Tax	0.230	Recovery
5	Non accountal of procured items	43.922	Violation of rules
6	Irregular expenditure of vehicles without approval of Finance Department	6.712	Violation of rules
7	Manual payment of pay and allowances instead of through SAP system	10.797	Violation of rules
21	LIVESTOCK AND FISHERIES DEPARTMENT		
1	Irregular expenditure on various repairs	0.687	Violation of rules
2	Irregular expenditure by splitting up purchase to avoid tender	0.634	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
3	Unjustified retention of government money	0.553	Violation of rules
4	Manual payment of salaries	0.469	Violation of rules
5	Non maintenance of cash book	0.406	Violation of rules
6	Expenditure without inviting tender	0.343	Violation of rules
7	Irregular expenditure on account of TA/DA	0.259	Violation of rules
8	Excess expenditure on consumption above the ceiling of POL	0.146	Violation of rules
9	Non verification of service books	0	Violation of rules
10	Non-hoisting of bid evaluation report on SPPRA website	122.783	Violation of rules
11	Non-accountal of procured items	15.076	Violation of rules
12	Unauthorized expenditure on account of POL	2.361	Violation of rules
13	Preparation of defective comparative statement	0	Violation of rules
14	Loss due to low production of milk	2.765	Violation of rules
15	Irregular excess working strength of officials	-	Violation of rules
22	LOCAL GOVERNMENT, RURAL GOVERNMENT, PHE, HTP		
1	Un-justified withheld payment against works	26.319	Violation of rules
2	Non-accountal of procured articles	21.730	Violation of rules
3	Non-deposit of call deposit into Bank	8.618	Violation of rules
4	Irregular payment without sanction of agreement	161.940	Violation of rules
5	Irregular payment of escalation charges in works	42.027	Violation of rules
23	MINES AND MINERALS DEPARTMENT		
1	Irregular payment of pay & allowances over sanctioned strength	0.735	Violation of rules
2	Irregular incurrence of expenditure by an officer not on role of office	0	Violation of rules
3	Doubtful payments from DDO account	0.631	Violation of rules
4	Irregular expenditure on financial assistance	1.000	Violation of rules
24	MINORITIES AFFAIRS DEPARTMENT		
1	Un-authorised working of employee without sanctioned strength	0.858	Violation of rules
2	Expenditure through manual pay bills	0.840	Violation of rules
3	Irregular process in tender	232.627	Violation of rules
4	Non-imposition of penalty on contractors due to non-completion of works	1.080	Violation of rules
25	ORGANS OF STATE		
1	Irregular payment of work without agreement with contractor	132.597	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
2	Irregular expenditure on account of POL	12.814	Violation of rules
3	Irregular payment without sanction of B-I agreement	8.595	Violation of rules
4	Irregular expenditure on account of POL	4.332	Violation of rules
5	Irregular payment without check measurement by XEN	4.000	Violation of rules
6	Irregular expenditure by splitting up to avoid tender	0.844	Violation of rules
7	Irregular expenditure without quotations	0.522	Violation of rules
8	Unjustified payment on account of surcharge on late payment	0.440	Violation of rules
9	Irregular payment under the head of account financial assistance	0.300	Violation of rules
10	Irregular expenditure without inviting tender	0.225	Violation of rules
11	Irregular expenditure by splitting up to avoid calling tender	0.172	Violation of rules
12	Unauthorized possession of government vehicle by Ex-Ombudsman	-	Violation of rules
13	Irregular appointment of officials without codal requirements	-	Violation of rules
14	Irregular appointment of officials without codal requirements	-	Violation of rules
15	Unjustified payment on account of house rent allowance to MPAs	25.536	Violation of rules
16	Non-accountal of stores items	4.207	Violation of rules
17	Non-accountal of stores items	3.686	Violation of rules
18	Variation of figures in Cash book & Bank Statement	2.050	Violation of rules
19	Irregular payment of special pay to various officials	0.325	Violation of rules
20	Irregular payment to Commonwealth Parliamentary Association	20.000	Violation of rules
21	Irregular expenditure without supporting vouchers	14.891	Violation of rules
22	Non-adjustment of advance payment for gas connection	9.948	Violation of rules
23	Unauthorized payment on additional items without sanction	4.274	Violation of rules
24	Irregular payment of honorarium	3.385	Violation of rules
25	Irregular expenditure on various purchases	2.245	Violation of rules
26	Non-adjustment of advance payment	0.795	Violation of rules
27	Irregular expenditure by splitting up purchases to avoid calling tender	1.249	Violation of rules
26	PLANNING & DEVELOPMENT DEPARTMENT		
1	Misclassification of expenditure	0.553	Violation of rules
2	Excess expenditure on procurement against budget	0.294	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
	allocation		
3	Non maintenance of cash book	-	Violation of rules
4	Unauthorized expenditure on account of POL	5.570	Violation of rules
5	Non-accountal of various articles	2.209	Violation of rules
6	Irregular expenditure on excess working strength	3.326	Violation of rules
7	Irregular purchase of vehicles during ban period	1.769	Violation of rules
8	Unauthorized use of more than one Government vehicle	-	Violation of rules
27	POPULATION WELFARE DEPARTMENT		
1	Irregular expenditure without executing agreement	5.877	Violation of rules
2	Acceptance of medicines in absence of drug testing laboratory report	0.538	Violation of rules
3	In-admissible payment of conveyance charges	0.492	Violation of rules
4	Non-accountal of purchase d machinery	0.309	Violation of rules
5	Irregular payment on a/c of TA/DA	0.241	Violation of rules
6	Un-authorized advance payment on a/c of utility charges	0.210	Violation of rules
7	Irregular payment on a/c of institutional re-imbursement	0.158	Violation of rules
8	Irregular expenditure on purchased of uniform& liveries	0.300	Violation of rules
9	Non-accountal of stores articles	7.760	Violation of rules
10	Irregular Expenditure on POL	2.834	Violation of rules
11	Irregular expenditure on medicines due to non-maintenance of consumption account	1.103	Violation of rules
12	Non- deposit of Security Deposit	3.274	Violation of rules
13	Irregular Expenditure on account of Domestic Training	6.747	Violation of rules
14	Irregular payment of honorarium	4.426	Violation of rules
15	Irregular expenditure on conferences & seminars	3.102	Violation of rules
16	Irregular payment of salary over and above sanctioned strength	1.707	Violation of rules
17	Non-production of challans of deposit of sale proceeds	0.711	Violation of rules
18	Unauthorized expenditure without renewal of contract	36.661	Violation of rules
28	REHABILITATION DEPARTMENT		
1	Irregular payment on account of Professional / Consultation fee	5.000	Violation of rules
2	Doubtful expenditure on account of uniform & liveries	0.098	Violation of rules
3	Excess expenditure over and above the ceiling of POL	0.249	Violation of rules
4	Non-accountal of stores items	0.322	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
5	Irregular expenditure on account of POL	1.088	Violation of rules
6	Irregular expenditure by splitting up purchases to avoid tender	0.396	Violation of rules
29	SGA&CD DEPARTMENT		
1	Award of contract without proper composition of procurement committee	0.813	Violation of rules
2	Non-receipt of stationery & printing articles	0.400	Violation of rules
3	Non-deduction of income tax	0.146	Violation of rules
4	Non-deduction of 5% service & maintenance charges	0.223	Recovery
5	Irregular payment to Sindh Civil Servants Housing Foundation	1.320	Violation of rules
30	SOCIAL WELFARE DEPARTMENT		
1	Irregular expenditure on account of P.O.L	0.337	Violation of rules
2	Non-accountal of various articles	0.341	Violation of rules
3	Non-deduction of taxes	0.016	Recovery
31	SPECIAL EDUCATION		
1	Irregular expenditure on POL	0.421	Violation of rules
2	Un-justified expenditure on account of conduct of conference / Seminar through splitting	0.406	Violation of rules
3	Non-supply of Stationery items and printing materials from Sindh Govt. Press	0.148	Violation of rules
32	SPORTS & YOUTH AFFAIRS DEPARTMENT		
1	Non-reconciliation of cashbook and bank statement	0.968	Violation of rules
2	Misclassification of expenditure	0.195	Violation of rules
33	TRANSPORT & MASS TRANSIT DEPARTMENT		
1	Non deposit of earnest money into government treasury	0.230	Violation of rules
2	Non-accountal of stores items	0.230	Violation of rules
3	Unauthorized expenditure of POL on other offices vehicles	0.166	Violation of rules
34	WOMEN DEVELOPMENT		
1	Irregular releases without appointment of staff	0.565	Violation of rules
2	Irregular expenditure to avoid lapse of budget	0.545	Violation of rules
3	Recovery of house rent allowance paid to officers availing self-hiring facility	0.538	Recovery
4	Un-due favour to ex-secretary by way of non-recovery of repair & maintenance charges	0.200	Violation of rules
5	Irregular out of cadre posting on higher post	1.155	Violation of rules
6	Non-accountal of various items/articles	8.785	Violation of rules

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
7	Irregular expenditure on Conferences/Seminars, Exhibitions and Workshops	3.674	Violation of rules
8	Irregular expenditure on contingent paid staff	1.286	Violation of rules
35	WORKS & SERVICES DEPARTMENT		
1	Irregular refund of security deposit	0.173	Violation of rules
2	Non-accountal of purchased articles	4.300	Violation of rules
3	Non-recovery of Professional Tax	0.176	Recovery
4	Non-imposition of penalty for the delayed execution of work	210.022	Violation of rules

ANNEXES FOR CHAPTERS

Chapter-1 Public Financial Management Issues

Annex-1

1.1.11 Expenditure in excess of budget allocation – Rs8.164 billion

(Amount in Rupees)

Functional-Cum-Object Classification		Final Grant	Expenditure 2014-2015	(+) Excess
KA5862	lump sum provision for expenditure on account of internal securities duties in province			
A03-	Operating Expenses		172,319,573	(172,319,573)
011210-	Pension Civil			
KA9999-	Superannuation & Pension			
A04-	Employees Retirement Benefits			
A04101-	Pension (Civil)	28,750,448,918	32,527,998,502	(3,777,549,584)
A04104-	Other Pension (e.g. Family Pension)	-	161,024,078	(161,024,078)
A04117-	Medical Allowance to Government Servants	2,268,656,436	2,290,078,658	(21,422,222)
KA4059	Inspector General of Police Sindh			
A06-	Transfers	99,956,600	152,756,980	(52,800,380)
KA4049	Pakistan Rangers			
A09-	Physical Assets	1,400,000	102,682,000	(101,282,000)
A13-	Repairs & Maintenance	34,900,000	35,044,440	(144,440)
KA4514	Welfare Branch Sindh			
A06-	Transfers	406,224,600	498,150,000	(91,925,400)
HD5005	Highways Roads & Bridges			
A136	Total Roads Highways & Bridges	260,981,500	261,395,744	(414,244)
HD5591	Highways Roads & Bridges			
A136	Total Roads Highways & Bridges	16,673,500	16,943,040	(269,540)
DU4010	Highways Roads & Bridges			
A136	Total Roads Highways & Bridges	100,872,450	101,379,950	(507,500)
MS4012	Highways Roads & Bridges			
A131	Total Machinery & Equipments	107,600	76,956,251	(76,848,651)
KA4528	Provincial Building Division-III, Karachi(Charged)			
A03-	Operating Expenses			
A033-	Utilities	14,898,946	15,872,801	(973,855)
HD4959	Provincial Building Division			
A133-	Buildings & Structures	7,000,000	7,275,000	(275,000)
KA4532	Resident Engineer/Special Project Sindh House			
A133-	Buildings & Structures	24,285,050	30,872,469	(6,587,419)
NH4036	Provincial Building Division			
A131-	Machinery Equipment	14,000	61,838,114	(61,824,114)

(Amount in Rupees)

Functional-Cum-Object Classification		Final Grant	Expenditure 2014-2015	(+) Excess
LA4024	Provincial Building Division			
A131-	Machinery Equipment	13,000	69,091,907	(69,078,907)
MS4037	Provincial Building Division			
A131-	Machinery Equipment	33,000	22,942,406	(22,909,406)
0426-	Food			
KA4729-	Food Department Government of Sindh			
A05-	Grants Subsidies & Write Off Loans	5,101,199,232	6,122,982,000	(1,021,782,768)
HD5597	District Food Controller			
A03-	Operating Expenses	5,163,400	19,886,704	(14,723,304)
JD4204	District Food Controller			
A09-	Physical Assets	1,139,128,000	1,705,918,250	(566,790,250)
KP5007	District Food Controller			
A03-	Operating Expenses	24,301,900	25,808,759	(1,506,859)
LA5029	District Food Controller			
A09-	Physical Assets	1,499,814,000	1,526,353,350	(26,539,350)
MS5009	District Food Controller			
A03-	Operating Expenses	41,169,800	43,663,810	(2,494,010)
NF5009	District Food Controller			
A09-	Physical Assets	2,876,250,000	2,989,096,500	(112,846,500)
SK5007	District Food Controller			
A09-	Physical Assets	1,761,576,000	1,898,325,000	(136,749,000)
SP5006	District Food Controller			
A09-	Physical Assets	291,972,000	480,831,000	(188,859,000)
SR5006	District Food Controller			
A09-	Physical Assets	3,851,250,000	3,863,427,750	(12,177,750)
TA5006	District Food Controller			
A09-	Physical Assets	95,428,000	158,600,000	(63,172,000)
015202-	Population Planning Administration			
	Population Welfare			
	Population Welfare Program (2010-15)	1,006,500,000	1,558,708,617	(552,208,617)
	Other Hospitals			
	Construction of Mother & Child Health Center at UC Karimbux at village Bhadurpur Taluka Thul District Jacobabad	12,153,000	50,902,973	(38,749,973)
	Preventive Programme			
	Prevention and Control in Hapatitis in Sindh.	1,000,000,000	1,804,083,599	(804,083,599)
	Culture			
	Protection- Preservation and Promotion of Protected Archaeological Sites and Monuments in Sindh	2,910,000	3,801,338	(891,338)
	Protection- Preservation Promotion and Development of World Heritage	1,500,000	2,203,402	(703,402)

(Amount in Rupees)

Functional-Cum-Object Classification		Final Grant	Expenditure 2014-2015	(+) Excess
	Site of Mohenjo Daro.			
	Documentation of Monuments and Archaeological Sites in Lower Sindh Districts (PC-II)	1,551,850	2,452,470	(900,620)
	Conservation of Heritage Buildings of Press Clubs of Karachi- Thatto and other Press Clubs in historical buildings	1,450,000	2,137,980	(687,980)
	Sindh Board Of Investment			
	Marketing of Sindh for attracting investment	2,195,000	13,831,396	(11,636,396)
096101-	Secretariat/Policy/Curriculum			
	Higher Education	756,074,000	765,007,489	(8,933,489)
	Roads			
	Providing & Fixing Search / Street Lights and Generator for Shaheed Benazir Bhutto Cricket Ground Dadu. (To be funded out of 10% Royalty share)	12,025,760	16,958,936	(4,933,176)
	SGA & C Department			
	Buildings (SGA & C Department)			
	Construction of Sindh Secretariat No.8, Karachi	46,317,200	55,000,000	(8,682,800)
	Special Initiative Department			
	Special Initiative			
	Establishment of Drinking Water Hubs (Phase-III) for Units	4,020,000,000	4,040,000,000	(20,000,000)
Total				(8,164,022,633)

Chapter-3 Auqaf, Religious Affairs & Zakat & Ushr Department

Annex-1

3.4.4 Irregular development expenditure without calling tender in violation SPPRA 2010 - Rs2.114 million

(Amount in Rupees)					
Sr. #	Chq #	Date	Supplier Name/Payee	Head	Amount
1	4701179	18-07-2013	Manager, Auqaf Mirpurkhas	Development	70,000
2	4701190	29-07-2013	Manzoor Ahmed	Development	54,500
3	4700424	05-08-2013	Manager, Auqaf T.M.Khan	Development	15,000
4	4700457	02-09-2013	Manager, Auqaf Hyderabad-II	Development	20,000
5	4700461	02-09-2013	Manager, Auqaf Bhitshah	Development	35,900
6	4700495	05-09-2013	Manager, NBP Shahbaz Hyd	Development	300,000
7	4700498	05-09-2013	Manager, Auqaf Bhitshah	Development	12,000
8	4701017	10-09-2013	M/s Warry ul Shah, Contractor	Development	90,000
9	4701094	02-10-2013	Manager, Auqaf Bhitshah	Development	21,200
10	4707288	19-11-2013	M/s M. Shafi, Contractor	Development	935,971
11	4707146	04-12-2013	M/s Shafi Muhammad, Contractor	Development	93,586
12	4707310	24-01-2014	Manager, Auqaf Hyderabad-I	Development	20,000
13	4707325	06-02-2014	M/s Shafi Muhammad, Contractor	Development	93,547
14	4707353	10-02-2014	M/s Shafi Muhammad, Contractor	Development	93,373
15	4714469	18-03-2014	Manager, Auqaf Larkana	Development	20,000
16	4714367	19-05-2014	Manager, Auqaf Thatta	Development	70,000
17	4714375	28-05-2014	Manager, Auqaf Shah Aqeeq	Development	25,000
18	4714535	16-06-2014	Manager, Auqaf Daraza	Development	97,000
19	4714548	20-06-2014	M/s M. Shafi, Contractor	Development	46,750
Total					2,113,827

