



**AUDIT REPORT
ON
THE ACCOUNTS OF
PUBLIC SECTOR ENTERPRISES
GOVERNMENT OF BALOCHISTAN
AUDIT YEAR 2022-2023**

AUDITOR GENERAL OF PAKISTAN

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 15 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 require the Auditor General of Pakistan to conduct audit of the accounts of Government Commercial Undertakings, Authorities or bodies established by the Federation or Provinces.

This report is based on audit of the accounts of Public Sector Enterprises of Government of Balochistan for the year 2021-22. The Director General Commercial Audit and Evaluation, Karachi, conducted audit during the period July 01, 2022 to November 15, 2022 on a test check basis, with a view to report significant findings to the relevant stakeholders. The main body of the Audit Report includes systemic issues and relatively less significant issues have been listed in the Annex-1 (MFDAC). The audit observations listed in the Annex-1 shall be pursued with the relevant Principal Accounting Officers (PAOs) of the Department at Departmental Accounts Committee (DAC) level. In case where the PAOs do not initiate appropriate action, the audit observations shall be brought to the notice of the Public Accounts Committee (PAC) through the next year's Audit Report.

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

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS	i
EXECUTIVE SUMMARY	iii
Chapter-1	1
Industries and Commerce Department	1
1.1 Government Printing Press, Quetta	1
1.1.1 Introduction	1
1.1.2 Comments on Audited Accounts	1
1.1.3 Classified Summary of Audit Observations	1
1.1.4 Compliance of PAC Directives	2
1.1.5 Audit Paras	2
1.2 Small Industries Wing, Quetta	7
1.2.1 Introduction	7
1.2.2 Comments on the Audited Accounts	7
1.2.3 Classified Summary of Audit Observations	8
1.2.4 Compliance of PAC Directives	8
1.2.5 Audit Paras	8
Chapter-2	12
Labour and Manpower Department	12
2.1 Balochistan Employees Social Security Institution	12
2.1.1 Introduction	12
2.1.2 Comments on the Audited Accounts	12
2.1.3 Classified Summary of Audit Observations	12
2.1.4 Compliance of PAC Directives	13
2.1.5 Audit Paras	13
Annex-1	38
Annex-2	39

Annex-3	40
Annex-4	41
Annex-5	46

ABBREVIATIONS & ACRONYMS

AG	Accountant General
AGP	Auditor General of Pakistan
AMD	Advanced Micro Devices
BESSI	Balochistan Employees Social Security Institution
BPPR	Balochistan Public Procurement Rules
BPPRA	Balochistan Public Procurement Regulatory Authority
BRA	Balochistan Revenue Authority
CCGPP	Chief Controller Government Printing Press
CGA	Controller General of Accounts
CMD	Curative Medicine Degree
DAC	Departmental Accounts Committee
DG CA&E	Director General, Commercial Audit & Evaluation
E & D	Efficiency and Discipline
EOL	Extra Ordinary Leave
FBR	Federal Board of Revenue
FIR	First Information Report
GFR	General Financial Rule
GPP	Government Printing Press
HBL	Habib Bank Limited
MFDAC	Memorandum for Departmental Accounts Committee
NAB	National Accountability Bureau
NBP	National Bank of Pakistan
NOC	No Objection Certificate
OPD	Outpatient Department
P & D	Planning and Development
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PESSI	Provincial Employees Social Security Institute
PMDC	Pakistan Medical & Dental College
PSDP	Public Sector Development Programme
PSEs	Public Sector Enterprises
S&GAD	Service & General Administration Department
SECP	Securities and Exchange Commission of Pakistan
SIW	Small Industries Wing
TBE	Trans - Balochistan Enterprises
TDR	Term Deposit Receipt

EXECUTIVE SUMMARY

The Director General Commercial Audit & Evaluation (DGCA&E) South Karachi carried out audit & evaluation of Public Sector Enterprises (PSEs) established by Government of Balochistan which maintain their accounts on commercial basis. Section-15 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 empowers the Auditor General of Pakistan to conduct audit of companies and corporations established in public sector. DG (CA&E) Karachi is mandated to conduct regularity audit (financial audit & compliance with authority audit), performance audit and special audit of these PSEs. Out of total human resources available with DG (CA&E) Karachi 06 officers and staff (1,250 man-days) were deputed for the audit of Balochistan Government entities. An expenditure of Rs.0.627 million was incurred against above audits.

This report does not contain comments on the annual audited accounts of 03 public sector enterprises for the financial year 2021-22 as the concerned management failed to submit their annual audited accounts within four months of closure of financial / calendar year as mandated under regulatory requirements.

a. Scope of Audit

This office is mandated to conduct audit of 03 formations working under 02 PAOs. Total expenditure and receipts of these formations were Rs.800.584 million and Rs.58.071 million, respectively for the financial year 2021-22.

Audit coverage relating to expenditure and receipt comprises 03 formations of 02 PAOs having a total expenditure and receipt of Rs.800.584 million and Rs.58.071 million for the financial year 2021-22. In terms of percentage (10%), the audit coverage of expenditure is Rs.80.060 million and that of receipts is Rs.5.810 million.

b. Recoveries at the instance of Audit

Audit pointed out recovery of Rs.76.108 million however, the management failed to recover the amount at the instance of audit during the period.

c. Audit Methodology

Planning and Permanent Files of auditee organizations maintained in the Office of DG (CA&E) were updated before undertaking audit exercise for the year 2021-22. The desk audit helped in identifying high risk areas in operations, investment, procurements, asset & human resource management.

During field audit activities, transactions were checked on the basis of the organization's rules and regulations and government policies and directives keeping in view the international best practices. Audit also evaluated the internal control systems of the management and selected the sample on the basis of the result of the evaluation of these controls. Audit also carried out discussion with management and site.

d. Audit Impact

Audit through its findings and recommendations helped the management in different ways like:

- i. Improvement in their existing working, specially related to their revenue generation and expenditure utilization.
- ii. Audit findings reflected that the organizations tried to improve their working by following the rules and regulations as much as possible.
- iii. Audit aided in the process of improved transparency and accountability in the procurement process.

Audit findings and recommendations would have multiplier impact if the DAC and PAC meetings are held regularly.

e. Comments on Internal Controls and Internal Audit department

Internal controls are reflected from policies, procedures, rules, regulations and monitoring mechanism in any organizations. These controls not only guard against fraud, waste and inefficiency, but ensure reliable and accurate operational and financial information for rational decision-making. A number of internal control weaknesses were observed during the audit of Public Sector Enterprises, some of them are illustrated below:

- i. Management of Receivables in almost all the organizations required immediate attention. The loans to borrowers under different schemes and trade debts were not being collected timely resulting in accumulation thereof with a risk of conversion into bad debts.
- ii. Financial management needs to be strengthened by establishing a system of maintenance of accounts comprising immediate posting of financial transactions, periodical reporting within a financial year, observance of year-end procedures, timely preparation of financial statements upon close of financial year and timely audit of accounts. The Principal Accounting Officers will be in a position to control the affairs of their organizations by strengthening the financial management. The non-submission of audited accounts illustrates weakness of internal control.

f. The key audit findings of the report;

- i. Irregular procurement was reported in three cases - Rs.54.737 million¹.
- ii. Non-recovery of outstanding dues was reported in three cases Rs.76.108 million².
- iii. Wasteful expenditure incurred on salaries was reported in two cases - Rs.84.527 million³
- iv. Irregular appointment and promotion was reported in four cases⁴
- v. Embezzlement/ fraud / misappropriation were reported in five cases- Rs.500.753 million⁵.

¹Paras- 2.1.5.9, 2.1.5.10 & 2.1.5.13

²Paras- 1.1.5.5, 1.2.5.2 & 2.1.5.5

³Paras- 2.1.5.4 & 2.1.5.14

⁴Paras- 2.1.5.22, 2.1.5.23, 2.1.5.24 & 2.1.5.26

⁵Paras- 2.1.5.1, 2.1.5.2, 2.1.5.6, 2.1.5.12 & 2.1.5.18

g. Recommendations

The Principal Accounting Officers need to take necessary steps to evaluate, institute and strengthen the management, budgeting and accounting controls through adopting following measures:

- i. Procurements should be made in accordance with rules.
- ii. Mechanism of recovery should be re-visited to make it practical & effective.
- iii. Management should ensure that expenditures incurred for fruitful propose
- iv. Management should ensure appointment and promotion according to polices.
- v. Management should take strict actions and develop mechanism to mitigate the risk.

Chapter-1

Industries and Commerce Department

1.1 Government Printing Press, Quetta

1.1.1 Introduction

Printing & Stationery Department, Government of Balochistan was established in July 1970. The Stationery Wing was responsible for procurement of all types of stationery articles and supply to all departments / offices of Government of Balochistan. It was abolished in 1985 and the control of the department was brought under the supervision of the Controller who is responsible for printing of Provincial Government Gazettes, Annual Budget, PSDP, Provincial Assembly's debates & proceedings, Judiciary reports, printing of all other material for all Departments/Offices of the Provincial Government.

(Rs. in million)				
Description	Total	Audited	Expenditure audited FY2021-22	Revenue/Receipts audited FY2021-22
Formations	02	02	662.908	42.185

1.1.2 Comments on Audited Accounts

1.1.2.1 The annual audited accounts are required to be provided to audit for review. However, the management failed to provide audited accounts of the organization for the years 2015-16 to 2021-22.

1.1.2.2 Audit required that the annual audited accounts for the years 2015-16 to 2021-22 be finalized and timely submission be ensured in future, besides, fixing of responsibility for non-submission of annual audited accounts (**Annex-2**).

1.1.3 Classified Summary of Audit Observations

Audit observations of Rs.99.083 million were raised. The amount also includes recoverable of Rs.1.244 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S#	Classification	Amount
1.	Non-production of record	-
2.	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR / Employees - related irregularities	-
B	Procurement related irregularities	2.96
C	Management of Accounts with Commercial Banks	-
4	Value for Money and service delivery issues	-
5	Others	96.12

1.1.4 Compliance of PAC Directives

PAC meeting has not been convened to discuss the Audit Reports since 1992.