Chapter-4 Board of Revenue

Annex-1

4.4.1 Doubtful expenditure on suspicious cash memos – Rs8.477million

(Amount in Rupees)			
Sr. #	Particulars	Cheque #	Amount
1	Paid to: Bismillah Bakers Badin – Purchased Cold drinks, Mineral water, Tea, etc.	18072648 dt. 30-10-14	95,710
			95,450
			89,480
		1872852 dt. 14-11-14	75,000
2	Badin Bar B Q – 350 lunch boxes		87,500
3	Badin Bar B Q – 100 lunch boxes		25,000
4	Bismillah Bakers Badin – Purchased Cold drinks, Mineral water, Tea, etc		50,000
5	Badin Bar B Q – 200 lunch boxes		50,000
6	Badin Bar B Q – 300 lunch boxes		75,000
7	Badin Bar B Q – Purchased Cold drinks, Mineral water, Tea, etc		56,950
8	Bismillah Bakers Badin – Purchased Cold drinks, Mineral water, Tea, etc	1806676 dt. 19-8-14	90,380
9	Badin Bar B Q – 375 Tiffin packs		75,000
10	Bismillah Bakers Badin – Purchased Cold drinks, Mineral water, Tea, etc	1874201 dt. 29-01-15	50,000
			37,980
11	Badin Bar B Q – 200 lunch box		50,000
12	Badin Bar B Q – 600 lunch box	1958649 dt. 21-05-15	120,000
13	Badin Bar B Q – 150 lunch box		37,500
14	Bismillah Bakers Badin – Purchased Cold drinks, Mineral water, Tea, etc		32,900
15	Badin Bar B Q – 270 lunch box	1559436 dt. 16-6-15	67,450
16	Bismillah Bakers Badin – Purchased 80kg biscuits, cold drinks, etc	1958812 dt. 27-05-15	112,000
17	A-saadat Decoration – Purchase biryani 20 daigs	1958814 dt. 27-05-15	90,000
18	Badin Bar BQ – 385 Lunch Boxes		96,250
19	BB Bakers – Mineral water, tea articles, etc		66,250
20	Badin Bar BQ – 342 Lunch Boxes		85,500
21	Badin Bar BQ – 360 Lunch Boxes		90,000
22	BB Bakers – Mineral water, tea articles, etc		76,000
23	BB Bakers – Mineral water, tea articles, etc		76,800
24	Badin Bar BQ – 167 Lunch Boxes		41,750
25	Badin Bar BQ – 370 Lunch Boxes		92,500
26	Badin Bar BQ – 384 Lunch Boxes		96,000

(Amount in Rupees)

Sr. #	Particulars	Cheque #	Amount
27	Badin Bar BQ – 350 Lunch Boxes		87,500
28	A-saadat Decoration – Purchased biryani	1958813 dt. 27-05-15	90,000
29	Hyderabad Autos – Engine repair of GS-4337	1872852 dt.14-11-14	50,000
	Decent Tyre – 4 Dunlop tyres purchased		50,000
	Hyderabad Autos – Engine head repair of Prado GS-6411		50,000
	Hyderabad Autos – Engine & fuel pump, etc repair		89,450
	Hyderabad Autos – Door, Back Light, Bumper and tuning – Repair of Prado GS-6411		102,200
	Hyderabad Autos – Engine turbo , etc		100,200
30	Decent Tyres – Purchase 4 tyres for Prado Jeep	1806676 dt.19-8-14	68,000
	Decent Tyres – Purchase 4 tyres for Vigo Pickup		77,000
	Decent Tyres – Purchase 4 tyres for Jiminy Jeep		50,000
31	Hyderabad Autos – Front suspension, fuel pump, etc – Prado Jeep -TX-2005	1874201 dt. 29-01-15	28,000
	Hyderabad Autos – Radiator – Prado Jeep -TX-2005		50,000
	Decent Tyres – Purchase 5 tyres		39,750
	Decent Tyres – Purchase 4 tyres		20,250
32	Idress Autos Badin – clutch plate, brake radiator of Prado Jeep	1958059 dt. 16-04-15	77,000
	Dawood Spare Parts – GS-4996 repair		23,000
33	Paid to: Bismillah Bakers Badin – Purchased Cold drinks, Mineral water, Tea, etc	18072648 dt. 30-10-14	95,710
			95,450
			89,480
34	Universal Book Depot Hyderabad – Purchased books for Lar museum	1807098 dt. 19-09-14	67,500
			81,000
			90,000
			62,400
			68,620
	Al Madina Furniture – Purchased 13 chairs @ 7500		97,500
	Al Madina Furniture – Purchased 24 chairs @ 4000		96,000
	Jaffer Dewatering Machine – Purchased dewatering machine		96,000
35	Fortune Electronics – Battery Backup	1806676 dt. 19-08-14	56,000
	Enzee Networking – Battery backups		70,000
	Fahim Kitab Ghar – Stationery articles from Others		63,270
	head		59,950

(Amount in Rupees)

Sr. #	Particulars	Cheque #	Amount
39	Al-Madina Furniture – Chair netting from others head		62,400
			96,000
40	Enzee Networking – Acer machines		86,000
41	Enzee Networking – Battery backups	1874201 dt. 29-01-15	20,000
42	Rizwan Cloth & Tailoring Badin – Uniform Charges	1958059 dt. 16-04-15	98,000 98,000
43	Paid to: Bismillah Bakers Badin – Purchased Tea, Mineral water, etc	18072648 dt.30-10-14	103,864
44	Amount Drawn by Deputy Commissioner Badin in DDO account from “Exhibition / fair” head	1872586 dt. 27-10-14	250,000
45	Paid to: Bismillah Bakers Badin – Purchased Tea, Mineral water, etc	18072648 dt.30-10-14	113,906
46	Enzee Network Hyderabad – Purchased battery backup @ 10,000 per unit		100,000
47	Enzee Network Hyderabad – Purchased computers and battery backup @ 10,000 per unit, etc	1872852 dt. 14-11-14	254,700
48	Hyderabad Autos – Door, Back Light, Bumper and tuning - Repair of Prado Jeep GS-6411		102,200
49	Jeelani Decoration – Purchase and stitching of uniform		110,000
50	Hyderabad Autos – Engine turbo , etc		100,200
51	Hyderabad Autos – Shock repair for Prado Jeep crank rod, etc	1806676 dt. 19-08-14	150,000
52	M. Suhail – Engagement of excavator machine for Matti Khotai		264,000
53	M. Suhail – Water Tanker supply		425,000
54	M. Suhail – Engagement of excavator machine for Matti Khotai		298,350
55	M. Suhail – Water Tanker supply		179,500
56	M. Suhail – Engagement of excavator machine for Matti Khotai		140,100
57	Rizwan Cloth & Tailors – Uniform purchase	1806424 dt.21-07-14	110,000
58	Enzee Network Hyderabad – Purchase battery backup	1958649 dt. 21-05-15	100,000
59	Bismillah Bakers Badin – Purchased 80kg biscuits, cold drinks, etc	1958812 dt. 27-05-15	112,000
60	Munir Photostat – photocopies charges	1872852 dt. 14-11-14	55,000 55,000
61		1806676 dt. 19-08-14	56,000 54,000
62		1872648	15,600

(Amount in Rupees)				
Sr. #	Particulars	Cheque #	Amount	
		dt. 30-10-14	82,770	
			54,000	
63		1874201 dt. 29-01-15		23,000
				58,780
				85,000
				28,000
Rehman Photostat – Photocopies charges			20,000	
Total			8,476,950	

4.4.3 Non-production of record - Rs401.756 million

(Rupees in million)				
Sr.#	Name of office	Particulars	AIR Para #	Amount
1	Deputy Commissioner, Karachi (East)	Targeted revenue Rs.102.977 Mn Collection Rs.008.983 Mn	6	Shortfall 188.074
2	Deputy Commissioner, Thatta	Records of Taluka Ketu Bandar, Funds of PSDS & PMDC	3 & 26	138.303
		Details of camps, food, food menu, food scale, unforeseen charges	1 & 2	5.404
		Supporting voucher, drawl by DDO	4	1.163
3	Deputy Commissioner, Kashmore @ Kandhkot	Service books for pay and allowances	10	32.986
		Original challans for Bebacki report for Kharif crop 2014-15.	7	1.076
4	Deputy Commissioner, Badin	Pay & allowances / new appointments	3 & 5	14.810
		Bank statement & supporting documents of DDO bank account.	2	12.612
		Procedure of appointment of contingent paid staff, details of sanctioned /vacant posts	16	1.371
		Record of salaries, purchase of books, stock register, attendance certificate, sanctioned posts, working strength of Larr Museum	6	1.041
		Record of furniture / fixtures and expenditure on exhibition	4	0.300
		Record of tendering & canteen contract	7	-
5	Deputy Commissioner, Matiari	Record of contingent paid staff	2	1.630
6	Deputy Commissioner, Umerkot	Revenue on account of Domicile Fee realized, not deposited.	2	1.011
7	Deputy Commissioner, Hyderabad	Supporting voucher of electricity charges (08/2014, 04/05/2015)	4	0.957
8	Commissioner, Mirpurkhas	POL charges vouchers	4	0.578
9	Deputy commissioner, Sukkur	Record pertaining to Cost Centers SK-8500, 01, 02, 03 & 04	3	-
		List of entitled persons for uniform & liveries	4	0.440
Total				401.756

Chapter-5 Chief Minister's Secretariat

Annex-1

5.4.3 Non-production of record - Rs225.189 million

(Rupees in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Self-Finance Scheme of Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2013-14	06	Investment record & self-finance scheme of GMMM College	23.940
				Self finance scheme record of GMMMC for the years 2012-13 & 2013-14	-
			07	Supporting vouchers	3.513
2	Director, Institute of Clinical Psychology University, Karachi	2013-14	10	Personal files, security bond, trunk call register	-
			23	Supporting vouchers	20.937
3	Dow University of Health Science, Karachi	2014-15	22	Appointment of staff	
4	Sindh University, Jamshoro	2012-13	05	Investment record	-
			16	Hiring of buses	22.73
			24	Construction of man gate, pathway bathroom of larkana campus	0.40
			33	Research record	0100
			34	Appointment record of Badin campus	-
			39	Court cases	3.40
			54	Purchase of Books	5.178
			57	Minutes of meeting of various committees	-
			58	record of Various departments	-
			84	Books of accounts regarding assets and liabilities	-
			89	Stock register of libraries	-
			90	Investment record	-
			94	Research record	11.398
			97	Financial statement	-

(Rupees in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			99	Examination fee record	-
			106	Fees collection record of Mirpurkhas& Badin campuses	-
			111	Issuance of application forms	-
			115	HB/Motor car loan	-
			116	Stock register	1.149
			117	Prospectus/admission record	24.550
			118	Stock register	7.994
Total					225.189

Annex-2

5.4.6 Irregular payment of allowances – Rs94.296 million

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
1	Institute of Clinical Psychology University of Karachi	2013-14	01	Conveyance allowance	0.227
2	Sindh Board of Technical Education, Karachi		01	Conveyance allowance	0.056
			13	Inclusion of special pay into basic for house rent allowance	1.653
			15	Extra 25% house rent allowance	12.410
3	Board of Intermediate & Secondary Education, Hyderabad	2014-15	04	70% house rent allowance on running basic pay	44.287
4	Sindh Agriculture University, Tandojam	2014-15	12	Orderly allowance	4.368
5	University of Sindh , Jamshoro	2012-13	01	Conveyance allowance	3.800
			65	Conveyance allowance	0.464
			69	5% House maintenance	2.830
			72	5% House maintenance	0.121
			03	Orderly allowance	24.080
Total					94.296

Annex-3

5.4.21 Non-adjustment of advances – Rs61.655 million

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
1	Self-Finance Scheme of Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2013-14	08	Advances to staff on account of advance salaries and construction work	37.857
			02	Advance to XEN, Provincial Building Division Larkana for construction work	1.000
2	Sindh Board of Technical Education, Karachi	2013-14	12	Advances to employees as petty cash	0.175
3	Director, Institute of Clinical Psychology University of Karachi	2013-14	14	Mobilization advance to contractors	0.947
4	Board of Intermediate & Secondary Education, Hyderabad	2014-15	01	Advance to various officials	5.390
			02	Advance to controller exam for p/o 02 vehicles	0.624
			03	Advance for delivery of Question papers for SSC exam	1.670
5	Sindh Agriculture University Tandojam	2014-15	01	Advance to various officials	2.312
			04	Advance TA/DA	1.242
6	Board of Intermediate & Secondary Education, Sukkur	2014-15	06	Advance to member for scout activities	1.289
7	Sindh University, Jamshoro	2012-13	19	Advance to various officials	1.337
			52	Advance for repair of quarter	0.232
			71	Advance for repair of quarters	0.840
			73	Advance transport officer	1.289
			74	Advance to pro-VC, SU campus dadu	1.989

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
			75	Advance to VC	0.292
			76	Advance to Bashir Ahmed Arain	0.220
			77	Advance to Dr. YasminIqbal	0.318
			78	Advance to Incharge Sui Gas Network	2.322
			79	SU, Petroluim service	0.31
Total					61.655

Chapter-6 Culture, Tourism & Antiquities Department

Annex-1

6.4.2 Non-production of record – Rs321.405 million

(Rupees in million)					
Sr. #	Department	Particular	Financial year	AIR Para#	Amount
1	Secretary, Culture, Tourism & Antiquities	Payments under the head of account Others, Log books & History sheets of vehicles and record pertaining to the cost center of Secretary Tourism.	2013-14	05&07	24.502
		Pay & allowances, Grant-in-aid & payment made under the head others	2014-15	01	158.732
		Pakistan Arts Council, Karachi various supplies	2013-14	28 & 30	23.165
		Grants-in-aid & establishment record	2014-15	02	91.571
		Appointment of employees, record	2014-15	09	2.935
		Inspection report of Engineer/Architect	2013-14	06	10.000
		Funds utilization report	2013-14	34	10.000
		Supporting record of expenditure from grant-in-aid (Strengthening of Culture, Tourism & Antiquities Department) under the head, Contingencies	2013-14	09	0.301
		Supporting record of disbursement through the Cashier from grant-in-aid (Strengthening of Culture, Tourism & Antiquities Department)	2013-14	08	0.199
2	M.D, Sindh Tourism Development Corporation, Karachi	Record pertaining to revenue & bank statement	2013-14	05&07	0
3	Coordinator National Fund for Moen-Jo-Daro, Karachi.	Endowment Fund	2013-14	01	0
Total					321.405

Chapter-7 Education Department

Annex-1

7.4.4 Irregular expenditure against improper quotations – Rs1.210 million

(Rupees in million)				
Sr. #	Particulars	CM #	Cheque #	Amount
1	Lodge International, Karachi – purchase of various articles	46 dt. 5-4-13	69760 dt. 12-4-13	0.099
		48 dt. 5-4-13	69763 dt. 12-4-13	0.079
		47 dt. 5-4-13	69757 dt. 12-4-13	0.091
2	Ali Brothers & Co Karachi – purchase water motor	351 dt.26-5-14	112639 dt. 27-5-14	0.056
3	Al Harram Karachi – Split AC 1 ton Mitsubishi	Nil	69722 dt. Nil	0.089
		Not found	69742 dt. 12-4-13	0.089
4	Iqbal Electronics Karachi – for intercom installation and trunk line fitting, etc	Not found	69766 dt. 12-4-13	0.085
5	Iqbal Electronics Karachi – Panasonic Intercom PABX	Not found	69745 dt. Nil	0.099
6	Iqbal Electronics Karachi – 24 Telephone sets PABX Operator set, etc	Not found	Not found	0.073
7	Ali Brothers & Co Karachi – purchase HP laser jet cartages	381 dt.16-6-14	120168 dt. 16-6-14	0.100
8	Ali Electronics Karachi – maintenance of Garden	1275 dt.24-5-13	76425 dt. Nil	0.070
9	Ali Brothers & Company – Installation of barbed wire	133 dt. Nil	100574 dt. Nil	0.097
10	Ali AsgharSundrani Engineer consultant Karachi – consultancy charges	Nil	109773 dt. Nil	0.042
11	Rafat Raza Electrical Engineer & Consultant – consultancy charges for electric load	Nil	93264 dt. 20-12-13	0.048
12	Nippon Autos, Karachi – Purchased Unique motorcycle UD-70	Nil	84307 dt. 1-10-13	0.043
13	Anas Autos Hyderabad – Repair of GS-416 B & 367 B	Nil	94289 dt. 30-12-13	0.050
Total				1.210

7.4.5 Non-production of record – Rs3.919 billion

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
1	Sindh Education Foundation, Karachi	2013-14	52	539.554	School subsidy cost to NGOs working under PPRS Programme
			55	402.968	School subsidy cost to NGOs working under IEELP Programme
			60	160.567	Various auditable record
			50	52.374	Record of school subsidy cost to NGOs working under RBCS
			53	46.767	Various information and record
			48	34.439	Various record / information relating to School staff salaries / honorarium under Early Learning Programme (ELP)
			56	8.200	Various record / information relating to Monitoring & Filed Cost under IEELP Programme
			51	7.688	Various record / information relating to Monitoring, Assessment and field cost under RBCS programme
			54	5.151	Various record / information relating to Assessment and filed cost under WLEP/AASP programme
			82	3.906	Record of fresh appointments
			66	2.333	Record of fund transfer to BAHF 3630-01 against enhancement of physical infrastructure of PPRS Schools

(Rupees in million)

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
			65	2.270	Assets and insurance record
			43	0.400	Tender related documents for hiring of data entry firm
			80	0	Defalcation & losses
	Total SEF Karachi			1,266.617	
2	Secretary, Education & Literacy Department Karachi	2014-15	01,2,16	694.109	Utilization report/adjustment vouchers of grant in aid. Delivery report & accountal of purchased machinery, Tender documents, delivery& accountal of Software
		2013-14	01 & 04	657.168	Record of Grant in Aid & purchase of Other material head.
		2014-15	4,6 & 17	218.360	Security deposit, income tax, & sales tax
3	ADOE, Male, Kotri	2014-15	1,2 & 3	226.100	Establishment & Contingency record
4	XEN, Education Works Division, Dadu	2014-15	02, 03, 13 & 14	217.666	Paid up challans, cash book, record of refund of security deposits & progress report of works.
5	Assistant District Officer Education Elementary (Female), Lyari Karachi	2011-12 to 2013-14	05 & 11	134.325	Service Books
6	P.D, PMIU, Karachi	2014-15	03 & 11	89.788	Challans & Original P.C-I
7	XEN Education Works Division Badin	2013-14	05	77.962	Utilization report and supporting vouchers of electrification work
8	Assistant District Officer Education (Male), Saddar Town, Karachi	2012-13 & 2013-14	01	70.803	Complete record for both years
9	Government Islamia Arts & Commerce College, Sukkur	2013-14	01	51.035	Monthly payrolls
10	XEN, Education Works Division, Larkana	2014-15	05	49.383	Paid up challans of income tax an tender fee

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
11	Assistant District Officer Education (Female), Sakrand	2013-14	01 & 03	37.132	Record of Teaching allowance and its arrears payment
12	Assistant District Officer Education (Male), Nawabshah (Shaheed Benazirabad)	2013-14	01	25.180	Record of Teaching allowance
13	Government Girls College, Tando Jan Muhammad, Mirpurkhas	2013-14	01	21.851	Complete record.
14	Government Girls Degree College, Sujawal	2013-14	04	13.228	Reconciled Expenditure Statement
15	District Education Officer, Nawabshah (Shaheed Benazirabad)	2013-14	01	12.061	Whole record
16	Director Schools Education, Karachi	2013-14	01	11.961	Complete record.
17	District Education Officer, Thatta	2013-14	03 & 05	7.983	New appointments record, Personal files/ service books, etc
18	Government Girls Secondary School, Ibrahim Hyderi-2 Gulshan-e-Hadded, DistMalir Karachi	2009-10 to 2013-14	16.4	7.283	Reconciled expenditure statement
19	Program Director (PMIU), USAID Sindh Basic Education Program, Karachi	2012-13 & 2013-14	04	4.815	Pre-receipted bills approval / permission from Finance Department
20	District Education Officer (Academic & Training) Kashmore @ Kandhkot	2013-14	01	4.371	Various record
21	ADOE, Male, FaizGanj	2012-13 to 2014-15	01	3.255	Cash book, stock registers, paid vouchers etc.
22	Director General, Provincial Institute of Teachers Education (P.I.T.E) Sindh, Shaheed Benazirabad/Nawabshah	2014-15	10	3.042	Payment of remuneration to various officers but the detail of officers engaged during training not available
23	Executive Director, Sindh Teachers Education Development Authority Karachi	2013-14	03	2.178	Rent agreement, tax deposit challan & acknowledgement

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
24	Assistant District Officer Education (Male), Shahdadkot	2013-14	01 to 03	2.138	Reconciled Expenditure Statement, GP fund bills, Personal files/ service books, etc
25	Assistant District Officer Education (Female), Mehar	2013-14	03	1.590	Service books
26	Government Boys Degree College, Shahdadpur	2013-14	05 & 06	1.430	Reconciled Expenditure Statement, Fees collection Statement, record of new appointments, etc
27	Project Director, Sindh Elementary Teachers Training Project (CIDA), Karachi	2011-12 to 2013-14	4.3.1	1.370	Detailed bills, measurement book and satisfactory completion report.
28	Govt. Degree Science & Commerce College LandhiKorangi No.6, Karachi	2014-15	5&10	1.038	Paid up challans, new appointment detail
29	Assistant District Officer Education (Female), Warrah	2013-14	01 & 05	1.033	Record of new appointments & Service books
30	Govt. SachalSarmast Degree College, Nawabshah	2014-15	8 & 4	0.761	Paid up challans, new appointment detail
31	District Officer Education Secondary & Higher Secondary, Sanghar	2011-12 to 2013-14	09	0.680	Record of payment of Adhoc Allowance
32	Government Degree College, GhorraBarri	2011-12 to 2013-14	13	0.666	Contingent vouchers of various head of accounts
33	ADOE Female Malir Town Karachi	2013-14	02 & 03	00.513	Service Books & G.P Fund record
34	Government Girls Degree College, Kehkashan, Clifton Karachi	2011-12 to 2013-14	03 & 04	0.229	Record of new appointment & contingent paid staff
35	St. Lawrence Government Girls Degree College, Karachi	2013-14	18	0.128	Record of PTA staff
36	District Officer Education Elementary (Male), Karachi	2013-14	05 & 08	0.102	Contingent bills & expenditure & Bank statements, etc

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
37	Government Islamia Arts & Commerce College, Razzakabad Bin Qasim, Karachi	2013-14	01	0.061	Record of cost of other head
38	Assistant District Officer Education (Female), New Karachi	2012-13 & 2013-14	06	0.034	Record of new appointed staff
39	Government Degree College, Johi	2013-14	01	0	Reconciled Expenditure Statement, Bank Statement, Pay bills, Cheque books, etc
40	Government Degree College, Karondi	2013-14	01	0	Expenditure Statement, service books, etc
41	Government Degree College, KaziArif	2013-14	01	0	Bank Statement, cheque books, details of challans, etc
42	Government Boys Degree College, Shahdadkot	2013-14	07	0	Service books
43	Government Boys Degree College, Daharki	2013-14	03	0	Various record
44	Government Degree College, Ratodero	2013-14	01 & 07	0	Expenditure Statement, service books, etc
45	Assistant District Officer Education (Male), Tangwani	2012-13 to 2013-14	02 & 05	0	Service Books & Expenditure Statement
46	Assistant District Officer Education (Male), Kashmore	2013-14	01, 06 & 07	0	Bills of machinery / equipments, Expenditure Statement service books
47	District Officer Secondary & Higher Secondary, Kandhkot	2012-13 & 2013-14	04	0	service books
48	Assistant District Officer Education (Male), Matli	2013-14	05	0	service books
49	Assistant District Officer Education (Male), GarhiKhairo	2013-14	04 & 06	0	Expenditure Statement service books
50	Assistant District Officer Education (Male), Badin	2013-14	03 & 05	0	Expenditure Statement service books
51	District Education Officer, Tando Muhammad Khan	2012-13 & 2013-14	07	0	New appointments record, Personal files & service books
52	Assistant District Officer Education (Male), Mehar	2013-14	03	0	New appointments record, sanctioned & Working strength

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
53	Rounaq-e-Islam Govt. College for Women Kharadar Karachi	2013-14	5	0	Service Books
54	Assistant District Officer Education Elementary (Male), Jamshed Town, Karachi	2012-13 & 2013-14	06	0	Expenditure statement, Sanctioned / working strength, etc
55	Assistant District Officer Education Elementary (Female), Jamshed Town, Karachi	2012-13 & 2013-14	01	0	Expenditure statement, Sanctioned / working strength, etc
56	Assistant District Officer Education (Male), New Karachi	2013-14	07	0	SMC fund account
57	Assistant District Officer Education Elementary (Male), Kandhkot	2013-14	06	0	Service books
58	Government Boys Degree College, KMC Nishter Road Karachi	2013-14	02 & 06	0	New recruitment record, Library record, personal files, late fees record, etc
59	Government Delhi College, Karachi	2013-14	02	0	Record of new appointment
60	Government Degree College, WahiPandi	2013-14	01	0	Service Books, details of challan, etc
61	Government Girls College, KN Shah	2013-14	01	0	Pay bills, service books, sanctioned / working strength, etc
62	Directorate of Inspection & Registration of Private Institutions Sindh, Karachi	2011-12 to 2013-14	01	0	Record of new appointments
63	District Education Officer, NausheroFeroze	2012-13 & 2013-14	09	0	Reconciled Expenditure Statement, Bank Statement, New appointments record, sanctioned & working strength, etc
		2014-15	01, 02 & 09	0	List of new appointment, Development expenditure. Replies of previous year AIR. Cheques drawn for Court purpose. Etc
64	Govt. Boys College Jangal Shah Keamari	2013-14	04	0	Service Books

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
65	District Education Officer, Kandhkot	2013-14	08	0	Service Books
66	District Education Officer, Jamshoro	2013-14	07	0	Reconciled Expenditure Statement, Bank Statement, New appointments record, sanctioned & working strength, etc
67	Assistant District Officer Education Elementary (Male) Bin Qasim Town, Karachi	2013-14	03	0	Personal files/ service books, visiting reports of ADOEs
68	Assistant District Officer Education (Male), Bakrani	2013-14	01	0	Service books
69	Government Girls Degree College, Sehwan	2013-14	05	0	Service books
70	Government Boys College, Tando Jan Muhammad	2013-14	04	0	Reconciliation Statement & Fees Statement
71	Government Boys Degree College, Sehwan	2013-14	05	0	Service books
72	Assistant District Officer Education (Male), Mirpurkhas	2013-14	04	0	Service books
73	Government Degree Boys & Girls College, Science, Arts & Commerce, MuradMemon Goth, Malir, Karachi	2011-12 to 2013-14	06	0	Various record of enrolment, fees, stationery, library, etc
74	Government College for Women, 11-F, Karachi	2013-14	06	0	Record of fees Rs0.544 million
75	Government Elementary College for Education, Mirpurkhas	2013-14	03 & 04	0	Reconciliation Statement,
76	Government Secondary / Higher Secondary Boys / Schools, District South, Karachi	2013-14	1.1 & 43.4	0	Record of various schools under the district and record of budget / expenditure & funds provided from RSU to GBSS Deep Chand Tara Ojha Musa Line Lyari Karachi
77	Government Boys Secondary School, Saudabad No.2, Malir Kala Board, Karachi	2009-10 to 2013-14	6.2	0	Complete record of the said office for whole period.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
78	Government Boys Higher Secondary School, Cattle Colony, Bin Qasim Town, Karachi	2009-10 to 2013-14	32.2	0	Complete record of the said office for whole period.
79	Assistant District Officer Education (Male), Shah Faisal Town, Karachi	2013-14	03	0	Personal files/ service books, visiting reports of ADOEs, etc
80	Assistant District Officer (ADOE) Female, Kot Ghulam Muhammad	2014-15	03	0	Record pertaining to SMC
81	ADOE, Female, Badin	2013-14 & 2014-15	01	0	Record of transfer posting, month wise sanction strength etc
82	ADOE, Male, Badin	2014-15	01	0	Liveries Register, Attendance Register etc.
83	ADOE, Female, Bhirya	2012-13 To 2014-15	01	0	Cash book, vouchers 2012-13, service books etc.
84	Govt. Islamic Arts & Commerce College, Karachi	2014-15	02	0	Fees Statement, Verification of cheques from A.G Sindh
		2014-15	01	0	Detail regarding New appointment
85	Govt. Boys College, Kalimori, Hyderabad	2014-15	01	0	Liveries Register, Contingent Register etc.
Total of other offices except SEF				2,574.850	
Grand Total				3,919.429	

Annex-3**7.4.6 Irregular payment without supporting vouchers – Rs9.311 million****(Rupees in million)**

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Director General, Provincial Institute of Teachers Education (P.I.T.E) Sindh, Shaheed Benazirabad / Nawabshah	2014-15	09	4.302
2	Secretary, Education & Literacy Department, Karachi	2014-15	09	2.787
3	Sindh Education Foundation, Karachi	2013-14	49	0.419
4	Govt. S.M Arts & Commerce College No.1, Karachi	2014-15	01	0.302
5	Govt. Boys College, Kalimori, Hyderabad	2014-15	02	0.236
6	Director School Education, Mirpurkhas	2014-15	08	0.218
7	District Education Officer, Naushero Feroze	2012-13 & 2013-14	01	0.191
8	Government Degree College, Karondi	2013-14	03	0.125
9	SM Government Arts & Commerce College No. 01 Karachi	2013-14	05	0.100
10	Government Girl Degree College, Shahdadpur	2013-14	07	0.075
11	Government Boys Degree College, KN Shah	2013-14	05	0.061
12	District Officer Education Elementary, Hyderabad	2013-14	02	0.059
13	Principal Govt. Boys Degree College Pretabad, Hyderabad	2013-14	04	0.058
14	Government Muhammad SaadiquiMemon Degree College Tando Allahyar	2013-14	06	0.043
15	ADOE (Male), New Sukkur	2013-14 & 2014-15	02	0.041
16	Government Islamia Arts & Commerce College, Karachi	2013-14	05	0.039
17	Government Girl Degree College, Matli	2013-14	05	0.036
18	Government Girls College, KN Shah	2013-14	05	0.036
19	Government Girls Degree College, Tando	2013-14	04	0.033

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
	Muhammad Khan			
20	Government Boys Degree College, Tando Adam	2013-14	08	0.033
21	Government Degree College, Latifabad 11, Hyderabad	2013-14	06	0.031
22	Assistant District Officer (ADOE), Female, Mehrabpur	2013-14 to 2014-15	02	0.030
23	B.A.M.M, P.E.C.H.S Govt. College for Women, Karachi	2014-15	01	0.028
24	Government Islamia Arts & Commerce College, Razzakabad Bin Qasim, Karachi	2013-14	03	0.016
25	ADEO, Female, New Sukkur	2013-14 & 2014-15	02	0.012
Total				9.311

Annex-4**7.4.9 Irregular expenditure without inviting tender – Rs242.467 million****(Rupees in million)**

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Sindh Education Foundation, Karachi	2013-14	13, 16 , 25, 28, 29, 34, 36, 39, 57, 59&61	70.216
2	XEN, Education Works Division Qamber	2013-14	01	55.923
3	XEN, Education Works Division Tando Allahyar	2013-14	03	37.200
4	Secretary, Education & Literacy Department Karachi	2013-14	03	25.632
5	Chairman Sindh Text Book Board Jamshoro	2012-13 to 2013-14	01 & 03	24.422
6	Cadet College Petaro Jamshoro	2013-14	12	16.971
7	District Education Officer, Jamshoro	2013-14	09	7.918
8	Project Director, Chinese Language Program, Karachi	2012-13 & 2013-14	01 & 03	3.946
9	ADOE, Female, Faiz Ganj	2012-13 to 2014-15	03	0.139
10	ADOE, Male, Faiz Ganj	2012-13 to 2014-15	03	0.100
Total				242.467

7.4.25 Non-recovery of outstanding dues – Rs34.563 million**(Rupees in million)**

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
1	P.D, PMIU, Karachi	2014-15	01,2 & 6	15.255	Interest on Mobilization Advance, Short deduction of income tax, stamp duty,
			08	0.044	Income tax on rented building
2	Secretary, Education & Literacy Department Karachi	2013-14	02	2.757	Recovery of excess payment of honorarium
3	Sir Syed Government Girls College, Nazimabad Karachi	2013-14	04 & 05	2.702	Conveyance allowance & excess salary
4	Director General, Provincial Institute of Teachers Education (P.I.T.E) Sindh, Shaheed Benazriabad / Nawabshah	2014-15	08	2.388	Payment of Daily Allowance to trainees having providing food & residence by deptt.
5	Govt. Boys Degree College, Qasimabad, Hyderabad	2014-15	3&4	1.278	Payment of Salary to employees during Ex-Pakistan Leave
6	JamiaMillia Govt. Degree College (Morning), Malir, Karachi	2014-15	7,8&9	1.014	Payment made to Statistics lecture having no faculty, cook & driver having no vehicle & canteen, conveyance allowance paid during vacation
7	Government Boys Secondary School, Saudabad No.2, Malir Kala Board,Karachi	2009-10 to 2013-14	12.3	0.810	Conveyance allowance
8	Assistant District Officer Education (Female), Shahdadt Kot	2013-14	01	0.577	Conveyance allowance
9	Principal Cadet College Petaro, Jamshoro	2013-14	01	0.538	Income tax on supply of A.Cs
10	RLAK Government College of Home Economics, Karachi	2013-14	01,03,11 & 13	0.496	Conveyance and un-attractive allowance
11	Director, Planning & Development, Education Department Karachi	2013-14	06, 07 & 08	0.438	Recovery of Project & Utility allowance & residential telephone ceiling

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
12	Government Islamia Arts & Commerce College, Sukkur	2013-14	02 to 04	0.431	House Rent & Conveyance allowance
13	Govt. SachalSarmast Degree College, Nawabshah	2014-15	01	0.350	Conveyance Allowance paid to various employees during vacation period
14	Govt. Degree Science & Commerce College, LandhiKorangi No.6 Karachi	2014-15	01 & 02	0.342	Conveyance Allowance paid to various employees during vacation period & income tax
15	Assistant District Officer Education (Male), Mirpurkhas	2013-14	01	0.278	Excess payment of basic pay
16	Assistant District Officer Education Elementary (Male), Kandhkot	2013-14	01& 02	0.273	Conveyance allowance and excess of basic pay
17	Government Boys Degree College, Daharki	2013-14	05	0.248	Un-attractive Allowance
18	B.A.M.M P.E.C.H.S Govt. College for Women, Karachi	2014-15	10	0.238	Rent of Stationery shop, canteen & tuck shop
19	Assistant District Officer Education (Male), Tangwani	2012-13 to 2013-14	03 & 04	0.223	Conveyance allowance and Excess of basic pay
20	Project Director, Chinese Language Program, Karachi	2012-13 & 2013-14	04	0.217	Recovery of income tax
21	ADEO, Female, Badin	2013-14 & 2014-15	09	0.190	Conveyance allowance paid to officials having vehicle facility
22	Arman Government Boys Secondary School, Model Colony, Karachi	2009-10 to 2013-14	11.5	0.159	Conveyance allowance
23	Government Boys Degree College, Sehwan	2013-14	01 & 02	0.145	Teaching allowance
24	Assistant District Officer Education Elementary (Male), Matli	2013-14	02 & 03	0.131	Conveyance allowance and Excess of basic pay
25	District Education Officer, Sukkur	2013-14	01 to 03	0.120	Recovery of orderly, Computer & Conveyance allowance
26	District Education Officer, Shikarpur	2013-14	05	0.120	Conveyance allowance
27	Director Schools Education, Karachi	2013-14 & 2014-	13	0.120	Conveyance allowance