1.1.5 Audit Paras

1.1.5.1 Non-reconciliation of monthly expenditure statements with AG Office - Rs.56.733 million

Rule 89 (4) (viii) of GFR states that the head of the department and the accounts office will be jointly responsible for the reconciliation of the figures given in the accounts maintained by the head of the department with those that appear in the accounts books.

During audit of Government Printing Press (GPP), Quetta for the year 2021-22, it was observed that the management did not get monthly expenditure statements of Rs.56.733 million reconciled with the office of Accountant General Balochistan during the year under review.

Audit was of the view that non-reconciliation showed weak internal controls.

The matter was reported to the management on August 22, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

1.1.5.2 Abnormal rush of expenditure in the month of June – Rs.21.933 million

GFR 96 states that it is contrary to the interest of the State that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilized should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure, which might wait till next year.

During audit of Government Printing Press (GPP), Quetta for the year 2021-22, it was observed that the management incurred huge expenditure of Rs. 21.933 million in the month of June, 2022, which was about 70% of the whole expenditure. Details are as under:

S #	Name of Head	Amount (Rs.)	S #	Name of Head	Amount (Rs.)
1	Overtime allowance	4,703,903	4	POL	170,346
2	Diet charges	2,354,700	5	Stationery	9,381,147
3	Travelling allowance	441,965	6	Cost of others store	4,881,686
Total					21,933,747

Thus, money was spent hastily to exhaust the budget without keeping in view the actual requirement.

Audit was of the view that the management breached the financial regularity by incurring 70% of the expenditure in the month of June, 2022.

The matter was reported to the management on August 22, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

1.1.5.3 Non - surrendering of savings – Rs.15.274 million

GFR 96 states that ... grants that cannot be profitably utilized should be surrendered.

During audit of Government Printing Press (GPP), Quetta for the year 2021-22, it was observed that the management failed to surrender savings under different budget heads of Rs.15.274 million to Finance Department, Government of Balochistan.

Audit was of the view that non-surrendering of savings reflected negligence and mismanagement. Resultantly, funds could not be utilized by the Finance Department, Government of Balochistan.

The matter was reported to the management on August 22, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that the matter may be justified and responsibility may be fixed on the person (s) at fault.

1.1.5.4 Irregular award of contract - Rs.2.964 million

Clause 15 of Balochistan Public Procurement Regulatory Authority (BPPRA) Rules, 2014, states that the procurement over one hundred thousand rupees (100,000) and up to one million rupees shall be advertised by timely notifications on the Authority's website and may be published in print media in the manner and format prescribed in these rules.

During audit of Government Printing Press (GPP), Quetta for the year 2021-22, it was observed that the management invited tenders for purchase of Offset Printing Plates over one hundred thousand rupees and did not advertise the opportunity in widely circulated newspapers and BPPRA website and work was awarded to the single bidder amounting to Rs.2,964,500 (without market survey and rate analysis of the items) i.e. M/s GMD Traders, Quetta.

Audit was of the view that the tenders were not floated in the leading newspapers without observing of BPPRA Rules, 2014, and accepted single bid (without market survey and rate analysis of the items).

The matter was reported to the management on August 22, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

1.1.5.5 Non-recovery of outstanding dues from Government organizations - Rs.1.244 million

GFR 28 states that no amount due to Government should be left outstanding without sufficient reasons and where any dues appear to be irrecoverable the order of the competent authority for the adjustment must be sought.

During audit of Government Printing Press (GPP), Quetta for the year 2021-22, it was observed that an amount of Rs.1.244 million was outstanding against various departments / organizations. Details are given below:

S#	Name of Department	Outstanding since	Amount (Rs.)
1	Chief Section Officer (Programming) P & D Balochistan	Jul 2021 To June 2022	762,500
2	Section Officer (B&A) S&GAD, Balochistan	Jul 2021 To June 2022	230,000
3	Section Officer (B&A) S&GAD, Balochistan	Jul 2021 To June 2022	180,000
4	Under Secretary (Admin) Education Department	Jul 2021 To June 2022	72,000
Total			1,244,500

Thus, management did not make effective efforts to collect the outstanding dues from the government departments, which was a weak internal control.

Audit was of the view that the management failed to pursue the recovery from concerned departments.

The matter was reported to the management on August 22, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends recovery of the amount.

1.1.5.6 Loss of revenue due to issuance of NOC - Rs.0.935 million

Clause 7.1, 7.2 & 7.3 of Printing & Stationery Manual states that no officer or department should get any amount of or binding work, etc., done from private press except to the extent permitted by a general or special sanction by Government Printing Press, Quetta.

During audit of Government Printing Press (GPP), Quetta for the year 2021-22, it was observed that the management issued NOCs to various Departments of Government for printing work from private press worth Rs. 935,500. Detail is given below:

S#	Name of Department	Amount (Rs.)	S#	Name of Department	Amount (Rs.)
1	Chief of Section (Program)	173,500	5	District Accounts Officer Pishin	120,000
2	Comptroller / Military Secretary to Governor	25,000	6	District Accounts Officer Jhal-Magsi	60,000
3	Head Mistress, Kharan	17,000	7	Secretary Provincial Ombudsman Mohtassib	200,000
4	Under Secretary C.M secretariat	190,000	8	Director Agriculture Research & Vegetable Seeds	150,000
Total					935,500

Audit was of the view that GPP sustained a loss of Rs.935,500 due to issuance of NOCs and not doing work through GPP Quetta.

The matter was reported to the management on August 22, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends making efforts to increase revenue generation and upgrade machinery of all types to enhance capacity of work.

1.2 Small Industries Wing, Quetta

1.2.1 Introduction

As a result of dissolution of one Unit, the President of Pakistan dissolved West Pakistan Small Industries Corporation on July 01, 1972. The projects/centers existing in Balochistan were given under the administrative control of the Industries Department by creating a Small Industries Wing in the Directorate of Industries through a notification issued by the Governor; Balochistan dated August 25, 1972. The Wing is being supervised by a Director, assisted by three Deputy Directors and a Chief Accounts Officer. Functions of the following centres / institute / shops are being supervised by the wing:

- i. Maintenance of Small Industries Estate, Quetta.
- ii. Service Centre Quetta.
- iii. Carpet Teachers Training Institute, Quetta.
- iv. 03 Sales Shops at Quetta and Karachi.
- v. 35 Handicrafts Development Centers in different parts of Province.
- vi. 39 Tailoring / Cutting Centers in different parts of Province.
- vii. 12 Leather Embroidery Centers in different parts of Province.
- viii. 34 Carpet Centers in different parts of the Province.
- ix. 03 Embroidery Centre Totazai, Joda Kalat, Sarwan at Kharan
- x. 01 Cotton and loom Centre, Quetta.
- xi. 06 Cotton Silk Centre in different parts of Province.
- xii. 06 Mizri Centre in different parts of Province.
- xiii. 03 Pottery Centre.

1.2.2 Comments on the Audited Accounts

1.2.2.1 The annual audited accounts are required to be provided to audit for review each year. Contrary to this, the management failed to provide audited accounts of the organization for the years 2015-16 to 2021-22.

1.2.2.2 Audit required that the annual audited accounts for the years 2015-16 to 2021-22 be provided immediately and timely submission be ensured in future, besides, fixing of responsibility for non-submission of annual audited accounts (**Annex-2**).

1.2.3 Classified Summary of Audit Observations

Audit observations of Rs.10.480 million were raised. This amount also includes recoverable of Rs.3.309 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S#	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement & misappropriation	-
3	Irregularities	-
A	HR / Employees - related irregularities	-
B	Procurement related irregularities	-
C	Management of Accounts with Commercial Banks	0.843
4	Value for Money and service delivery issues	4.990
5	Others	4.650

1.2.4 Compliance of PAC Directives

PAC has not been convened since 1990.

1.2.5 Audit Paras

1.2.5.1 Misplaced / unreturned inventory – Rs.4.989 million

GFR 10 states that 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. He is responsible for observance and enforcing order and strict economy at every step.

During audit of Small Industries Wing (SIW) Quetta for the year 2021-22, it was observed that M/s Trans - Balochistan Enterprises (TBE) neither returned the inventory of Rs.4.989 million to the management nor vacated the Land and paid the rent after expiry of contract.

M/s Wood Work Centre, Quetta (a unit of SIW) entered into agreement with M/S Trans - Balochistan Enterprises (TBE) on September 27, 1980. As per agreement, the Government of Balochistan owned 51% share and private partner M/s TBE possessed 49% share. On June 2020, notice for termination of JV agreement was served by M/s Wood Work Centre under the article IV (4.1)

of the agreement as the venture became uneconomical. Detail of inventory is given below:

(Amount in Rs.)			
S#	Detail of Stock	Amount	Share Amount @ 51% of SIW
1	Carpenter Material	2,325,720	1,186,117
2	Wood	1,935,500	987,105
3	Polished Material	11,555	5,893
4	Semi-Finished Goods	2,361,100	1,204,161
5	Finished Goods	1,226,350	625,438
6	Showroom Furniture	853,500	435,285
7	Cushion Material	1,068,948	545,163
Total		9,782,673	4,989,163

Audit was of the view that one year notice of termination of JV Agreement i.e. June 2021 has been lapsed. The management could not vacate the possession nor recovered the inventory of Rs.4.989 million, which indicated weak internal controls and poor financial management.

The matter was reported to the management on August 5, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault besides recovery of loss.

1.2.5.2 Non recovery of Income Tax– Rs.3.309 million

Rule 38 of General Financial Rules states that it is primary responsibility of the department authorities to see that all revenues or other debts due to government, which have to be brought to account, are correctly and promptly assessed, realized and credited to the public account.