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
		15			
28	Government Girls Secondary School, Faryal Model Academy, Model Colony, Dist Malir Karachi	2010-11 to 2013-14	19.2	0.116	Conveyance allowance
29	Assistant District Officer Education Elementary (Male), Kashmore	2013-14	03 & 04	0.114	Conveyance allowance and Excess of basic pay
30	Government Boys Higher Secondary School, Cattle Colony, Bin Qasim Town, Karachi	2009-10 to 2013-14	32.4	0.105	Conveyance allowance
31	Government Boys Secondary School, Malir Cantt, Karachi	2009-10 to 2013-14	31.2	0.105	Conveyance allowance
32	Assistant District Officer Education (Female), Kandhkot	2013-14	01, 02 & 04	0.103	Excess basic pay & Teaching allowance
33	Government Boys Secondary School, Malir Kala Board, Karachi	2009-10 to 2013-14	17.5	0.097	Conveyance allowance
34	Government Boys Higher Secondary School, Ahmed Dawood DarsanoChanno, Malir Karachi	2010-11 to 2013-14	35.2	0.091	Conveyance allowance
35	Assistant District Officer Education Elementary (Male) Shah Faisal Town, Karachi	2013-14	01	0.090	Conveyance allowance
36	Director General (Colleges) Sindh, Karachi	2013-14	04	0.084	Orderly Allowance
37	St. Lawrence Government Girls Degree College, Karachi	2013-14	07, 08 & 16	0.082	Outstanding dues, conveyance allowance & Canteen rent
38	Government Boys Secondary School, Godown Shed, Malir Town, Karachi	2009-10 to 2013-14	10.2	0.081	Conveyance allowance
39	Government Boys Secondary School, Faryal Model Academy, Model Colony, Karachi	2013-14	4.2	0.081	Conveyance allowance
40	Taluka Education Officer (Male), Tando Muhammad Khan	2012-13 To 2014-15	1 & 2	0.078	Teaching Allowance & Science Teaching Allowance paid to Admn.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
					staff instead of Teachers
41	Asif Government Boys Secondary School, Malir Kala Board, Karachi	2007-08 to 2013-14	16.4	0.076	Conveyance allowance
42	Pakistan Public Government Girls Secondary School, Dist.Malir Colony Karachi	2012-13 & 2013-14	21.2	0.070	Conveyance allowance
43	Government Girls Higher Secondary School, Murad Memon Goth, Dist Malir Karachi	2009-10 to 2013-14	20.7	0.070	Conveyance allowance
44	Malir English Government Boys Secondary School, Kala Board Malir Karachi	2009-10 to 2013-14	9.4	0.070	Conveyance allowance
45	Government Boys Secondary School, Haji Sukhio Village, Malir Karachi	2010-11 to 2013-14	15.3	0.065	Conveyance allowance
46	XEN Education Works Shikarpur	2013-14	08	0.065	Professional Tax
47	Assistant District Officer Education (Female), New Karachi	2012-13 & 2013-14	08	0.060	Conveyance Allowance
48	Government Boys Higher Secondary School, Jam Murad Ali Khan, Gadap Town, Malir Karachi	2013-14	19.3	0.058	Conveyance allowance
49	Government Boys Secondary School, PAF Base, Korangi Creek, Karachi	2011-12 to 2013-14	45.3	0.058	Conveyance allowance
50	Government Boys Secondary School, Murad Memon, Gadap Town, Karachi	2007-08 to 2013-14	23.3	0.058	Conveyance allowance
51	Akhtar Government Boys Secondary School, Malir Extension Colony, Karachi	2013-14	3.4	0.058	Conveyance allowance
52	Assistant District Officer Education (Male), Bakrani	2013-14	02 & 03	0.054	Conveyance allowance and excess payment of basic pay
53	Government Girls Secondary School, Saudabad No.2, Malir	2009-10 to 2013-14	7.3	0.050	Conveyance allowance

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
	Town, Dist Malir Karachi				
54	TEO Primary, Male, Badin	2014-15	13	0.050	Conveyance allowance to employee having vehicle facility
55	Assistant District Officer Education (Male), Mehar	2013-14	01	0.049	Science teaching allowance
56	Government Degree College for Women Nazimabad Karachi	2013-14	05	0.048	Conveyance allowance
57	Government Boys Secondary School, (Provincialised) Model Colony, Karachi	2010-11 to 2013-14	13.6	0.046	Conveyance allowance
58	Government Boys Secondary School, GaramChashma Manghopir, Karachi	2007-08 to 2013-14	46.4	0.046	Conveyance allowance
59	Government Boys Secondary School, JummaHimmayati Goth, Karachi	2009-10 to 2013-14	29.6	0.046	Conveyance allowance
60	Government Boys Secondary School, Kankar Village, Gadap Town, Karachi	2010-11 to 2013-14	21.6	0.046	Conveyance allowance
61	Government Girls Secondary School, Malir Cantt, Dist Malir Karachi	2011-12 to 2013-14	13.3	0.040	Conveyance allowance
62	Government College of Education, F.B. Area, Khi	2013-14	04	0.036	Canteen & Photostat Shop rent
63	Assistant District Officer Education (Male), GarhiKhairo	2013-14	03	0.032	Teaching allowance
64	Government Girls Secondary School, Gajjan Village, Gadap, Dist Malir Karachi	2011-12 to 2013-14	11.6	0.030	Conveyance allowance
65	Government Girls Secondary School, AmmareYasir, Jaffer e Tayyar, Dist Malir Karachi	2011-12 to 2013-14	9.5	0.030	Conveyance allowance
66	Govt. College of Education, F.B Area, Karachi	2014-15	01	0.026	Rent of Canteen & Photostate shop

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount	Nature of irregularity
67	Government Girls Secondary School, ManghopirGaramChashma, Dist Malir Karachi	2010-11 to 2013-14	17.4	0.023	Conveyance allowance
68	Government Girls Secondary School, Ibrahim Hyderi-2 Gulshan-e-Hadded, Dist Malir Karachi	2009-10 to 2013-14	16.3	0.023	Conveyance allowance
69	Government Girls Secondary School, Malir Extension, Dist Malir Karachi	2010-11 to 2013-14	3.4	0.020	Conveyance allowance
70	Government Girls Secondary School, Dur Muhammad Goth, DarsanaChanno, Dist Malir Karachi	2010-11 to 2013-14	5.5	0.020	Conveyance allowance
71	Assistant District Officer Education Elementary (Male), Jamshed Town, Karachi	2012-13 & 2013-14	01	0.017	Miscellaneous allowance
72	Government Secondary / Higher Secondary Boys / Schools, District South, Karachi	2013-14	20.5	0.014	Conveyance allowance
Total				34.563	

Chapter-8 Energy Department

Annex-1

8.4.6 Non-deduction of Sales Tax & Income Tax on services/supplies Rs130.344 million

(Rupees in million)						
Sr. #	Name of Office	Head of Account	AIR Para #	Particulars	Total Value of Supplies/ Services	Income Tax & S.T on Supplies/ Services
1	D.G Thar coal Authority Karachi	Supplying of Consulting Services	21	S.T on Services	331.800	49.770
2	D.G Thar coal Authority Karachi	R.O Plants Operating & Maintenance Charges	23	S.T on Services	295.226	44.283
3	D.G Thar coal Authority Karachi	Execution of various works	24	I.Tax on execution	439.573	32.968
4	D.G Thar coal Authority Karachi	Supply of Stationery, Printing & Publication items etc.	22	S.T on Supplies	5.981	1.016
5	D.G Thar coal Authority Karachi	Salaries paid to various officials/officers	25	Income Tax	24.598	0.860
6	Secretary Energy Karachi	Mobilization Advance	06	Income Tax	10.903	0.763
7	D.G Thar coal Authority Karachi	Supply of Stationery, Printing & Publication items etc.	26	Income Tax	5.947	0.356
8	D.G Thar coal Authority Karachi	Advertisement Charges	28	S.T on Services	11.057	0.165
9	D.G Thar coal Authority Karachi	Payment made to various officials on account of Honorarium	29	I.Tax on Honorarium	1.483	0.089
10	Director. Electricity monitoring & Reconciliation cell karachi	Repair of Hardware	04	Income Tax	0.211	0.074
Total						130.344

Chapter-10 Finance Department

Annex-1

10.4.7 Non/Less deduction of Taxes – Rs203.461 million

(Rupees in million)						
Sr. #	Name of Office	Fin. Year	AIR Para #	Income Tax	Sales Tax	Amount
1	DAO Kambar	2013-14	03	1.355	0.085	1.440
2	DAO Shaheed Benazirabad	2013-14	03	--	0.494	0.494
3	DAO Tharparkar @ Mithi	2013-14	01	--	0.263	0.263
		2013-14	03	0.506	--	0.506
4	D.A.O Shikarpur	2013-14	01	--	--	--
		2013-14	02	--	--	--
5	DAO Tando Muhammad Khan	2013-14	15	0.341	--	0.341
		2013-14	25	--	1.199	1.199
6	Secretary, Finance Department	2014-15	14	0.012	--	0.012
		2014-15		0.077	--	0.077
7	DAO Badin	2014-15	05	0.075	--	0.075
8	DAO Hyderabad	2014-15	01	5.565	--	5.565
		2014-15	03	--	169.019	169.019
		2014-15	06	--	5.774	5.774
		2014-15	09	4.811	--	4.811
		2014-15	10	--	1.877	1.877
		2014-15	11	--	--	--
		2014-15	18	0.100	--	0.100
		2014-15	20	0.500	--	0.500
		2014-15	22	--	0.436	0.436
2014-15	23	--	0.106	0.106		
9	DAO Dadu	2014-15	01	0.350	--	0.350
		2014-15	02	4.488	--	4.488
		2014-15	03	--	2.704	2.704
		2014-15	07	--	3.324	3.324
Total				18.180	185.281	203.461

Annex-2

10.4.9 Unauthorized payment of inadmissible allowances - Rs85.186 million

(Rupees in million)					
Sr. #	Name of Office	Description	Financial Year	AIR Para #	Amount
1	DAO Kambar	Various allowances	2013-14	02	42.452
2	DAO Tando Allahyar	Recovery of FATA travelling allowance	2013-14	02	0.015
		Unauthorized drawl of Utility allowance to Minister	2013-14	07	0.455
		Unauthorized drawl of Dress allowance	2013-14	08	0.364
		Recovery of mess allowance	2013-14	11	0.171
		Recovery of fix TA/DA	2013-14	06	0.007
		Recovery of hard work allowance	2013-14	05	0.144
		Recovery of other allowance	2013-14	09	0.134
		Unauthorized drawl of daily allowance	2013-14	10	22.887
		Recovery of High Risk allowance	2013-14	12	0.115
		Recovery of Teaching allowance	2013-14	13	0.012
		Irregular payment of Ration allowance	2013-14	16	0.215
3	DAO Tharparkar @ Mithi	Recovery of computer allowance	2013-14	06	0.036
		Recovery of charge allowance	2013-14	07	0.022
		Recovery of teaching allowance	2013-14	09	0.034
		Recovery of conveyance allowance	2013-14	10	0.100
		Recovery for wrong increment	2013-14	11	0.307
		Recovery of Non-Practicing allowance	2013-14	13	0.096
4	Sindh Board of Investment Karachi	Recovery of Utility allowance	2013-14	11	1.008
		Recovery of conveyance allowance	2013-14	14	0.420
5	DAO Shikarpur	Recovery of conveyance allowance	2013-14	09	0.282
6	DAO Tando Muhammad Khan	Unauthorized payment under head of unattractive area allowance	2013-14	10	0.706
		Recovery of conveyance allowance of the officials having Govt. Vehicle	2013-14	11	8.040
		Unjustified payment under head of unattractive area allowance to	2013-14	13	0.100

(Rupees in million)

Sr. #	Name of Office	Description	Financial Year	AIR Para #	Amount
		medical officers			
		Unjustified payment of risk allowance to all offices	2013-14	16	1.414
7	Secretary, Finance Deptt.	Recovery of conveyance allowance	2014-15	02	0.547
		Recovery of Computer allowance	2014-15	06	0.082
8	DAO Matari	Recovery of Teaching allowance	2014-15	07	3.483
9	DAO Hyderabad	Utility allowance	2014-15	04	1.538
Total					85.186

Chapter-11 Food Department

Annex-1

11.4.1 Shortage / misappropriation of wheat and Jute/PP bags (bardana) - Rs91.138 million

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	District Food Controller, Khairpur	2014-15	01	18827 wheat bags (18000 jute bags and 827 P.P. bags of Crop year 2013-14 & 2014-15 respectively) costing Rs61.188 million were not physically available as per annual Physical Verification Report dated 30-06-2015. Furthermore, another shortage of 3565 costing Rs11.586 million was not available at the centers as compared to entries in the stock registers of Jute bags.	72.774
			02	436 bags of wheat costing Rs3,250 per bag plus penalty amount @ Rs200 per bag were misappropriated by food supervisor. Further FIR was lodged but copy of same was not provided.	1.504
02	DFC, Larkana.	2013-14	02	78.592 M.Tons wheat costing Rs2,771,154 along-with 15,055 new loose bags costing Rs1,866,820 and 683 serviceable bags costing Rs42,346 was lost in various godowns,	4.680
03	DFC, Sukkur	2013-14	03	1,193 bags of wheat were lost in various godowns.	4.294
04	DFC, NausheroFeroze	2013-14	01	133.975 M.Tons wheat along-with 769 bags were lost in various godowns	2.806
05	DFC, Dadu	2013-14	04	603 bags of wheat were lost in various godowns	2.200
		2013-14	06	22.103 M.Tons323 wheat bags mis-appropriated. Show cause notice issued to two supervisors but no recovery made.	1.178
06	DFC, Ghotki @ MirpurMathello	2013-14	01	473 bags of wheat were lost in various godowns	1.702
Total					91.138

Annex-2

11.4.13 Non recovery of outstanding dues – Rs299.196 million

(Rupees in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particular	Amount
1	Secretary, Food	2014-15	1, 2 & 25	Withholding Tax, conveyance allowance etc	190.082
2	Deputy Director Food Region Karachi	2013-14	04	Less Deduction of income tax @ 2% instead of 6%	33.885
		2013-14	03	Sales Tax @ 1/5 th at source not deducted	26.371
3	District Food Controller (East) Karachi	2014-15	02	Sale of wheat	28.000
		2011-12 to 2013-14	01	various 32 license holders (Flour mills / whole sellers) on account of renewal fees of license	0.128
		2014-15	10	License fee	0.040
4	District Food Controller, Tharparkar	2014-15	01	Food Supervisor, PRC Thar Flour Mill	14.191
5	District Food Controller, Ghotki	2014-15	2,3,4 & 8	Sales Tax, cost of bardana and dues from contractors	3.366
6	District Food Controller, Shaheed Benazirabad.	2014-15	05 & 06	Cost of bardana and recovery from various officials.	1.379
7	District Food Controller, Larkana	2014-15	11	Cost of bardana	0.654
8	District Food Controller, Hyderabad	2014-15	10	Cost of wheat	0.255
9	District Food Controller, Mirpurkhas	2014-15	01	Cost of bardana	0.253
10	District Food Controller, Khairpur	2014-15	08	Income Tax	0.236
11	DFC, Naushero Feroze	2013-14	07	Sales Tax @ 3.5% at source not deducted.	0.232
12	District Food Controller, West Karachi	2014-15	11	License fee	0.124
Total					299.196

Chapter-12 Forest & Wild Department

Annex-1

12.4.2 Un-justified supply of POL to the vehicles of other offices – Rs2.458 million

(Rupees in million)			
Sr. #	Name of DFO	Particulars	Amount
1	DFO, Afforestation Division, Larkana	Purchase of POL for use of Shahbaz Rangers vehicles	0.199
2	DFO, Sericulture, Hyderabad	GS-6432-Under the use of DFO A Dadu since 27-09-2004	0.079
		GS-7037-Under the use of Director Sericulture since 02-03-2011	0.145
		GS-7751-Transferred to reserved pool at CCF house vide order dated 26-03-2013 and vehicle is out of order (Transferred to DFO Work Plan Hyderabad)	0.165
3	DFO, Direction Division, Hyderabad	GS-141-DG Establishment & Management if Biodiversity parks in Sindh	0.044
		GS-151B-PS to Minister Forest since 09-01-2013	0.064
		GS-161-Not available in list of vehicle provided	0.008
		GS-2004-Thatta Afforestation Division (Out of order)	0.006
		GS-2025-Not available in list of vehicle provided	0.005
		GS-2085-Not available in list of vehicle provided	0.002
		GS-4557-Not available in list of vehicle provided	0.005
		GS-5100-DFO Planning Hyd since 03-04-1993	0.319
		GS-5672-The then PD Dev of Forestry sector carbon sequestration Hyd (Sent for official duty at Karachi)	0.217
		GS-6135-Not available in list of vehicle provided	0.005
		GS-8802-Not available in list of vehicle provided	0.007
		GS-6333-PA to Minister since 08-04-2009	0.067
		GS-6530-allotted to unknown sent for official duty	0.366
		GS-6720-Not available in list of vehicle provided	0.154
		GS-7037-Director Sericulture Hyderabad since 02-03-2011	0.578
		GS-618-Not available in list of vehicle provided	0.023
Total			2.458

12.4.3 Non-production of record – Rs4.938 billion

(Rupees in million)			
Sr. #	Name of Office	Memo No.	Amount
1	DFO (A), Shaheed Benazirabad	56	26.890
2	Conservator of Forests (A), Thatta		5.710
3	DFO (A), Thatta		29.887
4	DFO (Coastal), Karachi		18.437
5	Conservator of Forests (A), Sukkur	48	7.955
6	DFO (SF), Tando Allahyar	87	0.503
7	Conservator (SF), Hyderabad		1.520
8	DFO (SF), Hyderabad		4816.980
9	DFO (SF), Sukkur	29	18.409
10	DFO (SF), Sanghar		11.570
11	Principal, Forest & Wildlife Training School, Miani	33	-
12	DFO Working Plans, Sukkur		-
13	Conservtor of Forest, Working Plans, Hyderabad		-
14	DFO (SF), Shaheed Benazirabad	07	-
15	DFO (SF), Khairpur		-
16	DFO (SF), Larkana		-
17	DFO (SF), Ghotki		-
18	DFO (SF), Dadu		-
19	DFO (SF), Nousheroferoz		-
20	DFO (SF), Jacobabad		-
21	DFO (SF), Kamber		-
22	SDFO (SF), Shikarpur		-
23	DFO Direction	128	-
Total			4,937.861

12.4.6 Excess expenditure on pay and allowances – Rs51.754 million

(Amount in Rupees)

Sr. #.	Name of Office	Cost Center	Salary Budget	Salary Expenditure	Difference
1	DFO Direction, Hyderabad	HD4981	15,917,000	33,694,000	- 17,777,000
2	DFO, Aff., Khairpur	KP4116	21,100,000	29,731,000	- 8,631,000
3	DFO, Range Management, Karachi	KA4703	10,860,000	16,575,000	- 5,715,000
4	SF Sanghar	SG6018	12,262,000	17,046,000	- 4,784,000
5	SF Thatta	TT6018	30,597,000	33,088,000	- 2,491,000
6	SF Hyderabad	HY6015	6,477,000	8,546,000	- 2,069,000
7	DFO Aff., Shikarpur	SP4083	22,070,000	23,470,000	- 1,400,000
8	SF Nawabshah	NW6512	17,222,000	18,160,500	- 938,500
9	DFO Aff., T.M Khan	HD4990	15,854,000	16,788,000	- 934,000
10	SF Karachi	KC6021	9,044,000	9,684,400	- 640,400
11	PD/Conservator Sindh Forestry	HD4988	8,414,000	9,023,200	- 609,200
12	SF Jamshoro	JM6014	6,356,000	6,906,000	- 550,000
13	SF Khairpur	KU6022	9,100,000	9,650,000	- 550,000
14	Conservator of Forest AFF., Circle, Thatta	TA4110	5,276,000	5,808,000	- 532,000
15	SF Jacobabad	JB6018	8,027,000	8,521,000	- 494,000
16	DFO SFDP	SK4121	7,750,000	8,174,500	- 424,500
17	DFO Aff., Hyderabad	HD4982	18,067,000	18,475,250	- 408,250
18	SF Mithi	MH6017	5,345,000	5,702,000	- 357,000
19	Principal/DFO, Training School	HD4989	7,640,000	7,986,700	- 346,700
20	DFO, Working Plan, Hyderabad	HD4985	7,317,000	7,650,000	- 333,000
21	Conservator, Forest Research Cell, Hyderabad	HD4986	6,148,000	6,473,039	- 325,039
22	DFO SFDP, Hyderabad	HD4987	11,615,000	11,906,050	- 291,050
23	SF Kambar Shahdadt	SH6016	7,740,000	7,956,500	- 216,500
24	SF Matiari	MI6017	6,050,000	6,262,000	- 212,000
25	Sub-divisional Forest Officer, SFDP	TA4112	6,108,000	6,313,000	- 205,000
26	SF Kashmore	KM6020	5,810,000	6,004,000	- 194,000
27	SF Nausheroferoz	NO6017	4,310,000	4,456,000	- 146,000
28	Conservator of Forest Working Plan,	HD5081	4,668,000	4,787,000	- 119,000

(Amount in Rupees)

Sr. #.	Name of Office	Cost Center	Salary Budget	Salary Expenditure	Difference
	Hyderabad				
29	DFO, Sericulture, Hyderabad	HD4984	14,196,000	14,257,500	- 61,500
Total			311,340,000	363,094,639	- 51,754,639

Annex-4

12.4.11 Misclassified expenditure on various heads of account – Rs11.394 million

(Rupees in million)					
Sr. #	Name office	OM No.	Original head	Charged to	Amount
1	DFO (Direction), Hyderabad	57	Various	Various	2.567
2	Conservator of Forests, Larkana		Conservancy	POL	0.783
3	DFO (Sericulture), Hyderabad			Various	1.906
4	DFO Range Management, Karachi	49	Rep. of Transport	Hot & Cold	0.098
5	DFO (SF), Tando Muhammad Khan	89	Rep. of M&E	COS	0.050
6	DFO (SF), Tando Allahyar		Various	Various	0.624
7	DFO (SF), Jamshoro		Transportation	Exhibition	0.060
8	DFO (SF), Badin			Various	0.148
9	DFO (SFDP), Sukkur	39	Water charges	Various	1.501
10	PD CF (SFDP), Hyderabad		Conservancy	POL	0.217
11	PD CF (SFDP), Hyderabad		Hot & Cold	Repair	0.010
12	PD CF (SFDP), Hyderabad		Water charges	Repair	0.012
13	Principal Forest & Wildlife Training School, Miani	32	Various	Various	0.052
14	DFO Working Plan Division, Sukkur		Water Charges	Other	0.020
15	Conservator of Forests, Working Plan Circle, Hyderabad		Rates & Taxes	Purchases	0.020
16	DFO Working Plans Division, Hyderabad		Others	Telephone	0.007
17	DFO (SF), Shaheed Benazirabad	02	Various	Various	0.668
18	DFO (SF), Khairpur				0.423
19	DFO (SF), Larkana				0.220
20	DFO (SF), Ghotki				1.855
21	DFO (SF), Kamber				0.100
22	SDFO (SF), Khairpur				0.053
Total					11.394

Chapter-13 Health Department

Annex-1

13.4.3 Non-production of Record – Rs3.701 billion

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	year	Amount
01	Secretary Health, Govt. of Sindh, Karachi	Utilization report, Bills / Vouchers against lumpsum payment on account of SDA	01	2013-14	1,017.447
		Accounts record	3	2013-14	308.000
		Utilization report, bills, vouchers & other record required	4	2013-14	300.000
		Utilization report, bills, vouchers & other record required	8	2013-14	95.000
		Utilization report, bills, vouchers & other record required	9	2013-14	25.000
		Utilization report, bills, vouchers & other record required	10	2013-14	395.000
		Bills/ vouchers	11	2013-14	26.434
		Bills/ vouchers	12	2013-14	137.279
		Utilization report, bills, vouchers & other record required	13	2013-14	466.000
02	Civil Hospital, Karachi	Record of ADP schemes	1	2013-14	300.000
		Electricity bills	8	2013-14	0.399
03	Peoples Medical College Hospital, Shaheed Benazirabad	Repair of machinery, furniture, transport and janitorial services, diet and maintenance & repair of building	13	2014-15	182.547
04	Liaquat University Medical Hospital Hyderabad	Repair of Furniture	4	2014-15	1.542
		payment of Stipend/ Scholarship	32	2014-15	108.180
		record of development schemes, revenue, office building and Number of bank accounts along with bank statement, section-wise receipts, minutes of meeting etc	37	2014-15	50.158
05	Extended Program of Immunization Sindh, Karachi	Supporting vouchers/ list of workers and acknowledgment of payees in respect of amount provided to DHOs and others for disbursement to Polio Workers	1	2014-15	81.608
06	District Health Officer, TandoAllahyar	Procurement of Drugs & Medicines	1	2014-15	38.646

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	year	Amount
		MS RHC Nasarpur	2	2014-15	3.757
		Purchases of others	3	2014-15	5.353
		repair of various articles	4	2014-15	1.482
		TA/DA expenditure	5	2014-15	0.322
07	National Maternal, Neonatal & Child Health Programme, Sindh, Karachi	Purchase of furniture	4.3.4	2013-14	30.521
08	Program Manager, Hepatitis Prevention & Control Program (Chief Minister's Initiative) Hyderabad	consumption account of procured vaccine of Hepatitis-'B' & 'C'	6	2014-15	26.939
09	Project Director, Establishment of Medical Colleges in Sindh, Karachi	Paid up challans of Income tax	3	2014-15	25.047
10	PD Rehab. DHQ/THO Hospital Sindh, Karachi	Land survey report	7	2013-14	23.075
		Delivery challan	05		1.517
11	Director Malaria Control Programme Sindh Hyderabad	Record in support of media campaign for malaria control	01	2013-14	8.708
12	Services Hospital, Karachi	Supporting vouchers of purchase of Transport/Ambulance	4	2014-15	6.200
		Supporting vouchers of POL Charges	6	2014-15	0.830
		Supporting documents in respect of medical charges i.e., Doctor's prescription, Non Availability Certificate, Service Cards of employees and approval of competent authority	12	2014-15	1.741
13	Taluka Hospital, Sehwan	Inspection Report of procured medicines	4	2014-15	6.584
		Delivery challans of procured medicines	2	2014-15	1.140
14	District Health Officer, Badin	Inspection Report of procured medicines	2	2014-15	6.218
15	M.S. Ghulam Mohd. Mahar Medical College Hospital Sukkur	Challan of receipt	1	2013-14	3.104
16	State Hakeem, Khairpur	Delivery Challan	10	2013-14	2.216

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	year	Amount
17	Sindh Government Hospital Qasimabad Hyderabad	Pay slips of non-gazetted officers, stationary & printing vouchers, electricity bills, water bills & order of work distribution of staff	1	2014-15	1.532
		POL for vehicles & generators	7	2014-15	1.262
18	Taluka Hospital, Moro	Inspection Report of procured medicines	2	2014-15	1.776
19	Shah Bhitai Hospital Hyderabad	Supporting vouchers of Electricity and Gas charges	3	2014-15	1.359
20	Police Surgeon, Hyderabad	Various record	01	2013-14	-
		Record of revenue receipts	10	2013-14	-
		Campaign plan, details of campaign executed by hiring of vehicles	17	2013-14	1.034
21	DHO Thakarkar at Mithi	Non salary heads of account record	10	2014-15	0.920
22	M.S. Taluka Hospital, Hala	Supporting vouchers	3	2013-14	0.906
23	T.H.O. Landhi Town, Karachi	Delivery Challan of medicine	4	2013-14	0.767
24	Civil Hospital, Jacobabad	Supporting vouchers	10	2013-14	0.632
25	MS R.B.U.T., Civil Hospital, Shikarpur	Delivery Challan	3	2013-14	0.577
26	C.D.F Hospital Hyderabad	Patient welfare society fund	6	2014-15	0.497
27	District Health Officer, Umerkot	Supporting Vouchers of POL charges	8	2014-15	0.497
28	M.S. Taluka Hospital, T.B. Khan, Jamshoro	Accounts record	3	2013-14	0.428
29	DHO, Sanghar	Clinical efficacy report	4	2013-14	0.244
30	M.S. Taluka Hospital, Bulri Shah Karim, Dist. T.M. Khan	Accounts record	2	2013-14	0.222
31	M.S. Taluka Hospital, Mirpur Bathoro	Purchases of medicine	1	2013-14	0.144
32	Public Health School, Hyderabad	Supporting vouchers	10	2013-14	0.105
33	Paramedical Institute, Sukkur	Supporting vouchers	1	2013-14	0.059
34	Town Health Officer Gulshan-e-Iqbal Karachi	Dead stock register, stationary item register, consumable /non-consumable items, liveries issue register etc	1	2014-15	-
35	Sindh Government Hospital Ibrahim Hyderi Karachi	No dues certificate of professional tax of contractors, challans/statements of x-ray and laboratory charges	12	2014-15	-

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	year	Amount
36	Chankda Medical College Hospital/ShaiKhZaid Women Hospital, Larkana	Account record of Health Management, fees collection register, patient welfare fund, hospital revenue, estimates, bills, vouchers and etc.	16	2014-15	-
37	District Health Officer, District Thatta	Medicines, stationary items & dead stock register	1	2014-15	-
38	Civil Hospital, Thatta	TA bills, tender files and register, dead stock register	8	2013-14	-
39	Provincial Health Development Centre, Hyderabad@ Jamshoro	Bank statement, machinery, pay bills	1	2013-14	-
40	M.S. Taluka Hospital, Tando Muhammad Khan	Record of Revenue receipts	8	2013-14	-
41	Civil Hospital, Jacobabad	Record of Revenue receipts	9	2013-14	-
42	MS Taluka Hospital, Ghotki	Health Management account, diet medicine store, inchrg ambulance account	6	2013-14	-
43	Directorate of Nursing Sindh, Karachi	Entire accounts record	10	2013-14	-
44	MS Chandka Medical College Hospital, Larkana	Revenue receipt and pay roll	24	2013-14	-
45	District Health Officer, Umerkot	Appointment of Medical Officers	11	2013-14	-
Total					3,700.955

Annex-2

13.4.6 Irregular expenditure on purchase of medicines and machinery without inspection/drug testing – Rs1.079 billion

(Rupees in million)

Sr. #	Name of Office	Particulars of Procured items	AIR Para#	Financial Year	Amount
01	Shaheed Mohtarma Benazir Bhutto Accident, Emergency & Trauma Center and Ancillary Service Complex at Civil Hospital, Karachi	Machinery and equipment	01	2014-15	388.451
02	National Maternal, Neonatal & Child Health Program, Sindh, Karachi	Medicine	ML 4.3.1	2013-14	100.893
03	Program Manager, Hepatitis Prevention & Control Program (Chief Minister's Initiative), Hyderabad	Medicine	01	2014-15	100.750
04	DHO, Umerkot	Medicine	15	2013-14	91.717
05	Director Institute of Skin Diseases, Karachi	Medicine	1	2013-14	36.005
06	Civil Hospital, Badin	Medicine	01	2014-15	28.995
07	Sindh Government Hospital, New Karachi	Medicine	02	2014-15	28.515
08	District Health Officer, Khairpur	Medicine	02	2014-15	23.366
09	MS Children Hospital, North Karachi	Medicine	05	2013-14	22.197
10	Services Hospital, Karachi	Medicine	01	2014-15	20.738
11	District Health Officer, Umerkot	Medicine	01	2014-15	19.939
12	Civil Hospital, Karachi	Machinery and equipment	08	2014-15	18.505
13	District Health Officer, Shaheed Benazirabad	Medicine	02	2014-15	17.607
14	Project Director Control of Diarrheal Diseases (CDD), Hyderabad	Medicine (ORS)	05	2014-15	16.500
15	DHO, Jacobabad	Medicine	03	2013-14	12.618
16	District Health Officer, Naushero feroze	Medicine	01	2014-15	12.611
17	CDF Hospital, Hyderabad	Medicine	01	2014-15	11.185
18	Civil Hospital, Khairpur	Medicine	06	2014-15	9.709
19	Civil Hospital, Naushero feroze	Medicine	01	2014-15	9.463
20	Taluka Hospital, Kotri	Medicine	02	2014-15	9.310
21	Director Institute of Chest Diseases, Kotri	Medicine	01	2014-15	8.695
22	MS Civil Surgeon Services Hospital, Hyderabad	Medicine	1	2013-14	8.448
23	Sindh Government Hospital Qasimabad, Hyderabad	Medicine	02	2014-15	7.299

(Rupees in million)

Sr. #	Name of Office	Particulars of Procured items	AIR Para#	Financial Year	Amount
24	DHO, Sukkur	Medicine	02	2013-14	6.981
25	District Health Officer, Ghotki/MirpurMathelo	Medicine	02	2014-15	6.628
26	District Health Officer, Tando Allahyar	Medicine	08	2014-15	6.078
27	M.S, T.B. Hospital, Khairpur Mirs	Medicine	1	2013-14	6.008
28	Taluka Hospital,TandoBago	Medicine	02	2014-15	5.808
29	DHO, Umerkot	Medicine	13	2013-14	5.459
30	State Hakeem, Khairpur	Medicine	11	2013-14	5.312
31	District Health Officer, Sukkur	Medicine	01	2014-15	5.109
32	Provincial Coordinator, National Programme of Family Planning & Primary Health, Hyderabad	Medicine	04	2014-15	4.646
33	District Health Officer, Tando Muhammad Khan	Medicine	03	2014-15	4.546
34	District Health Officer Qambar Shahdadkot	Medicine	01	2014-15	4.533
35	District Health Officer, Thatta	Medicine	09	2014-15	3.382
36	M.S. Taluka Hospital, Bulri Shah Karim	Medicine	06	2013-14	2.851
37	MS Taluka Hospital, Rohri	Medicine	12	2013-14	1.658
38	THO, Saddar Town, Karachi	Medicine	01	2013-14	1.404
39	District Health Officer Tharparkar @ Mithi	Medicine	11	2014-15	1.355
40	M.S. Civil Hospital, Shikarpur	Medicine	02	2013-14	1.174
41	MS Taluka Hospital, T.M Khan	Medicine	01	2013-14	1.116
42	THO, Bin Qasim Town, Karachi	Medicine	03	2013-14	0.550
43	M.S. Taluka Hospital, Rohri	Medicine	04	2013-14	0.496
44	MS Taluka Hospital, Ghotki	Medicine	10	2013-14	0.250
Total					1,078.860

13.4.9 Procurement of various items without inviting open tenders –Rs387.581 million

Sr. #	Name of Office	Particulars of procurement	AIR Para #	Financial Year	Amount
01	Peoples Medical College Hospital, ShaheedBenazirabad	Medicines, Uniform & Liveries and Stationary	03	2014-15	238.159
02	Project Director, Extended Immunization Program Sindh, Karachi	Buffer stock of medicines	02	2014-15	37.930
03	Liaquat University Medical Hospital Hyderabad	Medicines	01	2014-15	27.317
		Janitorial services, medical gases and repair/maintenance from suppliers	02	2014-15	7.734
04	Civil Hospital, Karachi	Medicines	05	2014-15	32.289
05	District Health Officer Tharpakar @ Mithi	Furniture, Machinery & Equipment	01	2014-15	12.446
06	Sindh Government Hospital, Suadabad	Medicines	04	2014-15	6.999
07	Shah Bhattai Hospital, Hyderabad	Medicines	07	2014-15	5.873
08	Town Health Officer Gulshane-e-Iqbal Karachi	Medicines	03	2014-15	3.439
09	District Health Officer, Qambar Shahdadkot	Medicines	02	2014-15	3.225
10	District Health Officer, Nausheroferoze	Machinery & Equipment and Furniture	02	2014-15	3.199
11	CDF Hospital, Hyderabad	Generators	02	2014-15	2.520
12	District Health Officer, Thatta	Uniform & Liveries	07	2014-15	2.144
13	District Health Officer Kashmore	Medicines	10	2014-15	1.544
14	Provincial Coordinator, National Programme of Family Planning & Primary health, Hyderabad	Uniform/Liveries and Transportation	03	2014-15	1.452
15	Services Hospital, Karachi	Diet items	07	2014-15	1.311
Total					387.581

Annex-4

13.4.13 Non-crediting of revenue in government account –Rs32.542 million

(Rupees in million)