During audit of Small Industries Wing (SIW), Quetta for the year 2021-22, it was observed that income tax of Rs.3.309 million was lying un-recovered from M/s Trans - Balochistan Enterprises (TBE) since June 30, 2018. M/s TBE deducted the tax from the proportion of profit share of SIW, whereas the SIW was exempted from the income tax. The accumulation of outstanding amount indicated that no proper system existed in the Corporation with regards to the

timely recovery of outstanding amount. With the passage of time, the chances of such recoveries become remote and likely to be converted into bad debts.

Audit was of the view that recovery of outstanding amount could not be realized due to slackness and poor pursuance of the management, who could not devise and launch any effective mechanism for timely recovery.

The matter was reported to the management on August 05, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that effective measures may be taken for timely recovery of outstanding dues for depositing the same into government account without any further delay.

1.2.5.3 Loss due to non-receipt of sale proceeds – Rs.1.339 million

Rule 38 of General Financial Rules states that it is primary responsibility of the departmental authorities to see that that all revenue and other debits due to government, which have to be brought to account, are correctly and promptly assessed, realized and credited to the public account.

During audit of Small Industries Wing (SIW) Quetta for the year 2021-22, it was observed that finished goods of Rs.13,39,877 (Rs.673,261 + Rs.666,616) were sold by Chiltan Handicrafts Sales Shop at Sirkey Road Quetta, but the sales proceeds were not deposited in SIW account, which is violation of above government rules.

Audit was of the view that the Corporation was deprived off revenue due to negligence and slackness of the concerned staff posted at shop.

The matter was reported to the management on August 5, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that sale proceeds may be deposited in SIW account and responsibility may be fixed on the person (s) at fault.

1.2.5.4 Loss of interest due to placement of funds in current account - Rs.0.843 million

Rule 38 of General Financial Rules states that it is primary responsibility of the departmental authorities to see that all revenues or other debts due to government, which have to be brought to account are correctly and promptly assessed, realized and credited to the public account.

During audit of Small Industries Wing, (SIW) Quetta for the year 2021-22, it was observed that management placed Rs.11,261,906 million in two current accounts maintained in National Bank of Pakistan (NBP) as on 30-06-2022 instead of investing/depositing in Term Deposit Receipts (TDR), Treasury Bills or in Saving Account. By investing in saving account, a minimum interest income of 7.5% per annum could have been earned as under:

Name of Bank	Account#	Balance as on 30-06-2022 (Rs.)	Minimum interest per annum (Rs.in million)	
NBP	4004342112	53,55,700	7.5%	0.401
-do-	4004342881	59,06,206	7.5%	0.442
Total		11,261,906		0.843

Audit was of the view that due to poor financial management, surplus funds could not be invested in high yield instruments or in saving account to earn an interest income instead of placing the funds in current account which resulted in loss of interest income of Rs.0.843 million.

The matter was reported to the management on August 5, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that the above amount may be shifted from current account to saving account to avoid further losses to the entity.

Chapter-2

Labour and Manpower Department

2.1 Balochistan Employees Social Security Institution

2.1.1 Introduction

Social Security Scheme was launched on March 01, 1967 under West Pakistan Employees' Social Security Ordinance No. X of 1965, with the assistance of the International Labour Organization. Balochistan Employees' Social Security Institution (BESSI), however, came into being on July 01, 1978.

BESSI is an autonomous body and is guided by such instructions on questions of policy as may be given to it from time to time by the Government. The main function of BESSI is to provide medical care and cash benefits to secured workers and their dependents in the event of sickness, maternity, employment injury, death grant, iddat, disablement gratuity, disablement pension, survivors' pension and ex-gratia grant. The budgeted (provisional) receipts and expenditure could not be provided by the department.

(Rs. in million for FY 2021-22)				
Description	No.	Audited	Expenditure audited	Receipts audited
Formation	01	01	137.676	15.8856

2.1.2 Comments on the Audited Accounts

2.1.2.1 The annual audited accounts are required to be provided to Audit for review each year. Contrary to this, the management failed to provide audited accounts of the organization for the years 2015-16 to 2021-22.

2.1.2.2 Audit required that the annual audited accounts of the years 2015-16 to 2021-22 be provided immediately and timely submission be ensured in future, besides, fixing of responsibility for non-submission of annual audited accounts (**Annex-2**).

2.1.3 Classified Summary of Audit Observations

Audit observations of Rs.968.085 million were raised. This amount also includes recoverable of Rs.71.555 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S#	Classification	Amount
1.	Non-production of record	-
2.	Reported cases of fraud, embezzlement and misappropriation	500.753
3.	Irregularities	-
A	HR / Employees related irregularities	84.527
B	Procurement related irregularities	60.800
C	Management of Accounts with Commercial Banks	50.000
4.	Value for Money and service delivery issues	272.000
5.	Others	-

2.1.4 Compliance of PAC Directives

PAC meeting has not been convened to discuss the Audit Reports for the last thirty years.

2.1.5 Audit Paras

2.1.5.1 Embezzlement in contribution funds - Rs.216.333 million

The Secretary, the Labour & Manpower Department, Government of Balochistan vide letter No. Nil dated 17-06-2022 submitted a Summary Report to Chief Minister Balochistan regarding financial mismanagement and embezzlement in millions from BESSI fund accounts. Under Para 2(III) of summary it was mentioned that the inspection record of 2021 was also missing & not provided to Establishment Section by the Ex in-charge of Committee Mr. Muhammad Rafique after his transfer and during suspension. He issued letters ill-legally to different industrial units and collected the contribution amount, which depicts element of financial deception of embezzlement of millions of contribution amount.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that inquiry report submitted by Audit Committee constituted by the Labour & Manpower Department revealed that Mr. Muhammad Rafique, ex-Accounts Officer (Hub) upon his transfer has not submitted any record to the Establishment Section and In-Charge of Establishment Section has already intimated the same to competent authority. Accordingly, management issued an explanation call to Mr. Muhammad Rafique regarding his embezzlement of Rs.216,333,500 from different Establishments of Hub Circle. Moreover, inquiry report also revealed that the incumbent used fake signature and stamps for his personal gains regarding the payment of medical bills of workers. Detail of issued demand notices to various units is as under:

S#	Reference No.	Name of Establishment M/s.	Amount (Rs.)
1	BESSI/Insp/Hite/Hub/185 dated 01-09-2021	Siddiqui Sons Denum Ltd. Hub	132,300,000
2	BESSI/Insp/Hite/Hub/185 dated 01-09-2021	Siddiqui Sons/Spinning Ltd. Hub	75,600,000
3	BESSI/Insp/Hite/Hub/183 dated 31-08-2021	Banu Mukhtar Product, Hub	877,500
4	BESSI/Insp/Hite/Hub/189 dated 03-09-2021	Sana Industries Ltd. Hub	7,556,000
Total			216,333,500
<i>(Source: Letters written by ex-Accounts Officer to different units)</i>			

However, contribution funds collected from above units was not deposited in Bank Accounts. It could not be ruled out that contribution funds had been embezzled by concerned officer.

Audit was of the view that ex-Accounts Officer had mala fide intention to embezzle and mis-manage the funds of BESSI for his personal use through fake signatures and forgery of record, which is not only a criminal act but also a fraudulent activity. The management did not take any action against him despite clear recommendations of audit committee.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that matter of embezzlement of funds may be referred to Anti-Corruption Department and NAB and responsibility may be fixed on the person (s) at fault.

2.1.5.2 Embezzlement of funds - Rs.202.748 million

The Secretary, Labour & Manpower Department, Government of Balochistan vide letter Nil dated 17-06-2022 submitted a Summary Report to Chief Minister Balochistan regarding financial Mis-management and embezzlement in million from BESSI fund accounts. Under Para 4 of the summary stated that the department constituted audit committee to inquire and check the audit paras 2020-21 and also to carry out audit inspection of BESSI Hospitals & Dispensaries situated at Quetta & Hub.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that the funds of Rs.202.086 million were misused in the year 2021 under different account heads by the concerned officers as per inquiry/summary report submitted to the Chief Minister. The main discrepancies mentioned were as under:

1. Financial mismanagement,
2. Non-availability of medicines records and referral letters,
3. Non-Payments records and others.
4. Rs.5,000,000 drawn from NBP HITE Branch through cheque on single signed by Commissioner BESSI Mr. Shuja ul Mulk, without record, information and intimation received from the Commissioner
5. As per bank statement of NBP HITE branch, Hub 477 credit transaction of Rs.115,293,353 were made in 2020 and transaction of Rs.202,086,357 in 2021 under the signature of Mr. Shuja-ul-Mulk, and no record were maintained.
6. When Mr. Saeed Ahmed, Commissioner BESSI relinquished the charge there was credit balance of Rs.16.867 million in the accounts, but during the period of Mr. Shuja Mulk Gichki, Commissioner from 5th December, 2019 till his relinquishment, there was a liability of Rs.30.500 million.

Audit was of the view that incurring expenditure when Medical Lab, operation theater, X-ray, Labour Room, OPD were non-functional and in worst condition of BESSI Hospital Quetta & Hub, the expenditure was held irregular and unjustified.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that the matter may be referred to Anti-Corruption Department and NAB for investigation and fixed responsibility on the person (s) at fault.

2.1.5.3 Unauthorized utilization of funds / budget – Rs.150.000 million

Clause 6 of Provincial Employees' Social Security Ordinance, 1965, Chapter II states that in addition to the powers conferred on, and the functions

entrusted to it by the other provisions of this Ordinance or by the rules, the Governing Body shall have powers (a) to approve the budget estimates, the audited accounts and the annual report of the Institution for submission to Government in accordance with the provisions of this Ordinance; and (b) to call for any information, or direct any research to be made for the furtherance of the objects of this Ordinance.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta for the year 2021-22, it was observed that the management utilized funds of Rs.150.000 million under different heads of account without mandatory approval of Budget Estimates from Governing Body for the year 2021-22 in accordance with the above provision.

Audit was of the view that spending of funds without approval of Budget Estimates from Governing Body is irregular, unjustified and vulnerable for excess spending in different head of accounts, which showed weak administrative and financial controls.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends justification for non-obtaining approval from competent authority and fix responsibility on the person (s) at fault.

2.1.5.4 Wasteful expenditure incurred on salaries - Rs.77.000 million

Para 20 of Chapter III of the Social Security Ordinance, 1965 states that the employer shall in respect of every employee, whether employed by him directly or through any other person pay to the institution a contribution at such time, at such rate and subject to such condition as may be described.

During audit of Balochistan Employees Social Security Institution (BESSI), Head Office, Quetta for the years 2021-22, it was observed that the management failed to generate a single rupee of contribution during the year under review in Uthal, Nasirabad, Turbat, Loralai and Gwadar zones. Not even a single unit was registered and hence no contribution was collected. Despite of the fact, the management has been paying salaries and allowances to the staff amounting to Rs.77.000 million which stand wasteful and irregular. Detail is as under:

DDO Code	Name of Zone	Amount (Rs.)	DDO Code	Name of Zone	Amount (Rs.)
UL053	Uthal	56,632,000	LI7046	Lorlai	6,928,000
NB7031	Nasirabad	5,251,000	GR7008	Gwadar	5,251,000
TB7232	Turbat	2,938,000	Total		77,000,000

Audit was of the view that the management failed to collect contribution by not registering the employers and contrary to general prudence, incurred an expenditure of Rs.77.000 million on account of salaries.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends to investigate the matter and fix responsibility on the person (s) at fault for non-registration and collection of contribution from zones. Furthermore, services of such idle staff of aforementioned zones may be posted to revenue generating zones i.e. Hub and Quetta by rationalization of human resources.

2.1.5.5 Loss of revenue due to collection of contribution at lesser rates - Rs.71.555 million

Labour and Manpower Department, Government of Balochistan increased in the minimum wages of the unskilled workers as Rs. 20,000 w.e.f 1stJuly, 2021 vide notification dated 05-10-2021 and Rs. 25,000 w.e.f 1stApril, 2022 vide notification dated 17-05-2022 in pursuance of the provision of Section 4 of the Balochistan Minimum Wages Act, 2021 (Act No X of 2021).

During audit of Balochistan Employees Social Security Institution (BESSI), Hub & Quetta, it was observed that the management offices at Hub, Gaddani and Winder collected contribution at the rate of old minimum wage of Rs.10,000 instead of revised rates, which resulted in a loss of Rs.71.555 million (**Annex-3**).

Audit was of the view that the management failed to implement standing instruction of Labour and Manpower Department, Government of Balochistan as mentioned above.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends implementation of Government directives to avoid further loss of revenue and to recover the losses from the concerned quarters.

2.1.5.6 Fraudulent withdrawal of contribution funds by ex-Accounts Officer - Rs.69.115 million

Rule 23 of General Financial Rules states 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.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the period 2021-22, it was observed that Mr. Muhammad Rafique continued to en-cash funds of Rs 69,115,199 during his transfer period from 15-10-2021 to 08-12-2021, although another officer Mr. Sohail Zahid, Acting Asstt. Director Accounts (B-17) Directorate of Manpower Training Balochistan was assigned charge of the post of Account Officer (B-17) 50 Bedded Hospital Hub (Circle) vide Notification dated 25-10-2021 being co-signatory which was illegal and irregular.

Moreover, double payment of a bill of Rs.1.681 million to M/s AMD Distributor was also made as reported by the Mr. Sohail Zahid in writing to the Commissioner. Ms. Saira Atta, Secretary vide Para 2(v) of summary dated 25-02-2022 had reported the similar nature of serious issues to Chief Minister of Balochistan.

Audit was of the view that Muhammad Rafique, ex-Accounts Officer had mala fide intention right from the beginning to embezzle and mismanage the funds of BESSI for his personnel use.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that matter may be referred to Anti-Corruption Department & NAB for further investigation in order to save the contribution funds of public.

2.1.5.7 Investment on non-competitive rates - Rs.50.000 million

According to Finance Division letter No. F-15(13) R-14/82 dated Sep 05, 1982, the funds provided, acquired or generated by Autonomous / Semi-Autonomous Bodies and Corporations are public funds, which cannot be utilized at the sole discretion of the management. The funds should be utilized with due care and caution.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta for the period 2021-22, it was observed that the management invested Rs.50.00 million in National Bank of Pakistan, Hub Branch District Lasbela on 15th October, 2021 as detailed below:

Name of Bank	Investment Amount (Rs.)	Title of A/c	Rate of Interest Per Annum	Period of Investment
NBP Bank Hub Br.	50,000,000	BESSI	6.85%	05 years
Total	50,000,000			

Audit was of the view that the management got interest rate from one bank only due to which no competitive rates were availed. This amounts to negligence / mismanagement on part of the management and shows noncompliance of treasury functions and investment policy as stipulated in Finance Division instruction on the placement of funds.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

2.1.5.8 Non-maintaining of stock register for medicines - Rs.29.603 million

Rule 116 of General Financial Rules states that it is responsibility of the Drawing & Disbursing Officer to carry out annual physical verification of stock articles at the close of each financial year and result of such verification should be recorded in the stock register and a certificate to that effect should also be sent to the controlling authority in terms of rule-80 of the manual of Contingent expenditure. Further Rule 159 states that physical verification of all stores should be made at least once in a year under rules prescribed by competent Authority.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that the management procured medicines of Rs.29.603 million from different suppliers, but neither entered the same into stock register nor into issuance register.

Audit was of the view that non-entry of procured medicine in stock register was irregular and unjustified, which showed weak internal controls in BESSI.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that the matter may be justified to Audit and an inquiry may be initiated to probe the matter for fixing of responsibility on the person (s) at fault.

2.1.5.9 Irregular procurement of medicines - Rs.23.400 million

Clause 15 of Balochistan Public Procurement Regulatory Authority (BPPRA) Rules, 2014 states that the procurement over one hundred thousand rupees (100,000) and up to one million rupees shall be advertised by timely notifications on the Authority's website and may be published in print media in the manner and format prescribed in these rules. Further, All the procurement opportunities over one million rupees shall be advertised on the Authority's website as well as in the newspapers as prescribed.

During audit of Balochistan Employees Social Security Institution (BESSI), Hub for the year 2021-22, it was observed that the management procured medicines of Rs.23.400 million directly from a supplier M/s. AMD for Hospital and Dispensaries in violation of the above rules.

Audit was of the view that the management violated the BPPRA rules and placed direct orders to medical stores for procurement of medicines without getting the competitive bidding. Undue favor was extended to the supplier by awarding direct contract without getting quotations.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

2.1.5.10 Loss due to violation of agreement clauses with unqualified supplier - Rs.23.400 million

According to Clause XI of contract agreement, it is mandatory for medical store that he must be filer in Balochistan Revenue Authority (BRA). Moreover, medicine supplier must have valid drug license.

Clause No.VI of contract agreement states that the medical store will ensure the provision of medicines in the premises of BESSI 50 bed hospital Hub and that the place for medical store will be provided by this office.

Clause No. X of contract agreement states that if the (panel medical store) found involved either in making change of price from the original rate or illegal prescription slip/bills, the contract shall be withdrawn henceforth.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta, for the year 2021-22, it was observed that the management signed a contract with supplier M/s. AMD Distributor for provision of medicines in the premises of 50 bed hospital Hub for one year w.e.f. 04-01-2020 and that the place for medical store will be provided by BESSI office. Contrary to above, the supplier did not submit the mandatory registration certificate in Balochistan Revenue Authority (BRA) thereby disqualifying him as a supplier. Moreover, M/s AMD submitted a fake drug license of a person named Iqra Irhsad D/o Irshad Ahmed D-Pharmacy No. 950071, the same drug license was submitted by another supplier as well named M/S Pharma Connect which raises serious questions on legitimacy of both the suppliers.

Moreover, despite serious violation of the contract agreement and being unqualified for contract, management continued the contract with supplier M/s. AMD Distributor up until 04-11-2021 and procured the medicines worth Rs. 23.400 million. M/s. AMD was involved in supply of expired medicines, change of prescription from BESSI doctor's prescription to something of their own, and issuance of substandard medicines instead of the ones prescribed.

Audit was of the view that first the management failed to award the contract to a qualified supplier in addition to non-implementation of terms and conditions of the agreement.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

2.1.5.11 Non-depositing of withholding tax in Government Treasury – Rs.14.094 million

The Labour & Manpower Department, Government of Balochistan vide letter Nil dated 17-06-2022 directed Commissioner for provision of information U/S of the Income Tax Ordinance 2001 in respect of BESSI and letter dated 06-06-2022 received from Federal Board of Revenue regarding non-depositing of withholding tax of Rs.14.094 million.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that the management made payment to different parties / suppliers and deducted withholding tax of Rs.14.094 million during the year 2019, 2020 and 2021 but not deposited into Government Treasury.

Moreover, FBR wrote various letters to demand of the tax along with default surcharge at 12% per annum. The Secretary, Labour and manpower, Government of Balochistan vide Para 2(I) of Summary dated 25-02-2022 reported that tax of Rs.04.00 million was deducted from the bills of Hashmani Hospital and M/s. AMD Supplier, whereas Tax Statement of both suppliers showed that no tax was deducted, which was violation of rules. Similarly, tax receipts of ex-Account officer's period and other account officer's period were not available / missing.

Audit was of the view that the management violated rules of procedure and created an environment of suspicion which indicates that these tax payments were embezzled and not submitted to the FBR inflicting a huge loss of Rs.14.094 million to the public exchequer account.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that inquiry may be conducted to investigate the matter of embezzlement in Government taxes incurring huge loss of millions and fix responsibility on the person (s) at fault, besides recovery of tax amount from concerned officials.