Sr. #	Name of office	AIR Para #	Particulars of Fees					
			Description of Service	No. of Patients/ Tests	Rate (Rs per test)	Amount realized	Amount Credited	Amount not credited
1	Peoples Medical College Hospital, Benazirabad	07	X-Ray	68,700	100	6.870	0	6.870
			Ultrasound	21,585	60	1.295	0	1.295
2	Liaquat Medical University Hospital Hyderabad	24	MRI	2,348	1,000	2.348	0.633	1.715
			CT Scan	4,296	600	2.578	0.673	1.905
			X-Ray	128,746	50	6.473	1.741	4.732
			Pathology	665,664	20	13.313	2.953	10.360
3	District Health Officer, Sanghar	01	X-Ray	-	-	0.102	0	0.102
4	Project Director, Establishment of Medical Colleges in Sindh, Karachi	06	Income Tax& other Deposits	-	-	1.436	0	1.436
		07	Income tax and others (Form-78 of June 2015)	-	-	1.322	0	1.322
5	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	07	Income & Professional Tax	-	-	0.673	0	0.673
6	PD Rehab. DHQ/THO Hospital Sindh, Karachi	03	Income tax	-	-	0.670	0	0.670
7	Shaheed Benazir Bhutto accident Truma Center, Civil Hospital, Karachi	09	Tender Fee	-	-	0.608	0	0.608
8	Institute of Medical Science, Gambat, Khairpur	07	Income tax	-	-	0.479	0	0.479
9	Civil Hospital Dadu	07	Operation charges	-	-	0.163	0	0.163
10	Urban Health Center, 5C-3, North Karachi, Karachi	19	X-Ray, laboratory charges and bed charges	-	-	0.121	0	0.121

(Rupees in million)

Sr. #	Name of office	AIR Para #	Particulars of Fees					
			Description of Service	No. of Patients/ Tests	Rate (Rs per test)	Amount realized	Amount Credited	Amount not credited
11	T.B Hospital Khairpur Mirs	02	X-ray fee	-	-	0.059	0	0.059
12	DHO, Sukkur	04	Tender Fee	-	-	0.032	0	0.032
Total								32.542

13.4.14 Payment of various allowances without entitlement – Rs48.217million**(Rupees in million)**

Sr. #	Name of Office	Particulars of allowance paid	AIR Para #	Amount
01	Sindh Government Hospital Ibrahim Hyderi Karachi	Non-practicing allowance without obtaining affidavit as a documentary proof that doctor is not practicing.	04	0.336
02	District Health Officer, Kashomre	Rural Compensatory Allowance to the officials posted in urban health centers	08	2.132
03	Taluka Hospital Kotri	Non-practicing allowance without obtaining affidavit as a documentary proof that doctor is not practicing.	03	1.764
		Rural Compensatory Allowance without admissibility	07	0.066
04	District Health Officer, Shaheed Benazirabad	Non-practicing allowance without obtaining affidavit as a documentary proof that doctor is not practicing.	04	5.414
05	Civil Surgeon Civil Hospital Badin	Non-practicing allowance without obtaining affidavit as a documentary proof that doctor is not practicing	10	1.876
		Hard Work Allowance without entitlement	09	0.066
		Causality allowance without performance of duty in causality	06	0.352
06	District Health Officer, Sanghar	Hard Work Allowance without entitlement	02	0.648
		Causality allowance without performance of duty in causality	04	0.150
07	Civil Hospital Karachi	Rural Compensatory Allowance without admissibility	14	0.110
08	Sindh Government Hospital, Suadabad, Karachi	Clib Allowance, Special Allowance, Utility Allowance and Rural Compensatory Allowance with entitlement	10	0.170
09	Sindh Govt. Hospital Qasimabad Hyderabad	• Non-practicing allowance without obtaining affidavit as a documentary proof that doctor is not practicing	09	1.920

Sr. #	Name of Office	Particulars of allowance paid	AIR Para #	Amount
		<ul style="list-style-type: none"> • Hard Work Allowance and Rural Compensatory Allowance without entitlement 		
10	District Health Officer, Sukkur	<ul style="list-style-type: none"> • Non-practicing allowance without order of competent authority and obtaining affidavit as a documentary proof that doctor is not practicing • Hard Work Allowance without entitlement 	10	0.297
11	Director Institute of Chest Diseases Kotri	<ul style="list-style-type: none"> • Non-practicing allowance without order of competent authority and obtaining affidavit as a documentary proof that doctor is not practicing • Hard Work Allowance without entitlement 	10	3.039
12	District Health Officer, Umerkot	<ul style="list-style-type: none"> • Non-practicing allowance without order of competent authority and obtaining affidavit as a documentary proof that doctor is not practicing • Hard Work Allowance without entitlement 	10	0.288
13	District Health Officer, Thatta	Dearness Allowance paid despite discontinuation of the allowance from 01-07-2011 on introduction of revised basic pay scales and allowances 2011	11	0.338
14	Services Hospital, Hyderabad	Unattractive Area Allowance and Rural Compensatory Allowance without entitlement	09	0.033
15	Gambat Institute of Medical Sciences Gambat	Rural Incentive Allowance to Staff Nurses as the Institute was located in municipal limits of district head quarters	04	1.048
		Payment of House Rent Allowance @ 45% instead of 30% and Medical Allowance @ Rs3,000 instead of Rs1,000	01	6.711
		Payment of one month leave	03	1.766

Sr. #	Name of Office	Particulars of allowance paid	AIR Para #	Amount
		encashment, while in service despite the fact that leave encashment is allowed on retirement as per Leave Rules 1986		
16	Sindh Government Hospital Korangi, Karachi	Non-practicing allowance without obtaining affidavit as a documentary proof that doctor is not practicing.	01	0.216
		Conveyance Allowance paid during leave	02	0.086
17	Chandka Medical College Hospital/ Shaikh Zaid Women Hospital, Larkana	Conveyance Allowance paid to employees, provided residence in work premises	03	4.397
18	Services Hospital, Karachi	GP Fund Allowance and Leave Encashment	11	14.382
19	District Health Officer, Naushero feroze	Hard Work Allowance, Casualty Allowance etc	11	0.612
Total				48.217

13.4.32 Non realization of Stamp Duty – Rs20.279 million

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	year	Amount
1	Project Director, Establishment of Medical Colleges in Sindh, Karachi	Civil works and consultancy with 6 firms	02	2014-15	9.27
2	Director, Gambat Institute of Medical Sciences, Gambat	Various works and purchases from 10 firms	05	2014-15	3.536
3	Shaheed Benazir Medical College Lyari Karachi	One contractor	1 & 11	2013-14	2.886
4	Chandka Medical College Hospital/ ShaikhZaid Women Hospital, Larkana	Purchase of machinery & equipment	06	2014-15	1.061
		Various works contracts with 8 firms	25	2014-15	0.895
5	Shaheed Benazir Bhutto Accident Trauma Center, Civil Hospital, Karachi	-	2	2011-14	1.020
6	PD Estb: of Medical College Sindh, Karachi	Three contractors	9	203-14	0.850
7	Director, Malaria Control Program Sindh, Hyderabad	Various agreements with 4 firms	09	2014-15	0.368
8	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	Three contractors	6	2013-14	0.246
9	Children Hospital North Karachi	-	7	2013-14	0.076
10	Urban Health Center 5C-3, North Karachi	-	12	2013-14	0.050
11	DHO, Sukkur	Ten contractors	5	2013-14	0.021
Total					20.279

Annex-7

13.4.34 Non-deduction/short deduction of income tax – Rs3.337million

(Rupees in million)

Sr. #	Name of Office	Particulars Procurement	AIR Para #	Total Payment	Due Income tax	Deducted	Diff. amount
Table-A (Non recovery)							
1	Liaquat University Medical Hospital Hyderabad	Security and Janitorial service	11	17.820	1.044	0.358	0.686
2	Director, Malaria Control Program Sindh	Insecticides, bed net, consumable kit & Reagents	07	100.917	3.899	3.591	0.308
3	Director, Gambat Institute of Medical Sciences, Gambat	Pay and allowances	06	46.411	2.437	1.308	1.129
						Sub-total	2.123
Table-B (Short Deduction)							
4	District Health Officer Matiari	Medicines/ miscellaneous articles	02	5.151	0.180	0	0.180
5	Civil Hospital Karachi	Consultancy from M/s NESPAK	06	2.092	0.125	0	0.125
6	Program Manager, Hepatitis Prevention & Control Program (Chief Minister's Initiative), Hyderabad	Medicine	11	68.101	0.681	0	0.681
7	Director, Gambat Institute of Medical Sciences, Gambat	Pay and allowances	07	16.874	0.228	0	0.228
						Sub-total	1.214
						Grand Total (A&B)	3.337

Chapter-14 Home Department

Annex-1

14.4.1 Non-production of record – Rs2.358 billion

(Rupees in million)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para#	Amount
1	SSP Shikarpur	Record of expenditure	2014-15	1	849.068
		Pay & Allowance		2	812.038
		C/ book, B/statement		3	0
2	Senior Superintendent of Court Police, Karachi	Cash book along with relevant record	2011-12 to	04	432.044
		Contingent bills	2013-14	02	2.433
3	SSP Badin	Various Record	2014-15	02	71.018
		Working Stent	2014-15	01	3.563
4	SSP Jamshoro	Reconciliation of Expenditure	2014-15	08	69.724
		Revenue Reconciliation Statement		09	14.130
		Heirship & No Marriage Certificate		03	1.800
		Sanction Orders		06	0.449
5	SSP, East, Karachi	Orders of competent authority	2013-14	03	61.500
		G.P Funds Record	2014-15	03	19.861
		Orders & Payment Record		01	5.400
6	Principal Police Training Center, Badin @ Hyderabad	Various Record	2014-15	01	9.491
		Bills Of Cash Reward		20	0.030
7	SSP Sanghar	Hire of Vehicles Bills / Vouchers	2014-15	11	2.000
		Various Record		13	0
8	PD Police & Prison works Sindh @ Hyderabad	Completion certificate from HESCO	2014-15	5	1.212
9	SSP Security Special Branch, Karachi	Disbursement of allowance	2013-14	06	1.062
10	DIG Police, Larkana	Recovery/achievement	2013-14	07	1.000
11	SSP Thatta	Hire Record of Vehicles	2014-15	16	0.157
		Various Record	2014-15	17	0

(Rupees in million)

Sr. #	Name of Office	Particulars	Financial Year	AIR Para#	Amount
12	SSP Ghotki	Rent agreement & Assessment of rent & Deduction of 7.5% tax	2014-15	10	0.025
13	Senior Superintendent Central Prison, Larkana	Service books	2013-14	04	0
14	DIG Police, West, Karachi	Cash books	2013-14	18	0
15	SSP Shaheed Benazirabad	Various Record	2014-15	09	0
Total					2,358.005

Annex-2**14.4.2 Irregular payment through DDO account – Rs256.366 million****(Rupees in million)**

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	SSP East Karachi	2012-13 to 2013-14	01	Salary	142.672
2	DIGP West Karachi	2013-14	20	Detail not produced	44.000
3	SSP Thatta	2014-15	1,5	Various heads	23.478
4	DIG Traffic Police Karachi	2013-14	07	Detail not produced	17.858
5	DIGP South Karachi	2011-12 to 2013-14	03	Detail not produced	10.009
6	DIGP West Karachi	2013-14	05	Detail not produced	8.408
7	SSP Ghotki	2014-15	9	Cost of Investigation	3.148
8	SSP Traffic Zone-II Karachi	2013-14	01	GPF & LPR	1.967
9	DIGP Larkana	2013-14	01	Manual salaries	1.547
10	DIGP, Technical & Transport Sindh Karachi	2013-14	02	Detail of utilization not produced	0.900
11	SSP Shah Faisal Colony Karachi	2011-12 to 2013-14	03	Supplies	0.765
12	SSP Hyderabad	2014-15	7	Others	0.658
13	DIGP, Technical & Transport Sindh Karachi	2013-14	04	Various suppliers	0.411
14	SSP (Political Special Br.) Kyc	2013-14	17	Supplies	0.276
15	SSP Security VVIP-II Karachi	2013-14	01	Manual salaries	0.269
Total					256.366

Annex-3

14.4.6 Doubtful payment without supporting vouchers – Rs47.619 million

(Rupees in million)					
Sr. #	Name of office	Head	Financial Year	AIR Para #	Amount
1	Inspector General of Prisons, Sindh	Water charges	2013-14	3	25.781
2	Inspection General of Police Sindh, Karachi	Uniform	2013-14	16	7.043
3	SSP West Karachi	Repair of Vehicle, M & E, Other	2014-15	2	4.858
4	SSP Badin	Feeding Charges	2014-15	3	3.000
5	SSP West Karachi	Investigation Charges	2014-15	15	2.244
6	SSP Thatta	Feeding Charges	2014-15	3	1.300
7	Senior Superintendent of Police Special Branch Hyderabad	Electricity, telephone & gas charges	2013-14	01	1.002
8	SSP Larkana	Various Items	2013-14 to 2014-15	5	0.976
9	Commandant Specialized Commando Training Centre Sakrand @ Nasri.	Electricity	2013-14	3	0.515
10	Senior Superintendent of Police Political Special Branch Karachi	Repair of transport	2013-14	18	0.430
11	Senior Superintendent of Court Police Karachi	Repair of vehicles, feeding charges & material	2011-12 to 2013-14	7	0.404
12	Principal Police training Centre Badin	F & F	2014-15	16	0.066
Total					47.619

Annex-4

14.4.9 Irregular expenditure without tender – Rs23.486 million

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
1	District Officer Frontier Constabulary Sindh Karachi	Uniforms / Liveries	3	6.300
2	SSP Shikarpur	Repair of vehicles	6	2.536
3	Deputy Inspector General of Police Larkana	Furniture, Plant & Machinery	2	2.000
4	SSP Ghotki	Repair of building	5	2.000
5	SSP Thatta	Renovation	2	2.000
6	SSP Larkana	CCTV system, Hiring of vehicles, Carpet etc.	11	1.970
7	Deputy Inspector General of Police Driving License Branch Clifton Karachi	Computers	23	1.769
8	SSP Thatta	Repair of transport	8	1.742
9	SSP Security Special Branch Karachi	Medicine, Furniture, Plant & Machinery	4	1.573
10	SSP Thatta	Others	10	0.500
11	Deputy Inspector General of Police Larkana	Others	4	0.300
12	SSP Shikarpur	Purchase of Food	8	0.300
13	SSP Shikarpur	Purchase of water	14	0.250
14	Additional Inspector General of Police Karachi	Furniture by splitting	3	0.246
Total				23.486

14.4.14 Double / Overpayment of General Provident Fund – Rs4.213 million**(Amount in Rupees)**

Pers_no_	Name of Official/ Officer	BPS	Payment Method	Bank account	Wage Type1	Amount
10678208	LAL AKBAR	Grade 05	National Bank of Pakistan	18741-1	GPF Final Settlement	168,475
10678208	LAL AKBAR	Grade 05	Others	18741-1	GPF Final Settlement	168,475
10631654	MUSHTAQ AHMED	Grade 07	National Bank of Pakistan	53522	GPF Final Settlement	173,646
10631654	MUSHTAQ AHMED	Grade 07	Others	53522	GPF Final Settlement	173,646
10623609	INAM UL HAQ NAGHAR	Grade 09	National Bank of Pakistan	240651	GPF Final Settlement	64,558
10623609	INAM UL HAQ NAGHAR	Grade 09	Others	240651	GPF Final Settlement	64,558
10405641	NADIR ALI	Grade 09	National Bank of Pakistan	372848	GPF Final Settlement	352,053
10405641	NADIR ALI	Grade 09	Others	372848	GPF Final Settlement	352,053
10601097	MUHAMMAD ALTAF	Grade 14	National Bank of Pakistan	12070-9	GPF Final Settlement	398,832
10601097	MUHAMMAD ALTAF	Grade 14	Others	12070-9	GPF Final Settlement	398,832
10677442	NOOR MUHAMMAD	Grade 07	National Bank of Pakistan	23207-2	GPF Final Settlement	222,478
10677442	NOOR MUHAMMAD	Grade 07	Payment through DDO		GPF Final Settlement	222,478
10610698	SHOUKAT ALI	Grade 14	National Bank of Pakistan	317935	GPF Final Settlement	726,277
10610698	SHOUKAT ALI	Grade 14	Others	317935	GPF Final Settlement	726,277
Total						4,212,638

Chapter-18 Irrigation Department

Annex-1

18.4.2 Non-production of record – Rs2.916 billion

(Rupees in million)					
Sr. #	Name of office	Non-production of record	Financial Year	AIR Para #	Amount
01	Executive Engineer Upper Sindh Mechanical Division, Sukkur	Complete Record for Annual Audit	2013-14	01	414.143
02	Mechanical Engineer Lower Sindh Mechanical Division Jamshoro	Non-salary expenditure	2013-14	14	3.004
		Development Expenditure	2013-14	16	9.800
03	Mechanical Engineer Central Sindh Mechanical Division Jamshoro	Register for repair of Machinery	2013-14	10	11.442
		Non-salary Expenditure	2013-14	16	2.505
04	Director Area Water Board Ghotki	Receipt / Deposit of Water Charges/Abiana	2013-14	06	0.474
		Auditable Record of five Sub-divisions	2013-14	09	0.0
05	Director Area Water Board Mirpurkhas	Auditable Record of Farmer's Organization	2013-14	01	-
		Expenditure incurred by Farmer's Organization	2013-14	02	61.852
06	Executive Engineer, Drainage Division Sanghar	Detailed Estimate of five Works	2013-14	07	2.488
07	Executive Engineer, Irrigation Research Division Karachi	Procurement of Furniture & Computer Accessories	2013-14	04	2.500
08	Executive Engineer, Drainage Division Mirpurkhas	Carriage of sweet earth	2013-14	01	9.155
		Hiring of excavator from private agencies	2013-14	02	5.438
		Hiring charges of excavator	2013-14	03	3.463
		Supply of sweet earth	2013-14	04	31.031
09	Executive Engineer, Irrigation East Division, Khairpur	Measurement books and Sanctioned Estimates	2014-15	02	50.814
10	Executive Engineer, Kandhkot, Division Kashmore	Measurement books	2014-15	09	07.609
		Lead Charts	2014-15	11	3.043
11	Executive Engineer, Thar Coal	Various	2014-15	02	640.000

(Rupees in million)