2.1.5.12 Fraudulent withdrawal of funds in cash and through cheques - Rs.10.876 million

Rule 23 of General Financial Rules states that every Government officer should realize fully that he will be held responsible for any loss sustained by the Government through fraud and negligence on his part.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta for the year 2021-22, it was observed that an amount of Rs.10.876 million was drawn in cash and through cheques from Bank Account No. 1726-79001445-01, HBL-Quetta by Ex-Accountant, Ex-Commissioner BESSI Quetta, Peon, Medical Officer and others. For instance, Rs.600,000 vide Cheque No. 00001365 dated 12-05-2022 was drawn by peon. Apparently, the funds were drawn for the purpose of contingency / petty cash. However, it was mandatory to make the payment to suppliers/ vendors through cross cheques if management intends to make any such payment. It could not be authenticated whether the contribution funds withdrawn in such a manner was actually utilized for the reasons mentioned as no record of expenditures of paid petty cash vouchers/ bills were provided to Audit. When asked ex-Accountant did not provide the counter of cheque book. All cheques were authorized / signed by ex-Commissioner of BESSI (**Annex-4**).

Audit was of the view that drawing of contribution funds in the name of an employee was illegal and unjustified and authorizing of such cheques was also misuse of power and raises serious questions as to where the withdrawn amount was expended since no record was available to verify the expenditure.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that a detailed inquiry be initiated to investigate the matter and strict disciplinary action be taken against the person (s) at fault. Furthermore, amount drawn by cash and cheques may be recovered from the concerned individuals.

2.1.5.13 Procurement of medicines without competitive process - Rs.7.937 million

According to BPPRA 2014 Clause 1 (B) Procurement over one hundred thousand rupees (100,000) and upto one million rupees (1,000,000) shall be advertised by timely notification on the Authority website and may be in print media in the manner and format prescribed in these rules.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta, for the year 2021-22, it was observed that the management procured medicines of Rs.7.937 million directly from medical stores M/s. Zubair Medical Store, M/s. Bismillah Medical Store and Al-Rehman Medical Store without advertisement and availing competitive rates, in violation of the above rules. Detail of procurement is as under:

S#	Name of supplier	Amount (Rs.)	S#	Name of supplier	Amount(Rs.)
1	Zubair Medical Store	5,151,516	3	Al-Rehman Medical Store	2,202,677
2	Bismillah Medical Store	583,000	Total		7,937,193

Audit was of the view that management violated the BPPRA-rules and extended undue favor to the suppliers. This shows the negligence and mismanagement of utilization of public money and casual behavior on part of the management.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

2.1.5.14 Irregular payment of salary to the medical officers - Rs.7.527 million

Rule 23 of General Financial Rules states 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.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta, for the year 2021-22, it was observed that the management had transferred two doctors namely Mr. Abdul Qadir and Ms. Nasreen to the BESSI Hospital Hub dated 18-04-2019. However, both medical officers did not join their new assignment. The matter was brought to knowledge of the Commissioner, BESSI Quetta by the Accounts & Administration Officer (Hub) on 10-03-2021. Furthermore, the matter was presented before the Secretary, Labour & Manpower Department vide letter No. H-1/30-BESSI/Quetta/342 dated 11-03-2021 by Commissioner BESSI, however, no action was taken in this respect. Both officers continually drew the salaries and other benefits during their absent period from duty. During the period, approximately Rs.4.800 million was paid to above named officer ($\text{Rs.}156,819 \times 24 \text{ months} \times 2 = \text{Rs.}7,527,312$).

Audit was of the view that the payment of salaries made to the officer during the period they had not joined the duty and/or were absent from service was irregular and unjustified and was a loss to national exchequer. Furthermore, their absent period should have been treated as Extra Ordinary Leave (EOL).

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that overpayment of salaries and other benefits be recovered from above officers and disciplinary proceeding may be initiated as per E&D Rules under intimation to Audit.

2.1.5.15 Unjustified split purchase of medicines on cash - Rs.6.064 million

Rule 12 (1) of Balochistan Public Procurement Regulatory Authority (BPPRA) Rules, 2014, states that the Procuring Agencies shall not split or a procurement plan with the intention to shorten or facilitate the procurement process and approval mechanism, unless the procuring agency is satisfied that:

- block acquisition of goods, services or works will unnecessarily hold up

available resources; (b). technical reasons indicate that splitting or packaging will improve quality; (c). the impact of weather, geographical spread on certain procurement particularly in case of works contract will affect its execution with regard to quality and delivery schedule. (d). An emergency exists as defined in rule 12(1) provided that any splitting or packaging shall be made part of the revised procurement plan and uploaded on the Authority's website as well as on the website of the procuring agency, if functional.

During audit of Balochistan Employees Social Security Institution (BESSI), Hub for the year 2021-22, it was observed that the management procured various medicines in piecemeal worth Rs.6.067 million on cash basis in six instances on monthly basis from a single supplier i.e. M/s. AMD Distributors as detailed below:

S #	Name of Supplier	Amount (Rs.in million)
1.	M/s. AMD Distributors	0.709
2.		0.714
3.		0.699
4.		0.271
5.		0.769
6.		2.902
Total		6.064

Audit was of the view that management procured the medicines through split purchase on cash basis and on non-competitive rates in violation of rules.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that action may be taken against the person (s) at fault, besides, corrective measures to be taken to avoid recurrence in future.

2.1.5.16 Loss due to theft of lab equipment - Rs.3.000 million

Rule 23 of General Financial Rules states 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.

During audit of Balochistan Employees Social Security Institution (BESSI) Quetta, for the year 2021-22, it was observed that lab items worth Rs.3.000 million were stolen from BESSI Hospital Hub in the month of March, 2021. The management lodged an FIR with Police Station, Hub. However, stolen items were not recovered. Resultantly, institute sustained a loss of Rs.3.00 million.

Audit was of the view that management failed to protect the assets of institution and not only sustained a financial loss of Rs. 3.00 million but also loss of reputation loss due to theft of valuable items which shows the poor security and internal controls over the assets.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that management may pursue the matter vigorously with law enforcement authorities besides initiating disciplinary proceedings against person (s) at fault.

2.1.5.17 Non-deduction of Income Tax from suppliers - Rs.2.506 million

According to Section 153 (1) (a) of Income Tax ordinance 2001, the withholding tax rate in case of sales of goods by a company is 4 percent for return filers and 08 percent for persons not on the active taxpayers list.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that the management procured medicines from different suppliers and paid Rs.31.337 million, but did not deduct and deposit withholding tax of Rs 2.506 million (8% of purchases) into government treasury through Challan. Detail is as under:

(Amount in Rs)				
S #	Supplier	Items	Purchase amount	Tax @ 8%
1.	AMD Distributor	Medicines	23,400,000	1,872,000
2.	Al Rahman Medical Store	-do-	2,202,677	176,214
3.	Bismillah Medical Store	-do-	583,000	46,640
4.	Zubair Medical Store	-do-	5,151,516	273,404
Total			31,337,193	2,506,975

Tax files and tax deposited challans were requisitioned from the management, but no record was produced to Audit till date. Moreover, tax number was also not mentioned on paid bills of suppliers to ascertain whether suppliers were filer or non-filer and registered or non-registered.

Audit was of the view that the management had to deduct 8% withholding tax from the payments of suppliers, but they failed to deduct the same. This showed undue favor was extended to the supplier and caused a loss of Rs.2.506 million to national exchequer.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

The matter needs to be justified with documentary evidence and Tax files and challan may also be provided to Audit besides fixing responsibility on the person (s) at fault.

2.1.5.18 Fraudulent double payment of bill to the supplier / distributor - Rs.1.681 million

Rule 23 of General Financial Rules states 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.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta, for the year 2021-22, it was observed that Commissioner issued double payment of Rs. 1,681,642 to the supplier M/s AMD Distributor for the period from 21-10-2021 to 31-10-2021 on the recommendation of Account Officer, which was already paid to concerned party vide Cheque No. 38831473. The management issued an explanation call to Ex Account Officer on 15-12-2021 who in its reply stated that Mr. M. Rafique, ex-Accountant did not

handover him the Cheque book.” As per procedure, every bill submitted for payment was required to be verified by Medical Superintendent and Audit Officer. The overpayment was not adjusted / recovered from the concerned person (s).

Audit was of the view that management failed to check the duplicate payments of bills of suppliers, resulted a loss of Rs.1.681 million to the BESSI which showed poor financial and internal controls.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that an inquiry may be initiated to probe the matter and person (s) at fault may be dealt as per E&D Rules. Besides, recovery of the amount from the concerned person (s) may also be effected.

2.1.5.19 Mal-administration of contribution funds by officers - Rs.1.246 million

Rule 23 of GFR states that every Government officer should realize fully that he will be held responsible for any loss sustained by the Government through fraud and negligence on his part.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta for the year 2021-22, it was observed that management of BESSI issued a work order dated 15-02-2022 to supply M/s. Ahsan Medical Store for provision of medicines to Dispensaries situated at Ayub Stadium, Quetta and Satellite Town Hospital, Quetta. Supplier provided medicines worth of Rs.1.246 million and submitted bills of Rs.1.246 million time to time as per work order. The concern Medical Officers had also verified the bills and issued certificates that medicines were received and disbursed to patients.

However, payment by cheques issued to supplier was returned thrice with the reason of insufficient funds despite the fact that sufficient amount of funds was available as evident from the bank statements. Apparently, concerned officers of BESSI by the help of Bank staff managed to return the cheques with mala-fide intention. Thereafter, supplier submitted a complaint to management wherein it was stated that Mr. Shuja-ul-Mulk, Ex-Commissioner of BESSI and Mr. Abdul Qayyum, Accountant demanded the bribe of 50% of amount of bills to clear the cheques of supplier. Payment to supplier has not been made till date.

Audit was of the view that un-passing of cheques of supplier without any justification and availability of funds was unjustified, which showed mala-fide intention on behalf of the concerned officers.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that an inquiry may be initiated to investigate the matter and responsibility may be fixed on the person (s) at fault.

2.1.5.20 Non-constitution of Governing Body in violation of Ordinance

Clause 6 (a) & (b) of the Provincial Employees' Social Security Ordinance, 1965, states that In addition to the powers conferred on, and the functions entrusted to it by the other provisions of this Ordinance or by the rules, the Governing Body shall have powers (a) to approve the budget estimates, the audited accounts and the annual report of the Institution for submission to Government in accordance with the provisions of this Ordinance; and (b) to call for any information, or direct any research to be made for the furtherance of the objects of this Ordinance.

During audit of Balochistan Employees Social Security Institution (BESSI) Quetta, for the year 2021-22, it was observed that Board of Governing Body was not constituted from the last two years in violation of Provincial Employees' Social Security Ordinance, 1965 resulting mismanagement and misuse of powers. In the absence of Governing body, utilization of funds under different head of accounts for the year 2021-22 was irregular and administrative decisions such as up-gradation to selective Social Security Officers and Medical Officers by the Commissioner are illegal.

Audit was of the view that due to non-constitution of Governing Body, expenditures are irregular, unjustified and this showed weak internal control.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that Governing Body may be constituted immediately and up-gradation of staff and other decisions may be regularized. In future, administrative and financial decisions may not be taken in the absence of Governing Body.

2.1.5.21 Unjustified posting of accounts staff to Inspection Team

S. No. (iii) of the Balochistan Employees' Social Security Institution (Service) Regulations, 1994, notification dated 11-12-1995, states that there shall apply to all person holding post in the service as specified in appendix "A" as below:

Nomenclature of the posts	Minimum Qualification	Method of appointment
Account/Audit Officer (BS-16)	B.Com with 3 year experience of Accounts/ Audit Work	50% by initial recruitment 50% by promotion

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta for the year 2021-22, it was observed that management issued a notification on July 15, 2022 regarding constitution of Inspection Committee comprising Accounts Officer who was required to maintain Accounts / Finance of the institution. However, management was continuously posting such irrelevant background officers to inspection team instead of a qualified Social Security Officer. Detail is as under;

S#	Name of Officer	Assigned Post
1	Mr. Muhammad Rafique, Accounts Officer	In Chair
2	Mr. Muhammad Waris, Sr. Accounts Officer	Member
3	Mr. Ghulam Rasool, Sr. Social Security Officer	Member.

Posting of Accounts officers as the members of Inspection Team was held irregular and unjustified.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that practice of posting to Accounts Officers to irrelevant team / job may be stopped and corrective measures may be taken to avoid the irregularity in future.

2.1.5.22 Irregular promotion as Senior Accounts Officer

The Labour & Manpower Department, Government of Balochistan vide Notification No. SO-III/(I.)18-6/2012/232-40 dated 10-03-2015, the post of Account Officer (BS-16) was upgraded to BS-17 in BESSI w.e.f. 26-02-2015.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that management promoted Mr. Muhammad Waris, Accounts Officer, as Senior Account Officer (BS-18) vide Notification dated 03-03-2017. He was promoted on the post (Senior Accounts Officer), which was not available in Service Rules of BESSI, 1994, which is also violation of above notification according to which the post of Account Officer (BS-16) was upgraded as Account Officer (BS-17).

Audit was of the view that promoting an officer to the post which does not exist in service rules was unjustified, illegal and undue favor to the concerned person (s). Moreover, management violated the notification of Labour Department by promoting concerned officer in Grade 18.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that concerned officer may be reverted to his actual post and recover the pay and allowance allowed in upper grade; action may also be taken against the person (s) at fault for his irregular promotion.

2.1.5.23 Irregular appointment, reinstatement and promotion of Account Officer

The operative part of Judgment of High Court of Balochistan as “It appeared from the record that the respondent No.1 (Secretary Labour) has not convened a meeting of the Governing Body and acted arbitrarily. The notification issued by respondent No.1 is without legal backing, where law provides and act done in particular manner it must be done at the manner and doing something which is in conflict with that requirement would be not only unlawful but mala fide. In view of the above, the petition is allowed. The impugned notification extent of reverting order of the petitioner from the post of Accountant (BPS-17) to the post of stenographer is concerned; the petitioner may approach the competent forum for redressal of his grievance.

Balochistan Employees Social Security Institution (Services) Regulations, 1994, states that the minimum Qualification for the post of Junior Scale Stenographer BPS-12 is matric with diploma in shorthand and typing 30 word per minute and for the post of Accounts/Audit Officer BPS-16 is B.Com with 3 years' experience of account/audit work, method of recruitment is 50% by initial recruitment, 50% by promotion from amongst the members of the services holding the post of Account / Audit Officer with at least 3 years' experience in account/audit work.

During audit of Balochistan Employees Social Security Institution (BESSI) HO, Quetta for the year 2021-22, it was observed that management appointed Mr. Muhammad Rafique as Junior Scale Stenographer (BS-12) vide letter dated 02-02-2012 on the terms and conditions of BESSI services Regulations 1995 without having prescribed qualification of diploma in Shorthand and typing and promotion as Accounts Officer (BPS-17) in violation of recruitment and promotion rules. Moreover, he was terminated from the service over established charges of embezzlement in contribution funds received from different units. Accordingly, he was first reverted as Stenographer by the Labour and Manpower Department, Government of Balochistan vide notification No. SO-(Estt) (L)1-31/2020/2438-43 dated 03-12-2021 on the recommendation of Departmental Audit Inspection Committee with immediate effect. Thereafter, he was suspended and later terminated from the service.

The ex-Accounts Officer filed an appeal in High Court Balochistan, Quetta. The learned Court allowed the appeal of petitioner to the extent that petitioner may be reinstated in service as Stenographer by mentioning that Secretary, Labour Department was not competent to terminate the employee but same matter was required to be presented before Governing Body. However, in violation of the orders of Hon'ble High Court of Balochistan, the concerned officer was reinstated as Account Officer (BS-17) vide notification dated 22-04-2022 instead of Stenographer.

Audit was of the view that his appointment on the post of stenographer was against the High Court orders and recruitment / promotion rules. However, the management again unlawfully reinstated his service as Accounts Officer.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that recovery of embezzlement amount and salary drawn as Stenographer to Account Officer may be recovered from concerned employee besides taking action as per applicable Efficiency & Disciplinary Rules.

(DP No. 22 & 23)

2.1.5.24 Irregular/ unjustified appointment as Jr. Scale Stenographer (BPS-14) and promotion as Accounts Officer (BPS-17)

Balochistan Employees Social Security Institution (Services) Regulations, 1994, states that the minimum Qualification for the post of Junior Scale Stenographer BPS-12 is matric with diploma in shorthand and typing 30 word per minute and for the post of Accounts/Audit Officer BPS-16 is B.Com with 3 years' experience of account/audit work, method of recruitment is 50% by initial recruitment, 50% by promotion from amongst the members of the services holding the post of Account / Audit Officer with at least 3 years' experience in account/audit work.

During audit of Balochistan Employees Social Security Institution (BESSI) HO, Quetta for the year 2021-22 it was observed that management appointed Mr. Muhammad Rafique as Junior Scale Stenographer (BS-12) vide letter dated 02-02-2012 on the terms and conditions of BESSI services Regulations 1995 without having prescribed qualification of diploma in Shorthand and typing and promotion as Accounts Officer (BPS-17) in violation of recruitment and promotion rules.

After appointment as Jr. Scale Steno management continuously violated rules by giving him acting charge of Assistant Private Secretary vide letter dated 31-07-2019 and again gave him acting charge of Accounts Officer on December 2019. Later on he was regularized as Accounts Officer BS-17 vide letter dated 30-09-2020, which is serious violations as cadre change is not allowed in the rules of BESSI.

There was the right of Audit/Account Assistant with prescribed qualification and experience working in the institution, which was ignored, but the management promoted the ineligible person having irrelevant qualification of BA instead of B.Com and was third number in seniority list of Stenographers.

Audit was of the view that appointment as Stenographer and promotion to Accounts Officer without fulfillment of codal formalities is irregular and illegal.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter of irregular appointment and promotion besides fixation of responsibility on person (s) at fault and recovery of pay and allowances must be recovered from him under intimation to Audit.

2.1.5.25 Non-production of auditable record

Section 14 (2) & (3) of 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 all reasonable expedition. (3) Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that despite issuance of 41 requisitions, reminders and several verbal requests, management failed to produce the auditable record (**Annex-5**).

Audit was of the view that due to non-production of record, the audit was unable to certify authenticity of transactions and chances of financial infringement cannot be ruled out.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends investigation of the matter for fixing of responsibility on the person (s) at fault.

2.1.5.26 Appointments made in excess of sanctioned strength

Section-V of Letter of the Government of Balochistan, Services & General Admn: Department No. S.V. (S&GAD)2-40/93/177-98 dated 31-01-2005 instructed to all the administrative secretaries that the departments when advertise posts in Newspapers for filling up the vacant positions they usually avoid giving complete details, including the categories and exact number of posts”.

During audit of Balochistan Employees Social Security Institution (BESSI), Quetta & Hub for the year 2021-22, it was observed that the management invited applications to fill the 26 number of following positions which were advertised vide PRQ No. 196/4-8-2020 dated 04-08-2020. However, due to serious violation in recruitment process, the Chief Minister of Balochistan approved the inquiry against the Chairman Recruitment Committee & 04 other members vide letter nil dated 25-07-2022. As per Inquiry Committee Report dated July 25, 2022, following 10 appointments were made over and above sanctioned strength:

S#	Name of Posts	Excess	S#	Name of Posts	Excess
1	Assistant Computer Operator (BS-12)	01	4	Nursing Orderly (BS-04)	02
2	Junior Clerk (BS-11)	03	5	Driver (BS-04)	02
3	Dispenser (BS-06)	01	6	Ward Boy (BS-04)	01

Moreover, some posts i.e. General Foreman, Assistant Computer, OT Technician, X-Ray Technician, Vaccinator, Helper, OT Attendant & Lab Attendant do not exist in the Balochistan Employees’ Social Security Institution (Service) Regulations, 1994 issued vide notification dated 11-12-1995. Furthermore, some new appointments did not meet criteria of appointment i.e. qualification / diploma etc.