Sr. #	Name of office	Non-production of record	Financial Year	AIR Para #	Amount
	Water Works Division, Hyderabad	Various	2014-15	03	1,415.783
12	Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad	Paid up challans	2014-15	13	125.132
13	Executive Engineer, Drainage Division, Badin.	various works without detailed / sanctioned estimate	2014-15	07	20.072
				09	5.088
14	Executive Engineer, Begari Division, Jacobabad	various works without detailed / sanctioned estimate	2014-15	01	14.043
15	Executive Engineer, Irrigation East Division, Khairpur,	various works without detailed / sanctioned estimate	2014-15	05	48.500
16	Executive Engineer Drainage Division, Tando Muhammad Khan	various works without detailed / sanctioned estimate	2014-15	06	28.360
Total					2,915.739

Annex-2

18.4.10 Non-deposit of government revenue into government account – Rs151.435 million

(Rupees in million)					
Sr. #	Name of office	Particular	Financial Year	AIR Para #	Amount
01	Mechanical Engineer Lower Sindh Mechanical Division, Jamshoro	Income Tax	2013-14	03	0.117
02	Mechanical Engineer, Central Sindh Mechanical Division, Jamshoro	Tender form Fee	2013-14	02	0.620
03	Executive Engineer, Warah Division, Larkana	Miscellaneous Deposits	2013-14	03	4.704
04	Executive Engineer, Phuleli Canal Division, Badin at Hyderabad	Income Tax and Stamp Duty	2013-14	05	1.693
05	Executive Engineer, Drainage Division, Mirpurkhas	Lapsed Deposit	2013-14	10	39.631
06	Executive Engineer, Northern Dadu Canal Division, Larkana	Income Tax	2013-14	04	57.252
		Miscellaneous Deposits	2013-14	11	33.537
07	Executive Engineer, Begari Sindh feeder Division Kashmore	Income tax & stamp Duty	2014-15	07	11.124
08	Executive Engineer, Dad Division Shaheed Benazirabad	Income tax & other items	2014-15	10	2.303
09	Executive Engineer, Drainage Division Sanghar	Stamp duty	2014-15	09	0.454
Total					151.435

Annex-3

18.4.14 Unauthorized execution of works by splitting and without inviting tender – Rs8.915 million

(Rupees in million)

Sr. #	Name of office	Name of Work	Name of Firm	Financial Year	AIR Para #	Amount
01	Executive Engineer, Drainage Division, Tando Mohammad Khan	Raising strengthening banks, Engaging tractor trolley with Pol: 150 Cft lead 3 miles	M/s A Rahim Contractor	2013-14	05	1.845
02	Mechanical Engineer Central Sindh Mechanical Division, Jamshoro	Repair and maintenance of Vehicle & Machinery	M/s Arbab Builders	2013-14	04	1.783
		Repair and maintenance of Work Shop Section	M/s NAD Engineer Hyd	2013-14	06	1.199
		Repair and maintenance of Work Shop (Hamal Lac)	M/s Shahid Rajput	2013-14	08	3.820
03	Executive Engineer, Drainage Division Sanghar	Repair and maintenance of Tube Wells	M/s Muhammad Khan & Co.	2013-14	09	0.268
Total						8.915

18.4.22 Non-recovery of stamp duty - Rs9.172 million

(Rupees in million)				
Sr. #	Name of office	Financial Year	AIR Para #	Amount of stamp duty
01	Executive Engineer, Drainage Division, Sanghar	2013-14	01	0.228
02	Executive Engineer, Small Dams Division Kohistan No 01 Dadu	2014-15	05	1.341
03	Executive Engineer, Begari Sindh feeder Division Kashmor	2014-15	09	2.538
04	Executive Engineer, Begari Division Jacobabad	2014-15	07	0.477
05	Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad,	2014-15	14	2.094
06	Secretary Irrigation Government of Sindh	2014-15	08	0.375
07	Executive Engineer, Thar Coal water Works Division Hyderabad	2014-15	12	2.119
Total				9.172

(Amount in Rupees)

Name of Contractor	Name of Scheme	W.O No/ Date	Amount	Stamp Duty
Executive Engineer, Drainage Division, Sanghar (AIR Para-1)				
Form-78				228,231
Sub-Total				228,231
Executive Engineer, Small Dams Division Kohistan No 01 Dadu (AIR Para-5)				
Cost Center DU-9326			431,257,000	
Cost Center DU-9623			15,611,000	
Sub-Total			446,868,000	1,341,000
Executive Engineer, Begari Sindh feeder Division Kashmor (AIR Para-9)				
Development Expenditure			846,088,000	2,538,000
Sub-Total			846,088,000	2,538,000
Executive Engineer, Begari Division Jacobabad (AIR Para-7)				
M/s Zawar & A.S Const. Co	ADP Rehabilitation of KharrioDistry Earth Work and Stone Pitching RD 40-55	261/14-02-14	40,054,401	120,163

(Amount in Rupees)

Name of Contractor	Name of Scheme	W.O No/ Date	Amount	Stamp Duty
M/s tariqHussainAbbasi	ADP Rehabilitation of Naseer Branch Earth Work and Stone Pitching RD 75-87	269/ 14-02-14	38,735,649	116,207
M/s Hafiz Rabnawaz& Co	ADP Rehabilitation of KharrioDistry Earth Work and Stone Pitching RD 55-76	262/14-02-14	39,914,942	119,745
M/s Sher Mohammad Mugheri	ADP Rehabilitation of Naseer Branch Earth Work and Stone Pitching RD 0-09	264/ 14-02-14	40,343,458	121,030
Sub-Total			159,048,450	477,145
Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad (AIR Para-14)				
M/s Haji MahkumuddinSolangi	Contract No-LDMSP-SLB-RCC-NRD-02	-	698,055,416	2,094,166
Sub-Total			698,055,416	2,094,166
Secretary Irrigation Government of Sindh (AIR Para-8)				
M/s Zawar& A.S Const. Co	Rehabilitation of short Spurs Studs No 4,5,6& 7 along with SB Bund Mile 0-0 to 0-3	3609/31-10-14	31,182,483	93,547
Khalid MasoodChanna	Rehabilitation of short Spurs Studs No 1,2,& 3 along with SB Bund Mile 0-0 to 0-13	3223/26-09-14	28,589,820	85,769
M/s Abdul QayoomMazari	R/S along V/s Right Marginal Bund Mile 0-0 to 3-0	-	65,193,767	195,518
Sub-Total			124,966,070	374,834
Executive Engineer, Thar Coal water Works Division Hyderabad (AIR Para-12)				
Stamp Duty			1,415,583,000	2,119,000
Sub-Total			1,415,583,000	2,119,000
Grand Total			3,690,608,936	9,172,376

(Amount in Rupees)

Name of Contractor	Name of Scheme	W.O No/ Date	Amount	Stamp Duty
Executive Engineer, Warah Division, Larkana (AIR Para-2)				
M/s Thadani Enterprises	Const. Protection wall (Retaining wall) along warah	TC/G-55/465/	39,054,000	117,162

(Amount in Rupees)

Name of Contractor	Name of Scheme	W.O No/ Date	Amount	Stamp Duty
	branch @ RD-213 to 215 NIP Side (In Portion) Miro Khan Sub-Division Pakg-VI	25-04- 2013		
M/s Amjad Traders	Const. Protection wall (Retaining wall) along warah branch @ RD-289 to 90 IP Side (common bank) Madeji Sub-Division Pakg-I	TC/G- 55/457/ 24-04- 2013	49,757,000	149,271
M/s International Traders	Const. Protection wall (Retaining wall) along warah branch @ RD-114, 121 IP Side (common bank) Madeji Sub-Division Pakg-V	TC/G- 55/460/ 24-04- 2013	41,396,000	124,188
M/s International Traders	Const. Protection wall (Retaining wall) along warah branch @ RD-94, 109 IP Side (common bank) RD-100 NIP Side Madeji Sub-Division PakgII	TC/G- 55/458/ 24-04- 2013	44,373,000	133,119
Sub-Total			174,580,000	523,740
Executive Engineer, Drainage Division, Sanghar (AIR Para-1)				
Form-78				228,231
Sub-Total				228,231
Executive Engineer, Northern Dadu Canal Division, Larkana (AIR Para-1)				
M/s Zavar& A.S Const. Co	Supplying of stone boulders slongruk spur mile 2/3 at ruk loop bund	1239/ 07-08- 2013	31,527,000	94,581
M/s Ibrahim Khan & Ismail Khan Pvt. Ltd	Remaining work along J-Spur @ mile 1/1 and raising & strengthening of Abad ManguliExtnsn bund in Irk Sub-Division	1185/ 06-07- 2012	386,390,000	1159,170
M/s Ali GoharMirani	Const. of R/wall along Dadu Canal R.D 282+500 to 283 (500 Ft)	N/A	13,627,000	40,881
M/s Mehran Builders	Const. of R/wall along Dadu Canal R.D 282+00 to 283+500 (500 Ft)	700/ 31-05- 2014	13,637,000	40,911
Sub-Total			445,181,000	1,335,543
Executive Engineer, Small Dams Division Kohistan No 01 Dadu				
Cost CenterDU-9326			431,257,000	

(Amount in Rupees)

Name of Contractor	Name of Scheme	W.O No/ Date	Amount	Stamp Duty
Cost Center DU-9623			15,611,000	
Sub-Total			446,868,000	1,341,000
Executive Engineer, Begari Sindh feeder Division Kashmor				
Development Expenditure			846,088,000	2,538,000
Sub-Total			846,088,000	2,538,000
Executive Engineer, Begari Division Jacobabad				
M/s Zavar& A.S Const. Co	ADP Rehabilitation of KharrioDistry Earth Work and Stone Pitching RD 40-55	261/14-02-14	40,054,401	120,163
M/s tariqHussainAbbasi	ADP Rehabilitation of Naseer Branch Earth Work and Stone Pitching RD 75-87	269/ 14-02-14	38,735,649	116,207
M/s Hafiz Rabnawaz& Co	ADP Rehabilitation of KharrioDistry Earth Work and Stone Pitching RD 55-76	262/14-02-14	39,914,942	119,745
M/s Sher Mohammad Mugheri	ADP Rehabilitation of Naseer Branch Earth Work and Stone Pitching RD 0-09	264/ 14-02-14	40,343,458	121,030
Sub-Total			159,048,450	477,145
Project Director, Lining of Distributaries and Minors in Sindh, Hyderabad,				
M/s Haji MahkumuddinSolangi	Contract No-LDMSP-SLB-RCC-NRD-02	-	698,055,416	2,094,166
Sub-Total			698,055,416	2,094,166
Secretary Irrigation Government of Sindh				
M/s Zavar& A.S Const. Co	Rehabilitation of short Spurs Studs No 4,5,6& 7 along with SB Bund Mile 0-0 to 0-3	3609/31-10-14	31,182,483	93,547
Khalid MasoodChanna	Rehabilitation of short Spurs Studs No 1,2,& 3 along with SB Bund Mile 0-0 to 0-13	3223/26-09-14	28,589,820	85,769
M/s Abdul QayoomMazari	R/S along V/s Right Marginal Bund Mile 0-0 to 3-0	-	65,193,767	195,518
Sub-Total			124,966,070	374,834
Executive Engineer, Thar Coal water Works Division Hyderabad				
Stamp Duty			1,415,583,000	2,119,000
Sub-Total			1,415,583,000	2,119,000
Grand Total			4,310,369,936	11,031,659

Chapter-20 Law & Parliamentary Affairs & Human Rights Department

Annex-1

20.4.1 Non-production of record – Rs116.769 million

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Head of Account	Amount
1	Prosecutor General, Sindh, Karachi	07	2007-08 to 2013-14	Salaries	13.510
2	Prosecutor General, Sindh, Karachi	11	2007-08 to 2013-14	New appointment	-
3	Prosecutor General, Sindh, Karachi	29	2007-08 to 2013-14	Budget Expenditure, Fresh Appointment Agreement/Personal File & Dead Stock Register	-
4	Prosecutor General, Sindh, Karachi	35	2007-08 to 2013-14	Purchase of Hard ware, Transport, Plant & Machinery & Furniture & Fixture.	2.393
5	Secretary, Law, Parliamentary affairs & Human Rights, Karachi	1 & 3	2014-15	Payment to nine lawyers new appointment /pay of staff members 35	100.866
Total					116.769

20.4.2 Unauthorized payment through cash instead of cheques – Rs44.656 million

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Head of Account	Amount
1	Secretary, Law, Parliamentary affairs & Human Rights, Karachi	01	2013-14	Law Charges	24.000
2	Prosecutor General, Sindh, Karachi	13, 27&28	2007-08 to 2013-14	Repair Of Machinery & Equipment & Vehicle	3.230
3	District Public Prosecutor, West, Karachi	07	2007-08 to 2013-14	-	1.008
4	District Public Prosecutor, South, Karachi	09	2012-13 & 2013-14	-	0.473
5	District Public Prosecutor, East, Karachi	09	2007-08 to 2013-14	-	1.629
6	District Public Prosecutor, Malir , Karachi	08	2007-08 to 2013-14	-	0.676
7	District Public Prosecutor, Thatta	08 & 12	2007-08 to 2013-14	Stationery & Printing	2.116
8	District Public Prosecutor, Hyderabad	12& 17	2012-13 & 2013-14	Salary,TA/DA, Stationery & Printing	2.836
9	District Public Prosecutor, Dadu	1& 11	2012-13 & 2013-14	Pay, Stationery & Printing	3.023
10	District Public Prosecutor, Matiari	1& 7	2012-13 & 2013-14	Stationery , Printing	1.855
11	District Public Prosecutor, Tando Muhammad Khan	6	2013-14	Stationery & Printing	0.298
12	District Public Prosecutor, Khaipur	02	2012-13 & 2013-14	Stationery & Printing	0.923
		10	2012-13 & 2013-14	-	2.589
Total					44.656

Chapter-22 Local Government, Rural Development, Phe & Htp Department

Annex-1

22.4.3 Irregular award of civil works by engineered / collusive tendering – Rs234.203 million

(A) Irregular award of civil works by engineered & bogus tendering - Rs11.441 million

(Rupees in million)					
S. No	Pay order No & Date	Amount & Pay Order	Name of work	Name of contractor	Cost of work
1	2960929/ 14-04-2014	1000	Repair of Disposal i/c Repair of surface drain for O/M R/M Sula Karam khan Nizamani	M/S Abro	0.498
			Repair of SD repair / providing pumping machinery i/c pump house O/M R/D Pinyal Galu	M/S Shahid Electric	0.750
2	5928270/ 15-04-2014	500	Construction of surface drains at CC Block at village Anwar Taluka & District Matiari	M/S Muhammadi & Company	0.290
			Construction of CC Block at village Shahbir Ali Katier District Matiari	M/S Muhammadi & Company	0.390
3	500495/ 15-04-2014	500	Repair of pumping machinery i/c and repair of SD O/M Rural Development Scheme Bhiriaya	M/S Shahid Electric	0.495
			Repair/Construction of surface drain of CC block ... Akund Sawan Hala Old (Rural) Taluka Hala District Matiari	M/S Muhammad Zameer	0.485
4	0454100/ 14-04-2014	500	Construction of Drainage system in village Rakhial Machhi, Saluh Mangrio Union councial Matiri (DADP)	M/S Nazir Ahmed Mangi	0.370
			Repair of Disposali/c S.D of O/M R/D Sumlhar O/M	M/S Imran Ali	0.475
5	1983/ 12-04-2014	1000	Repair of O/M Rural W/S Scheme Sahib Saeen Taluka	M/S Capital Engineering	0.950

(Rupees in million)

S. No	Pay order No & Date	Amount & Pay Order	Name of work	Name of contractor	Cost of work
			& District Mathi	Works	0.490
			Repair pumping machinery and disposal O/M R/D ... Bhaledino kaka O/M		
6	1979432/ 05-05-2014	1000	Repair of O/M Rural W/S Scheme Sahib Saeen Taluka & District Mathi	M/S NAK Engineering Works	0.950
			Repair of CC Block O/R Rural Drainage scheme District Matari	M/S NAK Engineering Works	
7	10586303/ 28-03-2014	1000	Repair of O/M Rural W/S Scheme Sahib Saeen Taluka & District Mathi	M/S Aslam Enterprizes	0.950
			Repair of CC Block O/R Rural Drainage scheme District Matari		
8	10673470/ 10-04-2014	500	Repair of O/M R/W/S schemes Khand Taluka Hala District Matiri	M/S Mukhtair Ahmed	0.495
			Repair of O/M Rural Drainage scheme Taluka saeedadab District Matiri		0.500
9	10189524/ 14-04-2014	500	Construction of CC Block at village Allah Waryo Taluka & District ADP	M/S Zulfiqar Ali Abbasi	0.190
			Repair of disposal i/c pumping machinery repair & construction of SD O/M R/M Schemes Bhanote	M/S Zulfiqar Ali Abbasi	0.470
10	454098/ 14-04-2014	500	Construction of CC Block at village Allah Waryo Taluka & District ADP	M/S Nazir Ahmed Mangi	0.190
			Repair of disposal i/c PM Rising Main 6" dia and Repair of SD O/M R/M Khanote	M/S Muhammad Imran	0.495
11	10185921/ 14-04-2014	500	Repair of disposal i/c O/M R/M scheme Khanote	M/S Zulfiqar Ali Abbasi	0.480
			Repair of surface drains rising main Pump machinery inter connection for O/M Rural Drainage Scheme Juma Shaikh	M/S Zulfiqar Ali Abbasi	0.498
12	618036/ 14-04-2014	500	Repair of disposal i/c O/M R/M scheme Khanote	M/S Ghulam Asger	

(Rupees in million)

S. No	Pay order No & Date	Amount & Pay Order	Name of work	Name of contractor	Cost of work
				Soomro	
			Construction of CC Block at village Arzi Hakro District Matiri	M/S Ghulam Asger Soomro	0.580
13	10189530/ 14-04-2014	500	Repair & Rising Main 6" Dia Renovation of pump machinery O/M R/D/ Jeendal Kot	M/S Zulfiqar Ali Abbasi	0.450
			Repair of pumping machinery i/c Inter connetion and repair of surface drains & rising main O/M R/M Shah Alam Shah ji Wasi		
Total					11.441