Audit was of the view that appointment beyond sanctioned strength and against the post which did not exist was irregular and unjustified.

The matter was reported to the management on August 12, 2022. However, no reply was received.

Despite request and subsequent reminders on 28.12.2022, 13.01.2023 and 01.02.2023, DAC meeting was not convened by the PAO.

Audit recommends that necessary action may be taken against the Selection Committee, besides, appointments may be declared null and void and fresh advertisement may be made accordingly.

ANNEXES

MFDAC Paras

The Directorate General of Commercial Audit & Evaluation, Karachi on behalf of the Auditor-General of Pakistan, conducted the audit of organizations of Government of Balochistan which maintain their accounts on commercial pattern.

As a result of audit conducted during 2021-22, various types of financial irregularities and losses of public money, etc., were detected and reported to the Departments and organizations concerned. The important irregularities/ losses and malpractices pertaining to various organizations have been printed in this report, while irregularities/losses not considered worth reporting to the PAC as listed below were left for Departmental Accounts Committees. The same will be discussed with the respective Secretaries to the Departments by the Director General, Commercial Audit & Evaluation, Karachi.

S.#	Subject	(Rs. in million)
Small Industries Wing, Quetta		
1.	Non-finalization of Annual Accounts 2021-22	-

Non-submission of Audited Accounts

Annual audited accounts of Public Sector Enterprises for the year 2021-22 were required to be submitted to the Directorate General of Commercial Audit & Evaluation, Karachi by November 30, 2022. Despite requests, the organizations (listed below) failed to submit their annual audited accounts for the year(s) indicated against each by the prescribed date. While non-submission of audited accounts needs to be explained, Audit requires efforts by concerned PAOs for immediate finalization and submission thereof:

Industries and Commerce Department	
Government Printing Press, Quetta	1988-89 to 2021-22
Small Industries Wing, Quetta	2015-16 to 2021-22
Labour and Manpower Department	
Balochistan Employees Social Security Institution	2017-18 to 2021-22

Annex-3
(Para No. 2.1.5.5)

Effective Period	Total workers	Minimum wages	Charged contribution on wage	Fixed rate	Rate per worker as per applicable minimum wage	Existing Contribution	Difference per month	Amount of difference per month	Total difference during FY 2021-22
01-07-2021 to 31-03-2022	8,834	20,000	10,000	6%	1,200	600	600	5,300,400	47,703,600
01-04-2022 to 30-06-2022	8,834	25,000	10,000	6%	1,500	600	900	7,950,600	23,851,800
Total	-	-	-	-	-	-	-	13,251,000	71,555,400

Annex-4
(Para No. 2.1.5.12)

Funds drawn by name of employees of BESSI during FY - 2021-22					
S#	Particulars	Cheque #	Date	Drawn Amount (Rs)	Drawn in favor of
1	Chq Paid Cash	1092	2/7/2021	68,530	Sarfaz
2	Chq Paid Cash	1054	6/7/2021	25,000	Kashif
3	Chq Transfer	1084	7/7/2021	48,402	Abdul Rab
4	Chq Transfer	1093	7/7/2021	6,660	Kashif Haider
5	Chq Transfer	1085	17/7/2021	48,402	Abdul Rab
6	Chq Paid - Cash	1101	2/8/2021	35,000	Abdul Qayyum
7	Chq Paid - Cash	1104	2/8/2021	92,780	Abdul Qayyum
8	Chq Paid - Cash	1106	2/8/2021	86,000	Abdul Qayyum
9	Chq Transfer	1097	3/8/2021	48,402	Abdul Rab
10	Chq Transfer	1102	3/8/2021	20,000	Sumaira Saeed
11	Chq Paid Cash	1086	3/8/2021	52,610	Abdul Qudoos
12	Chq Paid Cash	1094	3/8/2021	22,600	Amanullah
13	Chq Paid Cash	1096	3/8/2021	98,424	Ameer Muhammad Khan
14	Chq Paid - Cash	1108	5/8/2021	62,000	Abdul Qayyum
15	Chq Paid - Cash	1111	11/8/2021	57,000	Abdul Qayyum
16	Chq Paid - Cash	1115	11/8/2021	98,400	Abdul Qayyum
17	Chq Paid - Cash	1111	11/8/2021	57,000	Abdul Qayyum
18	Chq Transfer	1118	12/8/2021	25,000	M Hussain SO
19	Chq Dr. Online	1098	24/8/2021	52,610	Abdul Qudoos
20	Chq. Transfer	1127	1/9/2021	76,600	Abdul Qayyum
21	Chq Paid Cash	1109	1/9/2021	28,500	Amanullah
22	Chq Dr. Online	1010	3/9/2021	20,000	Mohammad Ali
23	Chq Dr. Online	1100	3/9/2021	20,000	Mohammad Ali
24	Chq Dr. Online	1122	3/9/2021	20,000	Mohammad Ali
25	Chq Transfer	1120	3/9/2021	58,705	Abdul Rab
26	Chq Transfer	1121	3/9/2021	58,705	Abdul Rab
27	Chq Transfer	1123	3/9/2021	29,324	Sumaira Saeed
28	Chq Paid - Cash	1125	3/9/2021	74,964	Abdul Qayyum
29	Chq Paid - Cash	1126	3/9/2021	98,150	Abdul Qayyum
30	Chq Paid - Cash - Self	1129	3/9/2021	35,000	Abdul Qayyum
31	Chq Paid - Cash	1119	4/9/2021	34,000	Amanullah
32	Chq Transfer	1136	4/10/2021	35,935	Kashif Haider
33	Chq Transfer	1140	4/10/2021	58,705	Abdul Rab
34	Chq Transfer	1147	4/10/2021	40,635	Asif
35	Chq Paid Cash	1137	4/10/2021	58,157	Ajmal Rasheed
36	Chq Paid Cash	1138	4/10/2021	90,512	Imran Khan
37	Chq Paid Cash	1146	4/10/2021	69,398	Imran Khan
38	Chq Transfer	1132	5/10/2021	29,542	Nazir Ahmed
39	Chq Transfer	1143	5/10/2021	20,000	Sumaira Saeed

40	Chq Transfer	1144	5/10/2021	53,520	Qabl Khan SO
41	Chq Transfer	1141	6/10/2021	58,705	Abdul Qudoos
42	Chq Paid - Cash	1156	15/10/2021	120,600	Shujaul Mulk
43	Chq Paid - Cash	1161	16/10/2021	52,300	Imran Khan
44	Chq Paid - Cash	1163	25/10/2021	42,300	Imran Khan
45	Chq Transfer	1165	28/10/2021	24,949	Kashif Haider
46	Chq Paid - Cash	1162	1/11/2021	13,971	Manzoor Ahmed
47	Chq Paid - Cash	1171	1/11/2021	77,960	ShujaUIMulk
48	Chq Transfer	1174	3/11/2021	58,270	Abdul Rab
49	Chq Transfer	1177	6/11/2021	84,528	ZafarUllah
50	Chq Paid Cash	1172	9/11/2021	96,192	Kashif Haider
51	Chq Transfer	1184	10/11/2021	64,870	Qabl Khan SO
52	Chq Dr. Online	1180	12/11/2021	41,900	Bashir Ahmed
53	Chq Transfer	1190	16/11/2021	58,705	Abdul Qudoos
54	Chq Transfer	1200	17/11/2021	26,000	Kashif Haider
55	Chq Transfer	1218	2/12/2021	28,121	Kashif Haider
56	Chq Transfer	1220	2/12/2021	47,620	Sohbat Khan
57	Chq Paid Cash	1209	2/12/2021	99,964	Imran Khan
58	Chq Transfer	1224	4/12/2021	20,000	Qabl Khan SO
59	Chq Transfer	1215	7/12/2021	58,270	Abdul Rab
60	Chq Transfer	1219	7/12/2021	78,262	Abdul Qayyum
61	Chq Paid Cash	1210	8/12/2021	74,000	MR Haibat
62	Chq Paid - Cash	1226	8/12/2021	79,070	Imran Khan
63	Chq. Dr. Online	1232	9/12/2021	21,350	ZaheerTalib
64	Chq Transfer	1217	9/12/2021	20,000	SumairaSaeed
65	Chq. Paid Cash	1223	9/12/2021	38,450	Ameer Muhammad Khan
66	Chq Paid - Cash	1225	11/12/2021	120,600	ShujaUIMulk
67	Chq. Paid Cash	1207	15/12/2021	36,000	DanyalSikandar
68	Chq. Transfer	1234	18/12/2021	27,139	Kashif Haider
69	Chq Paid - Cash	1261	30/12/2021	77,960	Shujaul Mulk
70	Chq. Transfer	1268	5/1/2022	56,577	Abdul Rab
71	Chq Transfer	1270	7/1/2022	20,000	Sumaira Saeed
72	Chq. Dr. Online	1252	11/1/2022	41,430	Muhammad Afzal
73	Chq. Dr. Online	1237	11/1/2022	67,400	Imran
74	Chq. Transfer	1275	13/1/2022	35,739	Kashif Haider

75	Chq Paid Cash	1283	14/1/2022	87,800	Kashif Haider
76	Chq Paid - Cash	1280	15/01/2022	73,927	Abdul Qayyum
77	Chq Transfer	1254	17/01/2022	82,200	Sohbat Khan
78	Chq Paid - Cash	1282	15/01/2022	87,900	Abdul Qayyum
79	Chq Paid - Cash	1286	19/01/2022	122,300	Shujaul Mulk
80	Chq Paid - Cash	1291	19/01/2022	56,000	Shujaul Mulk
81	Chq Paid Cash	1266	20/01/2022	87,500	Ameer Muhammad Khan
82	Chq Paid Cash	1278	24/01/2022	19,748	Hamad
83	Chq Paid - Cash	1287	25/01/2022	96,200	Abdul Qayyum
84	Chq. Dr. Online	1255	26/01/2022	104,740	Khair Muhammad
85	Chq Dr. Online	1233	1/2/2022	81,718	Muhammad Ahmed
86	Chq Paid Cash	1279	3/2/2022	66,926	Muhammad Ali
87	Chq Paid Cash	1281	3/2/2022	88,906	Abdul Rab
88	Chq Paid - Cash	1285	3/2/2022	28,000	Abdul Qayyum
89	Chq Paid - Cash	1284	4/2/2022	53,840	Abdul Qayyum
90	Chq Paid - Cash	1295	3/2/2022	70,000	Abdul Qayyum
91	Chq Transfer	1294	4/2/2022	20,000	Sumaira Saeed
92	Chq Paid - Cash	1276	7/2/2022	56,142	Muhammad Iqbal
93	Chq Paid Cash	1293	7/2/2022	56,577	Abdul Rab
94	Chq Transfer	1298	8/2/2022	27,597	Kashif Haider
95	Chq Paid - Cash	1289	8/2/2022	55,000	Abdul Qayyum
96	Chq Paid - Cash	1289	8/2/2022	63,060	Abdul Qayyum
97	Chq Paid - Cash	1304	10/2/2022	135,000	Abdul Qayyum
98	Chq Paid - Cash	1302	11/2/2022	26,000	Atiq
99	Chq Paid - Cash	1306	11/2/2022	25,000	Abdul Qayyum
100	Chq Paid - Cash	1305	15/02/2022	86,800	Abdul Qayyum
101	Chq. Dr. Online	1253	18/2/2022	48,050	Bashir Ahmed
102	Chq. Paid Cash	1296	21/2/2022	58,705	Abdul Qadoos
103	Chq. Paid Cash	1307	23/2/2022	70,600	Sarfaz
104	Chq Paid Cash	1309	24/2/2022	17,403	Muhammad Ali
105	Chq Transfer	1312	26/2/2022	15,840	Qabl Khan SO
106	Chq Paid Cash	1311	28/2/2022	77,070	Ameer Muhammad Khan
107	Chq Paid - Cash	1315	28/02/2022	88,754	Abdul Qayyum
108	Chq Paid - Cash	1318	28/02/2022	70,000	Abdul Qayyum
109	Chq Paid - Cash	1321	28/02/2022	88,756	ShujaUIMulk

			2		
110	Chq Paid Cash	1317	3/3/2022	56,577	Abdul Rab
111	Chq Dr. Online	1183	3/3/2022	15,345	Abdul Nasir
112	Chq Paid – Cash	1325	7/3/2022	91,500	Abdul Qayyum
113	Chq Paid – Cash	1331	10/3/2022	75,600	Abdul Qayyum
114	Chq Paid – Cash	1336	14/03/2022	86,800	Abdul Qayyum
115	Chq Paid Cash	1326	19/3/2022	27,000	Kashif Haider
116	Chq Paid Cash	1327	19/3/2022	36,900	Kashif Haider
117	Chq Paid Cash	1323	21/3/2022	10,000	Atiq
118	Chq Transfer	1334	22/3/2022	54,547	Kashif Haider
119	Chq Transfer	1339	22/3/2022	45,460	Qabl Khan SO
120	Chq Paid – Cash	1338	25/3/2022	86,520	Abdul Qayyum
121	Chq Dr. Online	1272	26/3/2022	194,000	Muhammad Saleem
122	Chq Transfer	1345	29/3/2022	25,700	Kashif Haider
123	Chq Paid Cash	1341	30/3/2022	55,400	Ameer Muhammad Khan
124	Chq Transfer	1354	6/4/2022	98,920	Kashif Haider
125	Chq Paid – Cash	1346	6/4/2022	54,920	Abdul Qayyum
126	Chq Dr. Online	1271	7/4/2022	194,000	Muhammad Saleem
127	Chq Transfer	1350	23/4/2022	56,577	Abdul Rab
128	Chq Paid – Cash	1351	23/04/2022	34,000	Abdul Qayyum
129	Chq Paid – Cash	1361	23/04/2022	34,000	Abdul Qayyum
130	Chq Paid Cash	1365	12/5/2022	600,000	Kashif Haider
131	Chq Paid – Cash	1366	13/05/2022	117,662	Abdul Qayyum
132	Chq Paid – Cash	1367	13/05/2022	95,642	Abdul Qayyum
133	Chq Transfer	1360	23/4/2022	56,577	Abdul Rab
134	Chq Paid – Cash	1368	18/05/2022	18,360	Abdul Qayyum
135	Chq Paid – Cash	1369	18/05/2022	34,000	Abdul Qayyum
136	Chq Paid Cash	1370	18/5/2022	91,260	Ameer Muhammad Khan
137	Chq Paid – Cash	1387	20/05/2022	92,220	ShujaUIMulk
138	Chq Paid Cash	1373	23/5/2022	84,000	Ameer Muhammad Khan
139	Chq Paid Cash	1386	23/5/2022	108,800	Ameer Muhammad Khan
140	Chq Paid Cash	1379	24/5/2022	44,519	Kashif Haider
141	Chq Paid Cash	1376	27/5/2022	66,070	Kashif Haider
142	Chq Paid Cash	1377	28/5/2022	16,826	Abdul Aziz
143	Chq Paid Cash	1380	28/5/2022	1,784	Abdullah
144	Chq Paid Cash	1382	28/5/2022	44,411	Abdullah

145	Chq Paid Cash	1383	28/5/2022	44,631	Abdullah
146	Chq Paid Cash	1378	30/5/2022	1,244	Kashif Haider
147	Chq Paid Cash	1381	30/5/2022	15,388	Kashif Haider
148	Chq Transfer	1403	7/6/2022	59,413	Abdul Rab
149	Chq Transfer	1404	7/6/2022	58,705	Abdul Qudoos
150	Chq Transfer	1407	7/6/2022	27,633	Tahra Ayaz
151	Chq Paid Cash	1392	7/6/2022	88,340	Kashif Haider
152	Chq Paid Cash	1408	7/6/2022	73,532	Kashif Haider
153	Chq Dr. Online	1409	8/6/2022	226,368	Muhammad Saleem
154	Chq Transfer	1414	9/6/2022	67,170	Qabl Khan SO
155	Chq Paid Cash	1399	9/6/2022	66,862	Manzoor Ahmed
156	Chq Transfer	1415	10/6/2022	98,868	Kashif Haider
157	Chq Paid Cash	1372	13/6/2022	71,575	Muhammad Akbar
158	Chq Paid Cash	1395	13/6/2022	77,340	Ghulam Rasool
159	Chq Paid Cash	1397	13/6/2022	77,640	Muhammad Akbar
160	Chq Paid Cash	1402	14/6/2022	56,234	Kashif Haider
161	Chq Paid Cash	1412	14/6/2022	64,877	Kashif Haider
162	Chq Transfer	1388	16/6/2022	17,632	Ghulam Rasool
163	Chq Transfer	1389	16/6/2022	19,006	Muhammad Ibrahim
164	Chq Transfer	1391	16/6/2022	37,000	Kashif Haider
165	Chq Transfer	1393	16/6/2022	16,200	Ghulam Rasool
166	Chq Paid Cash	1394	16/6/2022	14,088	Abdullah
167	Chq Paid Cash	1411	16/6/2022	2,000	Ghulam Rasool
168	Chq Paid Cash	1413	16/6/2022	3,642	Muhammad Ibrahim
169	Chq Paid Cash	1419	20/6/2022	95,642	Kashif Haider
170	Chq Paid Cash	1420	20/6/2022	34,700	Kashif Haider
171	Chq Paid Cash	1422	20/6/2022	36,000	Kashif Haider
172	Chq Paid Cash	1424	20/6/2022	15,840	Kashif Haider
173	Chq Paid Cash	1425	21/6/2022	86,756	Kashif Haider
174	Chq Paid Cash	1426	21/6/2022	98,266	Kashif Haider
175	Chq Paid Cash	1430	27/6/2022	31,000	Kashif Haider
176	Chq Paid Cash	1445	29/6/2022	70,230	Kashif Haider
177	Chq Paid Cash	1444	30/6/2022	62,472	Kashif Haider
178	Chq Paid Cash	1447	30/6/2022	76,220	Kashif Haider
Total				10,876,844	

Annex-5
(Para No. 2.1.5.25)

Non-production of record					
Sr#	Requisition No.	Particulars			
1	Req. No. 13/BESSI(Hub)/2021-22 dated 03-08-2022	1. Complete record of medicines procured during FY 2021-22 in the given format:			
		Name of vendor	Quantity of medicines procured	Total amount paid	Payment of tax (withholding + if any other tax paid) as per section 236H & 236G of the income tax ordinance, 2001 & tax deduction / deposit on supplies alongwith CPR Slip
2	Req. No. 12/BESSI(Hub)/2021-22 dated 03-08-2022	1. BESSI (Hub) inspection report 2021-22 2. Complete file of Court case CP No. 71/2022 3. Complete file of Court case CP No. 184/2022 4. Receipt of deposit into account of contribution collection from all industries situated at Hub Gaddani & Winder for the period 2021-22 5. Inspection Demand letter issued by BESSI, Hub to the different companies			
3	Req. No. 8/BESSI(Hub)/2021-22 dated 02-08-2022	4. Detail of operational bank accounts in respect of contribution collection, benefits disbursement, investment and all other accounts along with bank reconciliation statement			
4	Req. No. 10/BESSI(Hub)/2021-22 dated 02-08-2022	9. Budget allocation and its expenditure 10. Budget Control register			
5	Req. No. 7/BESSI/2021-22 dated 10-08-2022	1. Complete detail of annual contribution target set by the BESSI for the period to 2021-22 2. Complete detail of annual contribution achieved as per target for the period to 2021-22 3. Complete details of contribution collected by BESSI for the year 2021-22			
6	Req. No. 8/BESSI/2021-22 dated 10-08-2022	4. Detail of operational bank accounts in respect of contribution collection, benefits disbursement, investment and all other accounts along with bank reconciliation statement			
7	Req. No. 10/BESSI/2021-22 dated 10-08-2022	9. Budget allocation and its expenditure 10. Budget control register.			