Annex-2

22.4.4 Non-production of record – Rs275.136 million

(Rupees in million)

Sr. #	Name of Division	Financial Year	AIR Para #	Particulars	Amount
01	XEN PHE, Karachi	2013-14	09	Ledgers	49.507
02	XEN PHE, Mirpurkhas	2014-15	02	Tender documents and other record of work contract awarded to M/s. HZIS Enterprises	39.698
03	XEN PHE, Umerkot	2013-14	06	Copies of agreement	18.137
			01	Technical sanctions	23.216
			02	Paid challans	14.478
04	XEN PHE, Dadu	2014-15	03	Invoices against supplied Machineries and Water Pumps	13.645
05	XEN PHE, Matiari	2013-14	02 & 03	Record of Repair of Machinery & General	9.823
06	XEN PHE, Hyderabad	2013-14	03,04 & 05	Copies of agreement & other record	3.635
			06	Record of Security Deposits	15.513
07	XEN PHE, Tando Muhammad Khan	2014-15	07	Various payments	0.320
08	XEN PHE Div-I, Khairpur	2014-15	11	Payment on hand receipt	0.100
09	P.D Lyari Development Package, Karachi	2013-14	01	Record of taxes	0.00
			03	Documents relating to Technical Sanction	46.414
10	XEN PHE, Neusheroferoz	2013-14	10	Technical sanctions	28.999
			01	Record of taxes	11.651
Total					275.136

Annex-3

22.4.7 Excess execution over and above estimate – Rs23.945 million

(B) Excess execution of work over and above sanctioned estimate - Rs2.050 million

(Rupees in million)

CV # & date	Work Order No. & date	Name of Contractor	Name of work	Up to date Expenditure as on 30-06-2015	Tender Cost	Excess Expenditure
31/ 17.06.15	36/ 11.05.15	M/S Techno Builders	Providing/Laying/Jointing PVC distribution for remaining Muhalla & Site for R/W/S/Scheme: Dodo Khan Laghari, Kot Ghulam Muhammad	1,420,879	433,115	0.987
19/ 11.06.15	393/ 20.05.14	Mr. A.A.W & Brothers	Providing/Laying/Jointing & testing PVC Distribution System for R/W/S/Scheme: Talib Dal, Kot Ghulam Muhammad	2,261,235	1,198,108	1.063
Total				3,682,114	1,631,223	2.050

Annex-4

22.4.15 Non-recovery of due water charges from contractors – Rs1.795 million

(Amount in Rupees)

Work order No. & Date	Name of Work	Sanction of cost of work	1.5% Water charges
DG(P&H)/KMC /300/2013 dated 25-10-2013	Improvement/ Rehabilitation of round-about KMC, M/s Riz Constructors	7,720,857	115,813
DG(P&H)/KMC /226/2012 dated 06-11-2012	Improvement of Bano Garden at Hill Park, KMC, M/s Kaim Khani Competition International	19,951,368	299,271
DG(P&H)/KMC /232/2012 dated 30-10-2012	Improvement of lake area at Hill Park, KMC, M/s Precision Engineering Services, Karachi	19,898,000	198,470
DG(P&H)/KMC /227/2012 dated 16-11-2012	P/L-5 CM carpet at 3 coins E Shezan Restaurant Parking area at Hill Park, KMC, M/s Shahzad Yousuf Zai, Karachi	18,354,000	275,760
DG(P&H)/KMC /225/2012 dated 16-11-2012	Providing & Fixing Lighting Arrangement, Irrigation System & Providing/Fixing Iron Grill at St-29 Park Clifton Block-5, KMC, M/s Kaim Khani Competition International	9,700,000	145,500
DG(P&H)/KMC /208/2012 dated 07-09-2012	Remaining work of Gulshan-e-Jinnah, KMC, M/s Askari Enterprises, Karachi	19,120,524	186,808
DG(P&H)/KMC /258/2013	Development of Bagh-e-Jinnah (Frere Hall), KMC, M/s K.N. Builders, Karachi	19,947,000	299,205
DG(P&H)/KMC /224/2012	Lighting arrangement at Hill Park (P&H), Department, KMC, M/s King Enterprises, Karachi	18,333,204	274,998
Total			1,795,825

22.4.18 Non-deduction of various taxes from contractor bills at source and non-credit of taxes and dues into government account – Rs141.517 million

(A) Non-credit of taxes and dues into government account – Rs137.093 million

(Rupees in millions)

Sr. #	Name of offices	Financial Year	Particulars	AIR Para #	Amount
01	XEN, PHE, Div-I, Khairpur Mir's	2014-15	Earnest Money & Security Deposits	09	116.323
			Income Tax, Professional Tax & PWD Deposits	01	4.109
		2013-14	Income Tax, Professional Tax & PWD Deposits	02,	3.218
02	XEN, PHE, Karachi	2013-14	PWD Deposits	06	1.400
		2014-15	Income Tax	06	7.755
03	XEN, PHE, NaushehroFeroz	2013-14	Income Tax & Professional Tax	11	1.410
04	PD, Benazirabad Development Package @ Hyderabad	2013-14	Income Tax	04	1.607
		2013-14	Misc: deposits (Tender Document Cost)	05	0.110
05	XEN ,PHE, Matiari	2013-14	Income Tax, Professional Tax & Surcharges	12	0.927
06	XEN PHE, Dadu	2014-15	Income Tax, Professional Tax & Misc.	01	0.234
				Total	137.093

22.4.19 Non-recovery of stamp duty–Rs3.549 million

(Rupees in million)				
Sr. #	Name of office	Financial Year	AIR Para #	Amount
01	Project Director, HDA, Hyderabad	2013-14	01	0.588
02	XEN PHE, Jacobabad	2013-14	03	0.466
03	XEN PHE, Tandoallahyar	2013-14	09	0.372
04	PD Lyari Development Package Karachi	2013-14	09	0.355
		2014-15	09	0.074
05	XEN PHE , Naushero Feroz	2013-14	09	0.208
06	XEN PHE, Karachi	2013-14	04	0.180
07	PD Benazirabad Development Package @ Hyderabad	2013-14	01 & 02	0.164
08	XEN PHE, Khairpur Division-I	2013-14	09	0.070
		2014-15	02	0.107
09	XEN PHE Mirpurkhas	2014-15	10	0.104
10	XEN PHE Tando Muhammad Khan	2014-15	10	0.040
11	Malir Development Authority Karachi	2014-15	13	0.452
12	XEN PHE, Matiari	2013-14	10	0.047
13	DG Rural Development Authority Hyderabad	2014-15	14	0.322
Total				3.549

Chapter-28 Services General Administration & Coordination Department

Annex-1

28.4.6 Irregular expenditure on surplus staff - Rs1.324 million

S.No	Parent Office	Designation of Surplus Staff & Officers	Number of Employees
1	Social Welfare	Instructor	05
2	F&PG Larkana	Naib Qasid	01
3	F&PG Larkana	DR	01
4	Food Department	Junior Clerk	01
5	F&PG Larkana	Sweeper	01
6	SAZDA	Senior Clerk	01
7	SAZDA	Naib Qasid	01
8	F&P	Assistant	03
9	SASO	Senior Clerk	01
10	SASO	Assistant	01
11	SSIC	C/Teacher	01
12	SSIC	Helper	02
13	SSIC	J. Binder	01
14	SSC	Guard	01
15	SASO	Senior Clerk	01
16	NIL	NIL	12
17	SSIC	Assistant Director	02
18	Sindh Sugar Corp. Thatta	NIL	01
19	SSIC	Instructor	01
20	S.R.T.C	Assistant Traffic Manager	01
21	SAZDA	Service Asstt:	01
22	RDD	Assistant Director	01
23	Excise Deptt	Excise & Taxation Officer	01
24	NIL	Surplus Officer	01
25	Sindh KatchiAbadis	NIL	01
26	Sindh Sugar Corp. Thatta	Security Officer	01
27	SGA&CD	Telephone Operators	11
28	SGA&CD	Drivers	12
Total			68

Chapter-33 Women Development Department

Annex-1

33.4.1 Loss to Govt. due to non-return of Govt. vehicles by various ex-officers & ministers etc – Rs5.800 million

(Rupees in million)				
Sr. #	Registration #	Make & model	Vehicle detailed with whom	Approximately value
1	GS-9872	Toyota Corolla 2009	Ex-Secretary (Mr. M. Rashid)	1.000
2	GS-9292	Toyota Corolla 2009	Staff Car (Mr. M. Rashid)	0.800
3	GS-2307	Toyota Corolla 2009	Additional Secretary (Ms. Sarwat Faheem)	1.000
4	GS-7370	Toyota Corolla 2004	Pool Deputy (Ms.Tauquer Fatima Bhutto Ex –Minister Women Development	0.700
5	GS-9229	Suzuki Mehran 2009	Deputy Director Ms.Tauquer Fatima Bhutto Ex –Minister Women Development	0.900
6	GS-4981	Centro Club 2006	Project vehicle day care centre PS to Ex-Minister(Mr. Allah Warayo Sial)	0.700
7	GS-4748	Toyota Hi-Ace 2007	Project vehicle Media Cell Project Ms.Tauquer Fatima Bhutto Ex –Minister Women Development	0.700
Total				5.800

Chapter-34 Works & Services Department

Annex-1

34.4.1 Non-production of record Rs254.713 million

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particulars	Year	Amount
1	XEN, Provincial Highways Division, Nousheroferoz @ Khairpur	2	Record of tendering against two work contract.	2014-15	89.805
2	XEN, Provincial Highways Division, Badin	12	Paid Challans of Income Tax Professional Tax And Stamp Duty	2014-15	31.271
3	XEN, Provincial Buildings Division-, Larkana	1	Paid Challans of Income Tax And Tender Fee	2014-15	28.056
4	XEN, Provincial Buildings Division-I, Karachi	1	Paid Challan of Income Tax	2014-15	18.995
5	XEN, Provincial Highways Division, Sukkur	10	Paid Challans of Income Tax	2014-15	9.418
		39	Record of Payment to Pakistan Railways	2014-15	0.991
7	XEN Highways Division, Jacobabad	9	Forms- 64,70 and 78 in respect of work done	2013-14	---
8	XEN Highways Division, Dadu	10	PC-I and detailed estimates in respect of three works	2013-14	58.647
		7	Treasury challan against deposited income tax	2013-14	14.861
10	XEN Buildings Division, Mithi	10	Supporting Vouchers of C.C Block road in Revenue colony i.e. Agreement, Measurement book.	2013-14	1.824
11	XEN Buildings Division, Shahdadkot	3	Record of Income Tax Payment	2013-14	0.845
Total					254.713

Annex-2

34.4.2 Irregular payment on reduce rates - Rs258.637 million

(Rupees in million)

Sr. #	Name of Office	Name of Office	AIR Para #	Year	Amount
1	XEN Highways Division, Shikarpur	Earth work of embankment	2	2013-14	14.384
2	XEN Buildings Division –I, Karachi	Titles, Aluminum, Iron grills, etc., in Hospital	6	2013-14	4.115
3	XEN Buildings Division, Tharparkar	Water tank in medical dispensary and cc top	4	2013-14	3.532
4	XEN Buildings Division, Badin	Repair of residential quarters	1	2013-14	2.377
5	XEN Electrical Engineer –II, Karachi	Three work of electric fitting	5	2013-14	2.113
6	XEN, Provincial Highways Division, Sukkur	Earth Work, Base Course, Brick and Providing 1 st Coat	2	2014-15	105.127
7	XEN, Buildings Division-II, Karachi	Aluminum Work, Precast stressed, Boticina Marble, Glazed Tile, Fiber Glass.	5	2014-15	67.127
8	XEN, Provincial Buildings Division-I, Karachi	White Floor marble, Burma Teak, steel Grill, Marble Top	4	2014-15	33.794
9	XEN, Provincial Highways Division, Badin	Earth work and preparing sub base course	14	2014-15	13.060
10	XEN, Highways Division, Mirpurkhas	Earth Work	6	2014-15	9.270
12	XEN, Highways Division, Badin	Earth Work	6	2014-15	2.353
13	XEN, Provincial Buildings Division-, Larkana	RCC foundation, PVC, Transportation	8	2014-15	1.385
Total					258.637

Annex-3

34.4.3 Irregular execution of work over & above estimated cost – Rs96.512 million

(Rupees in million)

Sr. #	Name of Office	AIR Para #	year	Estimated Cost	Actual Expenditure	Excess Amount	Excess %
1	XEN Buildings Division –I, Karachi	5	2013-14	19.887	36.018	16.131	81.11
2	XEN Buildings Division, Mirpurkhas	6	2013-14	7.105	21.121	14.015	197.3
3	XEN Provincial Highways , Mirpurkhas	1	2013-14	24.992	30.62	5.630	22.5
4	XEN Highways Division, Badin	4	2013-14	5.913	9.999	4.085	69
5	XEN Electrical Energy-I Division, Karachi	4	2013-14	2.8	3.761	0.961	34
6	XEN Highways Division, Shikarpur	3	2013-14	7.926	11.386	3.446	43
7	P.D Strengthening Plan of Infrastructure, Benazirabad	11	2013-14	17.206	18.662	1.455	8.2
8	XEN, Provincial Buildings Division, Larkana	10	2014-15	36.902	65.855	28.953	78
9	XEN, Highways Division, Larkana	1	2014-15	75.214	89.159	14.159	18
10	XEN, Highways Division, Mirpurkhas	1	2014-15	33.483	36.833	3.350	10
11	XEN, Provincial Buildings Division-II, Karachi	1	2014-15	24.39	27.46	3.070	13
12	XEN, Buildings Division-I, Karachi	2	2014-15	9.708	10.965	1.257	13
Total						96.512	

34.4.10 Non-deposit of receipts into government account – Rs245.599 million**(Rupees in million)**

Sr. #	Name of Office	AIR Para #	Particulars	Year	Amount
1	XEN Highway Division, Sukkur	2	Income Tax Professional Tax and Sales Tax	2013-14	19.509
2	XEN Building Division, Ghotki	3	Income Tax, Deposit from Contractors	2013-14	11.167
3	XEN Highway Division, Dadu	2	Income Tax	2013-14	7.050
4	XEN Building Division, Kandhkot	3	Income Tax, Professional Tax	2013-14	6.953
5	XEN Highway Division, Kandhkot	6	Income Tax Professional Tax, Road roller Recovery and Stamp Duty	2013-14	5.889
6	P.D Strengthening plan of Infrastructure, Benazirabad	12	Income Tax, Misc. Deposit	2013-14	3.958
7	XEN Building Division, Shikarpur	1	Income Tax Professional Tax, Stamp Duty and others	2013-14	3.451
8	XEN Provincial Building – I, Karachi	5	Income Tax	2014-15	27.667
9	XEN Highway Division, Shikarpur	1	Income Tax	2013-14	2.255
10	XEN Building Division, Mirpurkhas	4	Income Tax	2013-14	0.486
11	XEN, Buildings Division-II, Karachi	11	Income Tax	2014-15	48.414
12	XEN, Provincial Buildings Division, Hyderabad	2	Income Tax, Flood Charges, Sales Tax	2014-15	41.529
13	XEN, Provincial Highways Division, Sukkur	8	Income Tax, Professional Tax, Stamp Duty Charges, Misc. Deposit	2014-15	25.429
14	XEN, Buildings Division-III, Karachi	7	Income Tax	2014-15	12.927
15	XEN, Provincial Highways Division, Naushehro feroz	4	Income Tax, Professional Tax	2014-15	11.322
16	XEN, Buildings Division-I, Karachi	9	Income Tax	2014-15	7.531
17	XEN, Buildings Division, Thatta	8	Income Tax	2014-15	7.187

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particulars	Year	Amount
18	XEN, Provincial Buildings Division, Larkana	9	Income Tax, Professional Tax	2014-15	1.251
19	XEN, Provincial Highways Division, Dadu	2	Stamp Duty, Professional Tax	2014-15	1.117
20	XEN, Highways Division-I, Larkana	4	Received from Contractors for work	2014-15	0.450
21	XEN, Buildings Division, Sanghar	7	Income Tax	2014-15	0.057
Total					245.599

34.4.11 Non recovery of stamp duty – Rs17.941 million

Sr. #	Name of Office	AIR Para #	Year	Amount
1	XEN Buildings Division, Mithi	3	2013-14	6.661
2	XEN Buildings Division, Kandhkot	9	2013-14	0.789
3	XEN Buildings Division –I, Karachi	9	2013-14	0.279
4	XEN Machinery & Maintenance Division, Hyderabad	8	2013-14	0.188
5	XEN Highways Division, Kandhkot	4	2013-14	0.170
6	XEN Buildings Division III, Karachi	6	2013-14	0.141
7	XEN Buildings Division, Ghotki	8	2013-14	0.141
8	XEN Highways Division, Shikarpur	9	2013-14	0.139
9	XEN Highways Division, Hyderabad	7	2013-14	0.128
10	XEN Provincial Highways Mirpurkhas	4	2013-14	0.121
11	XEN Highways Division, Thatta	3	2013-14	0.093
12	XEN Highways Division, Sukkur	14	2013-14	0.088
13	XEN Highways Division, Matiari	4	2013-14	0.081
14	XEN Buildings Division, Thatta	10	2013-14	0.076
15	XEN Buildings Division, Shikarpur	3	2013-14	0.075
16	XEN Highways Division, Dadu	3	2013-14	0.059
17	XEN Buildings Division, Jacobabad	12	2013-14	0.023
18	XEN, Provincial Buildings Division, Sukkur	10	2014-15	4.265
19	XEN, Buildings Division-II, Karachi	2	2014-15	1.527
20	XEN, Provincial Buildings Division-I Karachi	6	2014-15	1.020
21	XEN, Highways Division, Larkana	7	2014-15	0.626
22	XEN, Provincial Highways Division, Mithi	2	2014-15	0.404
23	XEN, Provincial Buildings Division, Larkana	11	2014-15	0.344
24	XEN, Highways Division, Jamshoro	7	2014-15	0.241
25	XEN, Buildings Division-III, Karachi	6	2014-15	0.151
26	XEN, Highways Division, Hyderabad	11	2014-15	0.111
Total				17.941